



35 years of Municipalities in Hungary

- Before and after Orban's era -

KONRAD ADENAUER STIFTUNG

Szabó Tamás PhD. President of the Curatorium, associate professor

June 12th, 2026

Budapest

Autonomy and Centralization in the public administration after 1990 in Hungary

Local self-government is one of the most significant political and social achievements of the Hungarian transition of 1989-1990. The local community's rights to and opportunities for autonomy are one of the most important basic the foundation of democratic governance



Local autonomy has had weak financial and operational conditions since the regime change in 1990. Local government autonomy has focused exclusively on settlements (villages, towns, cities). However the role of county governments in regional governance has always remained limited so far. Moreover, central governments have undermined the autonomy of local governments through covert or overt means.

The beginning of the modern municipalism in Hungary



The twilight of Soviet-Style Local Council System in 1989-1990

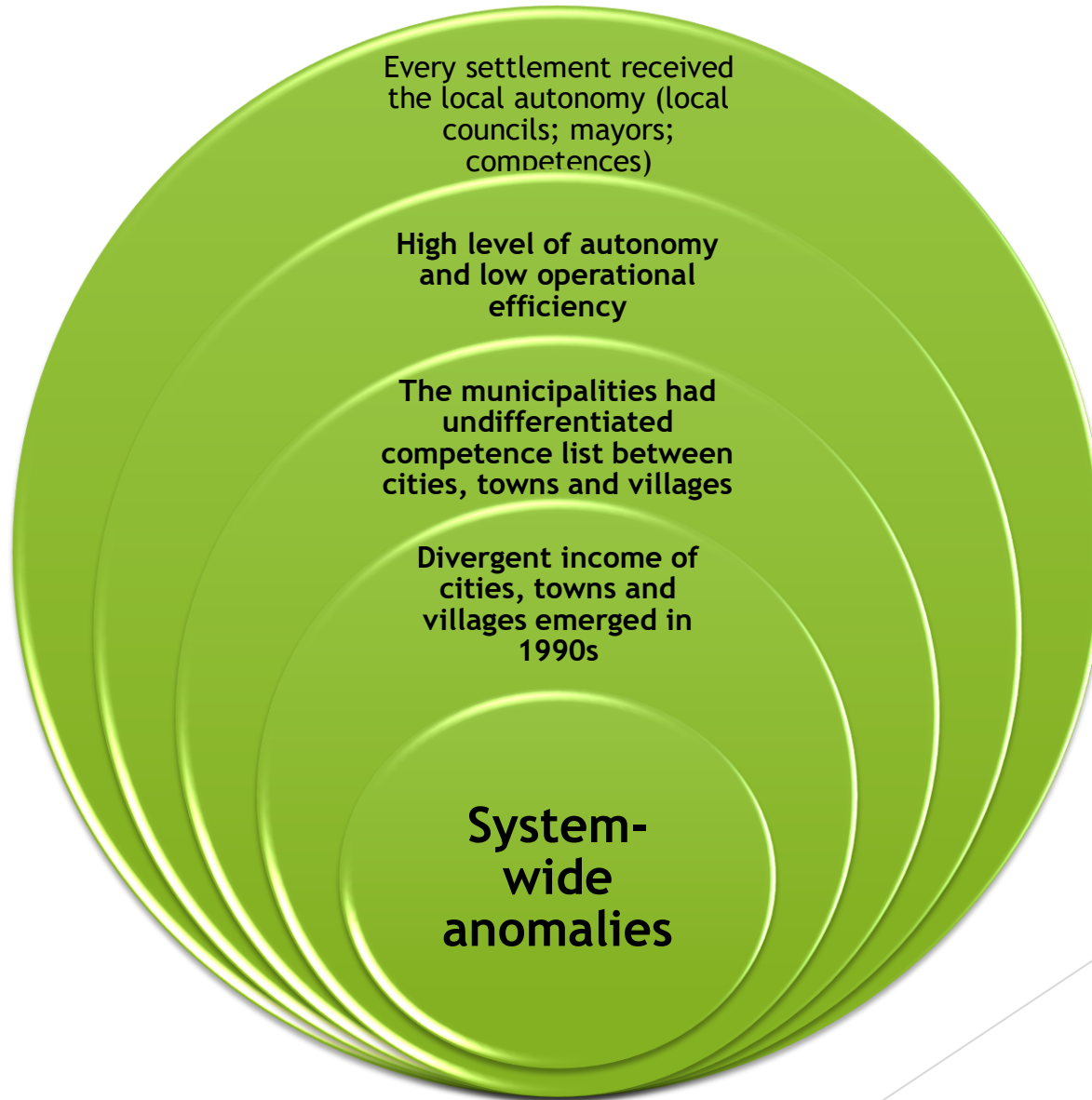
Adoption of The European Charter of Local Self-Government Charta in 1985
(by the Hungarian Government and Parliament in 1990s)

The historical compromise between the new parties in Parliament in 1990

Strong autonomy and fragmented structure in the first act on Local Governments in 1990

Enthusiastic but inexperienced individuals in local politics as new decision makers

Anomalies in the First 20 Years of the Hungarian Local Government Modell



The Debt Crisis among the municipalities in the 2000s



The landside victory of Viktor Orbán and the Fidesz Party in the 2010 parliamentary and local government elections

A clear political commitment to reforming the system

The previous left-wing central government's crushing defeat in 2010

An unprecedented Fidesz victory in the local elections in October of 2010



A two-third majority in the Fidesz-led Parliament after 2010 (New Constitution and new Act on Local government, 2011)

There was no need for a compromise between the new Government and the political opposition

Analyzing correlations between the regulatory, financial and political aspects on the local policy after 2010

Regulatory aspects

- Adoption of a new Constitution and a new Local Government Act in 2011
- Significant lawmaking by Parliament in the areas of public education, healthcare, social services, and municipal management
- Strengthening the institutional framework and authority of regional state administration (19 county government offices and the metropolitan government office in Budapest from 2011; 174 district offices and 23 metropolitan district offices in Budapest from 2013). These offices are working as integrated administration units

Financial aspects

The debt of municipality sector was taken over by the Orban-government until 2014

The introduction of a new, stricter "activity-based funding" model

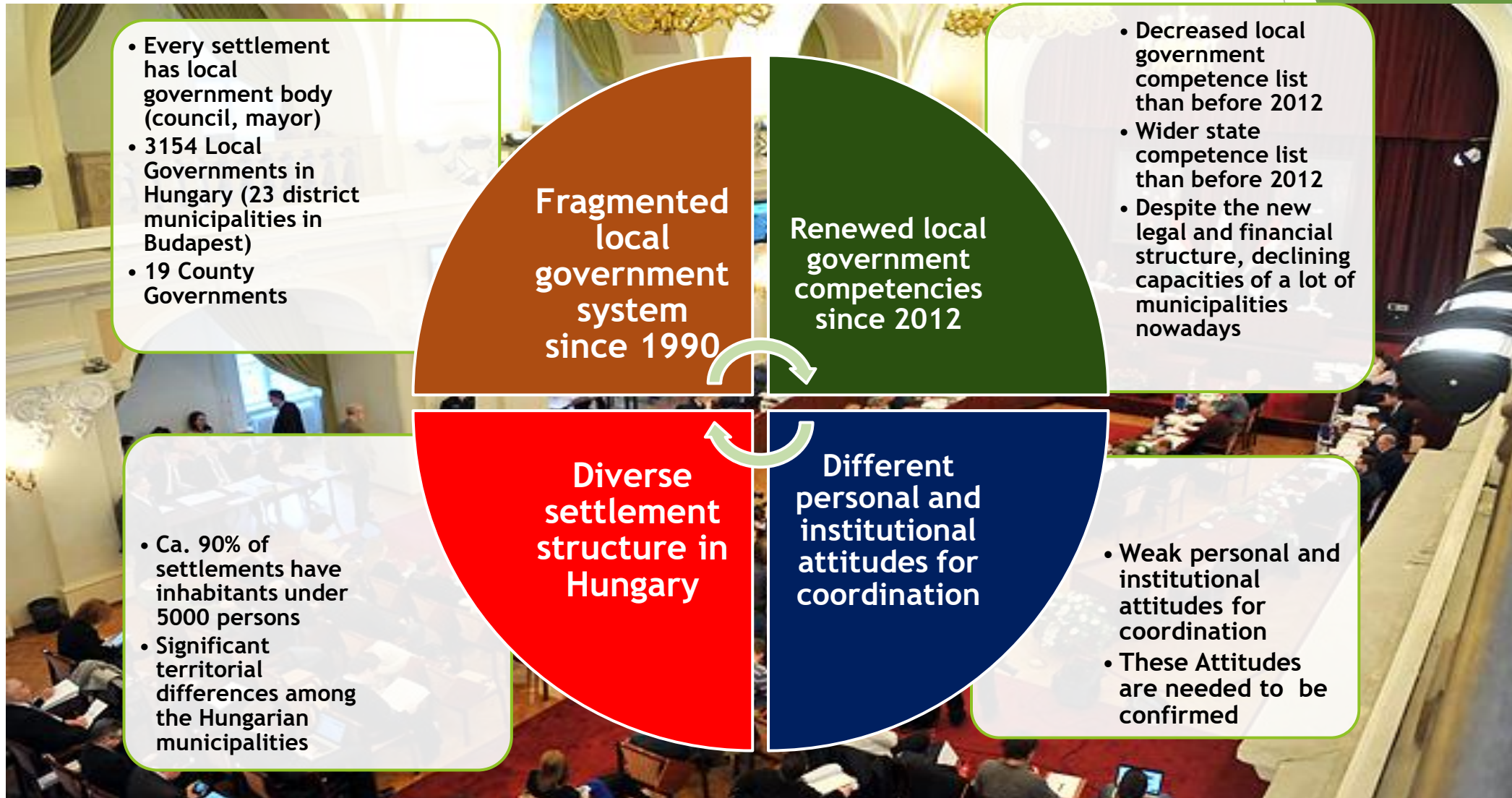
Political aspects

The central governments led by Viktor Orbán has underestimated the legal, political, and economic roles of the municipalities, as well as the importance of local politics

The importance of loyalty to the central government has increased among the municipalities



The long-standing challenges of the Hungarian local government system



So-called Municipal Conflict container and its components in the 2020s



ELEMENTS OF MUNICIPAL CONFLICT CONTAINER

AUTHORITY ELEMENTS	FINANCIAL ELEMENTS
<ul style="list-style-type: none"> – Lack of capacity for the public services on villages mainly – Undifferentiated mandatory competences by the Act – Administrative burden for the public services and tendering – Inadequate authority conditions (building authorities, waste management, strong central administration legal review of municipal decisions) 	<ul style="list-style-type: none"> – The solidarity tax as an unfair burden on municipalities since 2016 – Creeping centralization since COVID pandemic (local tax on car usage taking over by the central government; emergency medical services and family nurses on early childhood) – The task-based financial model has some difficulties. – Spill-over effect public services in the urban and rural areas
HUMAN RESOURCES & COORDINATION ELEMENTS	POLITICAL ELEMENTS
<ul style="list-style-type: none"> – The low pay conditions of civil servants are in local governments especially in the villages. – It is necessary to strengthen cooperation among local governments. – We should terminate the previously invisible and unfair lobbying practices regarding support and grants 	<ul style="list-style-type: none"> – Political and administrative decision makers (mayors, local representatives, notaries) in the municipalities are afraid of further centralization processes – The role and responsibilities of county governments need to be reevaluated – There needs to be a cooperative relationship between the central government and local governments after the years of tension

A change of government in Hungary in the spring of 2026



Short- and long-term challenges and opportunities on municipal policy in Hungary

The aspect of the fast compensation

- The future of solidarity tax (to remain or disappear)
- The Budapest issue (resolving tension; creating Local Act on Budapest)
- Returning the municipal tasks which taken over by the central governments led by Orbán-governments last 16 years



The holistic goals in the future

- To amplify the capability of Hungarian municipalities
- To restart the EU development funds for Hungarian local governments
- To reach a normal, balanced relationship between local governments and the central government

Thank you for your attention!

Szabó Tamás PhD. associate professor,
President of the Curatorium, Homo Oecologicus
Foundation

szabo.tamas978@gmail.com

