



# **The Evolution of Multi-level Governance in Regional and Environmental Policies in Hungary**

## **Final Report of the National Study for Hungary**

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## **Introductory Remarks**

by Multi-level governance is a relatively new method of policy-making in Hungary, which has received a great impetus with the systemic change in 1989-1990, with the possibility of returning to the principles of democracy and market economy. The process of European integration has set into motion several Europeanization processes, characteristically one for each of the main policy areas, and horizontal processes as well. The emergence of multi-level governance is defined here as the gradual involvement of institutions of all administrative tiers and all sectors into policy-making, and the creation of the suitable framework for this involvement (*Bache, 1998*). In Hungary it can be regarded as a horizontal process, shaping the interactions and decision-making mechanisms of all main policy areas, evolving with special features in each of them. In particular regional policy and environmental policy have demonstrated many undisputable but policy-area-specific but signs of this development, and are suitable for demonstrating the advancement of solutions of multi-level governance.

The style of governance continues to be strongly influenced by inherited structures and traditions of political culture, the longevity of certain structures of existing institutional arrangement, the inherent inactivity of the civil society and the existing structural weaknesses of the economy. After 1990 a political pendulum between parties of the moderate left and of the moderate right has evolved in Hungary, and no incumbent government has managed to win two consecutive general elections. One of the explanations for the phenomenon of the so-called „punishing democracy” is that the significant socio-economic transitions produce on each occasion new losers, who simply put the blame on the government in power. The repeated changes of government are also produced, of course, by changes in party preferences, a high proportion of those who vote do so only on emotional grounds (*Ágh-Kurtán, 1995, Ágh-Ilonszki 1996*). For this reason the development of political culture and style has been motivated by growing competition, and in a time of harsh political climate, loaded with recurrent conflicts, the country was denied of longer periods of consequent and conscious institution-building.

This is the political background of the ongoing transformation of the model and practice of territorial power, the appearance of the regions, the shaping of the territorial decision-making networks, and also of the evolution of contemporary environment protection policies and environmental management. Both investigated policy areas are heavily affected by the decentralisation and adaptation requirements, arising from the legal obligations and financial motivations related to the accession to the European Union.

## **Part I. National and Regional Context of Policy-Making**

### *Section 1. National context of policy-making*

The traditional Hungarian governmental model can be characterised by centralisation, a style of long-term institutional behaviour often rationalised by the moderate size of the country and reinforced by decades of Soviet style socialism. The legal, institutional and financial pillars of centralisation have been shaken by the systemic change of 1989-

1990, with the restoration of parliamentarism and local democracy. However, the political and geographical centres have soon regained their weight in numerous aspects of policy-making and decision making; this applies not so much to the government as a collective decision-making organ, but rather to its line ministries, which have gradually re-centralised for themselves various tools of governmental power such as strong influences on the processes of regulation, resource distribution, and institution maintenance.

However, the re-centralisation processes had to come to terms with those significant changes, which have been introduced right after the systemic change in the Hungarian public administration system on the territorial level, which have occurred in political, structural and functional terms as well.

The model of self-governance endowed the local policy with an extremely wide autonomy. However, the administrative autonomy is not at all accompanied by an economic independence. The number of municipal local governmental legal entities has been increased in the spirit of democracy and autonomy, and the number of local decision-making units was doubled: more than 3.000 local governments replaced the former 1.600 local councils.

From the very beginning the government - respectively the line ministries - have aimed at establishing their own „bridge-head” positions parallel with the local governments in order to capture the most possible from the public tasks and resources. In order to fulfil this tendency, some 40 different types of de-concentrated organs were established on the county- and regional tiers in various policy areas, e.g. in the administration of labour, construction, education, environment protection, consumer protection and agriculture. This development has often contradicted to the principle of local governmental dominance aimed at by the political transition.

Another very important change was the decreasing importance of *the county* as the medium level of the territorial public administration. (Hungary consists of 19 counties plus the capital Budapest.) Since 1990 the “county-debate” has been going on: which should be the territorial tiers of Hungarian public administration, shall the counties be replaced with the micro-regions or with regions bigger than counties? (*Horváth, Gy, 1995*) These debates were based upon no professional but rather political basis. The county debate has created instability and did not produce any future concept, thus it has hindered the concentration of power at the meso-tier. The shaping of the regional institutional system and an analysis of the actions of the participants also highlight the fact that, without regional cohesion or regional tradition, the identity-building of regions is a difficult process full of contradictions in which the participants’ involvement in co-operation can be secured only with the help of artificial means (*Pálné Kovács, 2000*). Various governments have announced several times the reform of the territorial administration, the strengthening of the medium level, the decrease of the number of de-concentrated administrative units and decentralisation, but without much success. (*Report on the Regions 2001*). The ambitious administrative reform announced by the newly elected government in 2002 is still in its preparatory phase.

To sum it up, the development of the Hungarian state is spectacular, as regards its constitutional foundations and democratic rules, but the tradition of centralisation is still alive, mostly because of the uncertain positions of the medium level. The model of local governance proved to be successful, yet it is incomplete regarding the distribution of resources and the lack of viable long-term concept about the governance on the medium level.

The legal regulation of regional policy in 1996 brought about significant changes in the territorial decision-making structure. The objectives of the Act on regional development and physical planning in 1996 involved the necessity of the decentralisation of public administration and a more flexible management of regional policy, establishing partnership with the actors of the social and private sectors. Although the legislator realised the advantages of decentralisation, it remained reluctant to share its competencies in regional policy with the county self-governments. Therefore the legislator introduced a special institution parallel with the public administration: the four-level system of development councils.

The composition of the development councils show tripartite or corporate character, it is varying in the different tiers (national, regional, county and micro-regional).

- At *micro-regional level* the municipalities have a right to create associations for development issues, and these associations can participate in the county councils.
- *County* development councils consist of: a representative of the county assembly, of the cities with county rank, representatives of micro-regional associations, representatives of employers (chambers) and the employees (trade unions), and finally the representative of the ministry responsible for regional policy. The development councils are equipped with far more power and competencies than the directly elected county assemblies that decide upon the development concept of the county and are entitled to distribute state subsidies within an application system.
- *Regions*. The National Regional Development Concept of Hungary, passed by the Parliament at the spring of 1998, defined the number and borders of the NUTS 2 regions. The act on regional development and physical planning made it obligatory to establish regional development councils from 1999.
- At *national level* the National Regional Development Council was established with representatives of regional councils, ministries, the capital city, the national associations of local governments, the economic chambers and the employees. The council had no decision-making competence; it was only an advisory organ for the minister responsible for regional policy.

The newly enacted institutional system of regional development councils has had a significant effect on the whole political and interest representation system in Hungary aiming to harmonize the hierarchical tiers of administration with the civil sector and the economy (*Pálné, Kovács Ilona 2001a*). The paradox in Hungarian regional development policy lies in the centralisation of resource allocation. The proportion of funds serving regional development goals and provided by the state is extremely small when compared to the funds handled by individual line ministries. Only an insignificant percentage (8-10%) of all national development funds was decentralised, also, the ratio of state funding aimed specifically at regional equalisation is extremely low (5-6%). This limits to a large extent the possibilities of the regional decision-making organs.

*Environment protection.* Immediately before the systemic change and ever since the institutions of environment protection has undergone a deep reorganisation. The Hungarian environment- and nature protection policy belongs to a ministerial level direction only since April 1988. It was with that date, that an Environment Protection and Water Management Ministry was established by unifying the earlier National Office for Environment- and Nature Protection, and the National Water Office. The following 15 years has produced a veritable migration of the environmental issues among various line ministries, whereby the protection of the environment was coupled respectively with transport and communication issues, construction, regional development, national monument issues and water management issues. However, the de-concentrated organs of the Ministry, the 12 regional Environmental Protection Agencies have been continuously developed.

With the proceeding of the EU integration process demands on sub-national structures have been intensified. While the formulation of strategy and regulations has remained the responsibility of the centre, various tasks and responsibilities - such as implementation, consultation, legitimisation and co-financing - have been shifted to sub-national level, to local governments, moreover to regional and local state administrations. The capacity of these administrations is limited, both in terms of their resources and expertise.

Similarly to other policy fields, in environment protection also various fora have been created where local, county and regional communities, central agencies, moreover representatives of economic agents and NGOs are able to participate in the decision-making and interest reconciliation process. Thus, the National Council for Environment Protection is an advisory body to the Government, bringing together several authorities on environment, to promote and enhance environmental policy and trying to achieve integration of environment in other policies. Economic interest groups and civil organisations intensively participate in the rule making process, whereby EU integration serves as the framework for argumentation but is often taken as a pretext to enforce vested interests and to deviate investments from their optimal schedule and efficient allocation.

Environmental policies and regulations were continuously and in detail harmonised with EU legislation during the last decade. An "Act on the General Rules of Environment Protection" was accepted in 1995. A National Environmental Protection Program was elaborated and legislated by the Parliament in 1997 (*NEPP 1997*). The Environmental Protection chapter of the National Programme for the Adoption of the Acquis Communautaire (NPAA, 2001) has determined the relevant targets; deadlines concerning legal harmonisation, institution building and implementation needs, and addressed costs and financial resources. By 2002 the country has adopted most of the EU's environmental regulations and norms. Environmental policies are largely based on the use of regulatory and economic instruments, and have been accompanied by sizeable environmental investments, co-financed by the EU in its PHARE and ISPA programs. Inadequate enforcement of environmental regulations and slow development of the institutional system of environment protection is a major concern in Hungary.

Implementation problems arise due to lack of resources, lack of information and weak civic consciousness.

### *Section 2. Regional context*

For both of the investigated policy areas a case study region was selected in order to investigate and to demonstrate the evolution of multi-level governance and its consequences in terms of network building among stakeholder organizations. The Region Southern Transdanubia was selected for illustrating the respective developments in regional policies, and the Region Central Hungary for demonstrating the evolution of networks in environmental policies.

*Regional policy.* *Southern Transdanubia* is considered a region of medium size, representing 15.2% of the total territory of the country. 975 000 people live in this region; this gives the lowest population density of the entire country. The region has numerous small villages, which is a dominant and characteristic feature of this part of the country. The population can be characterised by the low number of live births (9.7‰), high mortality rate (13.9‰) and relatively advanced ageing. The number of population is decreasing. Unemployment rates do not differ significantly from the national data. A dramatic decline in the number of jobs took place in mining, which had very severe negative impacts. The region is rich in natural resources and geographic assets. There are considerable mineral resources and also thermal and medicinal waters. Despite all this, the economic performance of the region is below the national average. Various sectors of technical infrastructure are at different levels of development; in particular transport infrastructure in Southern Transdanubia is amongst the worst of all regions, which can basically be explained by the lack of motorways.

Although Southern Transdanubia is one of the less developed regions in Hungary, it has a relatively rich experience in the development of regional policy. It was the first region in Hungary to create voluntarily the institutions of co-operation at regional level in 1992, and has been in close relation with European regional policy as a pilot region supported by Phare. The experience and connections acquired by the experts participating in regional development thus seemed suitable for the successful implementation of the survey. The evolution of the regional institutional system and the analysis of the actions of the interviewed stakeholders have revealed that, without regional cohesion or tradition, the identity building of regions is a difficult process.

**SWOT analysis of the Region Southern Transdanubia**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Openness to the south, “southern gateway” role</li> <li>• Developed regional centre, diversified regional connections; Pécs is an institutional centre for research activity</li> <li>• Varied, rich landscape, sub-Mediterranean climate</li> <li>• Variety of nationalities; foreign language skills; lively cross-border relations</li> <li>• Developed higher education infrastructure</li> <li>• Strong cultural and historical heritage</li> <li>• 40% of national electricity generation takes place in the region</li> <li>• Basic conditions exist for competitive agriculture</li> <li>• Viniculture, national role in quality grape production</li> <li>• High ratio of forested lands</li> <li>• Thermal and medicinal springs, rapidly developing tourism industry, with a wide variety of tourism products</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively large distance from the main European development axes, peripheral location within the country and weak transport situation, bordered by rivers and other waters</li> <li>• Declining population</li> <li>• Extremely large percentage of inactive income earners (pensioners) and a large number of small villages</li> <li>• Depressed micro- regions</li> <li>• A low percentage of students participating in technical and IT higher education</li> <li>• Reclamation of mining areas not yet completed</li> <li>• Foreign investment has not been attracted into the region, in proportion to its qualities</li> <li>• Environmental problems in certain parts of the region</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Ability to participate more intensively in European economic and social processes</li> <li>• Development of the agricultural structure</li> <li>• Extension of services relying on higher education</li> <li>• Development of complex tourism services and products</li> <li>• Large companies and economic development form the basis for an industrial development strategy</li> <li>• Potential for co-operation with Slovenia and Croatia</li> </ul>	<ul style="list-style-type: none"> <li>• Unless transport improves, the region will not be able to participate in the international division of labour</li> <li>• Polarisation of agriculture will result in loss of international competitiveness</li> <li>• Small villages will be deserted</li> <li>• Lack of funding for the elimination of environmental damage</li> <li>• Renewal of the Yugoslav conflict</li> </ul>

*Environmental policy.* The Region Central Hungary is the smallest among the seven Hungarian regions, but it has the biggest population among the regions. It consists of the capital city Budapest and the surrounding Pest County. The situation of the region is determined by its central position, the relatively highly developed infrastructure, and by the dominance of the capital and its agglomeration. The region contributes two-fifth to the Hungarian GDP, concentrating 40% of all active economic organisations in the country. The importance of financial services and real estate development are constantly growing, enhancing the dominance of service sector within economic structure of the region. The region is one of Central Europe's focal points in terms of attraction of foreign direct investment (FDI). There are considerable differences inside the region: while in Budapest the per capita GDP produced is double of national, and 89% of EU GDP, in the surrounding Pest County per capita GDP is only 78% of the national average. Budapest concentrates branches of production with high added value, like electronics, pharmaceuticals, chemicals, confection, food, and printing industry. Pest County is the site of traditional types of industry such as oil refinement, production of electronic machines and tools, food procession, and textile industry.

Since the 1960s Budapest as the economic and administrative centre of the country has deeply influenced the migration flows of Hungary. The working places created in the capital have attracted many people formerly working in the agrarian sectors of the

countryside. The agglomeration of the capital is characterized by the spontaneous creation of several "sleeping settlements", whose population commutes daily into the working places of the capital. In the region the number of the unemployed has been decreasing for years, and unemployment rate is less than the country's average. There has been a shift in employment in the last decade from the production sector to service sector.

The case study region suffers from various environmental problems (*ERM, 2001*). Three-quarter of the waste water of Budapest flows without filtering and cleaning into the Danube, the green surface of the capital is quickly diminishing, existing communal landfills do not correspond to the requirements of safe disposal. In the capital Budapest the quantity of the municipal solid waste collected in the framework of public service is approximately 4 million cubic metres (*Environmental Management Inst. 2000*). During the 90's the population of the capital has decreased by ten percent and this has diminished the quantity of municipal waste. Organised waste collection covers almost hundred percent of the capital. The single waste incineration work of Hungary operates here, and processes 60% of all collected municipal solid waste of the city. At the beginning at the 90s there were still 4 landfills on the territory of the capital, all of which have been filled up and closed. For the disposal of the rest of the municipal waste of Budapest the landfills of the surrounding Pest County are used. On the other hand, the surrounding Pest County produces yearly 1.7 million cubic metres of municipal solid waste, which has increased during the 90s. Organised waste collection has been dynamically developing in the County. The region is characterised by a continuous practice of uncontrolled dumping of wastes into illegal landfills (*Belconsulting et al. 2001*).



## SWOT Analysis of the Region Central Hungary

Strengths	Weaknesses
Low level of unemployment – (Budapest and its Agglomeration)	Spatial system is centralised, transversal connections of sub-centres are weak – (Region)
High economic activity – (Budapest and its Agglomeration)	Territorially uneven economic development – (Region)
Qualified, skilled labour force – (Budapest)	Dual economy – (Region)
High concentration of FDI – (Budapest and its Agglomeration)	Out-of-date production factors in agriculture – (Pest County)
Concentration of headquarters of multinational companies – (Budapest)	Weak supply of tourism and cultural events in (Pest County); leisure facilities are underdeveloped – (Pest County)
Concentration of business service activities – (Budapest)	Weak regional marketing – (Region)
Continuous outmigration of industrial sector – (Pest County)	Unclear distribution of competencies between the capital, its districts and the settlements of the Agglomeration (Budapest and its Agglomeration)
Ample supply of industrial parks and real estates – (Pest County)	Uneven level of infrastructure provisions and services – (Region)
Infrastructure of quality tourism – (Budapest)	Weak connections between the universities and industrial R&D, as well as between education and the business sector – (Region)
Concentration of cultural economy (Budapest and its Agglomeration)	Increasing social and income difference (dual society) – (Region)
Infrastructure of education and training is given- (Budapest)	Territorially concentrated social problems – (Region)
High concentration of research institutions and universities – (Budapest)	Missing programs for the enhancement of living conditions of the Roma minority – (Region)
Scientific park - (Budapest)	Unsatisfactory level of social and healthcare infrastructure - (Region)
Concentration of healthcare institutions – (Budapest)	Permanent lack of capacity in the primary road system – (Agglomeration)
Concentration of cultural institutions – (Budapest)	Low level of sewage and waste-water treatment – (Region)
Developed communication infrastructure – (Budapest and its Agglomeration)	Complex and severe pollution, due the metropolitan position – (Agglomeration)
Attractive built environment – (Budapest and its Agglomeration)	Communal waste treatment unsolved – (Region)
	Decreasing green areas – (Region)
	Building stock is in bad conditions– (Budapest)
	Unregulated and wasteful land-use – Agglomeration
Opportunities	Threats
Permanent and great internal market – (Region)	Economic needs of municipalities are stronger than environmental considerations – (Region)
Turntable role in transport– (Region)	Low level of environmental awareness – (Region)
Transfer role between Western and South-Eastern-Europe – (Budapest)	The ability of agriculture to keep people in rural areas is decreasing– (Pest County)
Favourable natural and territorial conditions – (Region)	
Unused alternative energy resources – (Pest County)	
Legal safeguards for regional actors for the protection of the environment - (Region)	

Source: Assessments of the authors based on *Strategy Plan CHR (2001)*.

### Section 3. SNA implementation

In each of the two investigated policy areas, i.e. in the respective case study regions more than 30 structured interviews were made with public, private and non-governmental organizations in order to reveal the features of the networks of

relationships relevant to regional policy, and respectively to environmental policy. Empirical results regarding the strength, duration and formal / informal characteristics of the ties developed between the investigated organizations were analysed quantitatively with the help of a standard software (Ucinet 6.0) of Social Network Analysis (SNA). The inputs of the computation were symmetrical matrices showing the existence and strength of ties among the stakeholders.<sup>2</sup>

*In the area of regional policy* (case study region: Southern Transdanubia) on the whole, the network has a strongly public character.

- The *density* of network is moderate: out of 100 possible connections only 40 are existent. Although NGOs and the private sector are part of the network, they are unable to play a central role. Actors within the same counties have stronger connections with each other than with those in other counties. Ties of middle tier (regional or county level) regional development organizations are dense with national and local institutional actors. Ties of local governments with neighbouring local governments are very dense.
- The *centralization level* of the network of regional policy was 56% in case of the regional policy case study region County-level- and the regional level development agencies have obtained the most centralized position. The Southern Transdanubian Regional Development Council and the Southern Transdanubian Regional Development Agency have achieved by far the highest centrality. This can be interpreted by the nature of resource distribution, which is characterised by means of policy decisions, of regulation and of the tender system - all of them having a strongly centralised nature. Here the sphere of action of local actors is strictly limited.
- *Hierarchical clustering* procedures in regional policy have shown that actors at the national tier constitute a separate "clique", having a significantly different set of relations than any other interviewed actors. Partnership organisations and the elected local authority organs at regional and county level have strong integrating roles in regional policy. Actors within the same counties have stronger connections with each other than with those in other counties.

*In the domain of environment policy* (case study region: Central Hungary) many stakeholders were chosen from the public and also from the private sectors, and a certain number of NGOs were also interviewed. All of them are organizations actively participating in the physical, commercial and administrative processes of waste management of the case study region.

- The *density* of the resulting network was somewhat moderate: merely 30 of the possible 100 ties exist. Ties of environment protection authorities with all other actors are very dense.
- The *centralization level* in this network was 61%. Stakeholders with the highest indices of centrality are to be found among public sector institutions, publicly and joint public-privately owned utility firms and their trade association at national and regional level, and the group of the biggest private utility firms with many subsidiaries and co-operation ties.

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<sup>2</sup> The two lists of interviewed actors appear in the Appendix.

- *Hierarchical clustering* procedures in environmental policy / waste management have revealed a well-defined gap between public actors (demand and regulation of environmental services) and private actors (offer of environmental services). The system of ties of these "cliques" was characteristically different. On the other hand, publicly owned waste management firms and their owners (i.e. local governments of big settlements do not fit into any of the above clusters, and constitute a centrally placed, special cluster. The institutions of the capital and the institutions of the central Government belong to the cluster with the densest set of relationships, while local organizations of the surrounding region belong to another cluster. This is surprising in view of the fact that the capital is strongly dependent on the surrounding territory regarding the physical processes of waste management.

## **Part II. Europeanization Processes**

### *Section 1. Adaptational pressures*

During the last decade the Hungarian policy-making structures have developed in continuous interactions with those of the EU. The harmonization of the legal system of Hungary with that of the EU has been successfully proceeding. During the accession negotiations the regional policy chapter did not raise any problems, while environment protection was quite problematic due to huge costs of the implementation of the EU regulations. The Europeanisation of both policy areas at institutional level lags behind that of the legal adjustments.

*Regional policy* requires a comprehensive co-operation between various sectors and tiers. This applies especially to its recently introduced model in Hungary, which is not any more based on the central state subsidies but rather on the involvement of local resources. Following the Act on Regional Development (1996) the vertically managed relationship system of both the sectoral departments (line ministries) and the sectoral de-concentrated organs took a new direction and became rather horizontal. Municipal egoism, which has formerly dominated the fragmented municipal system, was channelled into territorial frameworks in terms of development programming, resource distribution.

The Regional Development Act was based on recognition of the fact that the EU accession, and in particular the EU system of regional subsidies is advantageous for Hungary. The act aimed to follow the regional political principles of the EU. As a result, the regional planning process at all territorial levels has been reorganised according to EU principles. A range of professional organisations and enterprises dealing with planning has been developed. The regional plans themselves also follow the EU priorities.

During the training programmes (financed mostly by Phare) the relevant organs and persons acquired more and more professional knowledge about EU regional policy. As a result, a more professional management of regional planning has emerged, whereby the planning personnel has acquired the necessary theoretical basis and functional technology knowledge and has built an increasingly wide national and international

system of relationships. Non-professional and collective decision-making bodies have also developed similar skills.

Also in 1996 a decentralisation process of regional development resources has started. A tender system has been created under which there are possibilities to access decentralised resources at the county development councils. Applicant organizations have learnt the procedures needed for submitting applications, acquired subsidies if successfully applying, and have frequently formed local partnerships and alliances.

For the accession countries the most important pressure of European adaptation was the *negotiation phase* in the last year. During the negotiations with the European Commission, a decision was made that Hungary, as a wholly supported country should have a single Regional Operative Programme. After this decision the preparation process of the National Development Plan was conducted in a top-down style, and the local, regional actors had only little influence on the content of the Plan (*NDP 2003*). Another element in the negotiations was the designation of the managing authority of the Regional Operative Programme (ROP). Following the instructions of Brussels, the Hungarian government decided that the managing authority of the ROP would be a national agency. This also had a centralising effect by neglecting the regions, contrary to the tendencies of the previous decade, which was characterised by regionalism and decentralisation.

*Environment protection / waste management policy.* Hungary's European integration process has profoundly changed the incentive mechanisms of all types of stakeholders of environment protection, and in particular, of waste management. Adaptational pressures, i.e. the main impacts of the EU on the behaviour of organisations can be attributed

- to harmonised rule-making
- to its implementation and the compliance by the resulting regulations, to the EU-compatible development of the institutional arrangement
- and to the emergence and co-operation consequences of new types of resources such as EU co-financed waste management projects.

Already in the early 90s, by virtue of the Europe Agreement, Hungary took the obligation to adjust the law and the ecological policy to the EU standards (*Bandi-Bencze-Elek, 1997*). An important milestone, the environmental chapter of the accession negotiations between the EU and Hungary has been closed in June 2001 (*EU Commission, 2001*). According to the agreement reached the EU monitors the amount, content and implementation quality of the harmonised environmental regulations and in case of non-compliance the European Supreme Court is entitled to levy a fine on the Hungarian Government (*EU Commission 2002*). It is estimated that the harmonisation costs of only this chapter amount to 2500 billion HUF (cca. 10 billion Euro) (*Kerekes-Kiss, 1998; Kerekes-Kiss, 2000; Kovacs, 1998*). As of environment protection, Hungary has got derogations in case of only four EU regulations. Two of the environmental regulations of which the harmonisation will suffer a delay regards waste management: the EU requirements of directives regarding the incineration of wastes and that on recycling of packaging materials do not have to be fulfilled completely by the time of the integration.

The formulation, acceptance and implementation of a National Plan for Waste Management have been among the obligations of the Hungarian Government agreed on the accession negotiations. This Plan has been accepted by the Parliament in 2002 (*NPWM 2001*).

During the last decade Hungarian regulations for environment protection were continuously and in detail harmonised with EU legislation. The major regulations conformant with EU standards are *already in place*. By 2002 the country has adopted most of the EU's environmental regulations and norms. Environmental policies are largely based on the use of regulatory and economic instruments, and have been accompanied by sizeable environmental investments. The Community supports financially the process of assuming the obligations resulting from EU membership.

The most important projects of waste management are co-financed by the EU, the Hungarian Government and by the local communities. During the 90s the conditions for the effective and transparent utilisation of Community funding for environmental investments were created. In the first years after the systemic change the EU support has taken the administrative form of the PHARE Programme, which has supported many environmental projects. This programme is currently being phased out and replaced by the pre-accession instruments ISPA and SAPARD programmes. Approximately half of the resources of the ISPA Programme are devoted to environment protection.

Under the ISPA program in the years 2000-2003 the EU has made decisions on supporting the development of 12 integrated waste management systems throughout Hungary. In particular, in 2002 six integrated waste management projects were in course of being effectively managed in the country. Two from these subregional investments fall into the territory of the investigated case study region Central Hungary. Both programmes involve the building of a series of territorially dispersed waste management infrastructure (such as collecting, composting, selecting, forwarding facilities), with a central waste landfill of a magnitude of 1.5 million cubic metres for each of the two projects.

Inadequate enforcement of environmental regulations is a major concern in Hungary. The upgrading of the institutional system of environment protection is a difficult task, which will take more time than the modernisation of the tools and the physical infrastructure of environmental protection. Implementation problems arise due to lack of resources, lack of information, problematic political decisions and problems in political culture and environmental awareness. Due to substantial lobbying force of local and sectoral interest groups environmental investments are often targeted to areas with lower priority or lower efficiency.

### *Section 2. Resistance to change*

One of the side effects of multi-level governance is the enhanced possibility of subordinated actors to resist to necessary changes of Europeanization. However, delay or low performance in Europeanisation is as a rule not the result of the conscious resistance of certain actors to change, rather they can be explained by high compliance

costs, long lived institutional traditions, vested interests and embeddedness into existing national political styles and solutions. Low participation rates in the referendum on EU accession in 2003 have shown that wide strata of people are not convinced about the advantages of joining or at least they have a lot of uncertainties, fuelled by the inconsistent messages of some political parties.

*Regional policy* is one of the public policies where the overwhelming majority of actors accept Europeanisation in the expectation of subsidies and additional funds to develop the regions lagging behind. The majority of the requirements (concentration, programming, partnership, additionality and efficiency) prevail also in Hungarian law (*DG Regional Policy and Cohesion, 1998*) However, on the other side, in Hungarian regional policy practice, many requirements are met only superficially; on the level of slogans rather than in actual decision-making. For example, the principles of *effectiveness, economic competitiveness and partnership* are difficult to implement in actual regional policy making.

Some groups are not entirely interested in the assertion of the principles of the regional policy of the European Union.

- *Territorial interest groups:* An interesting phenomenon was found in the SNA from the point of view of interest mediation. Actors living in the same county or city have often much closer contacts with each other than with other actors in other counties. This means that the territorial neighbourhood is a very important factor in regional policy, which paradoxically can hinder the region-building process. Since the NUTS 2 regions are newly established artificial units, and regional consciousness is rather an exception than a rule, it is very hard to form common targets or programmes at regional level.
- *Counter-interests in the central government:* Another obstacle to change is that in the governmental sector, in particular the ministries that now dispose of considerable development resources, are not interested in all aspects of regional decentralisation. A temporary success of this group is indicated by the fact that the regions and their institutions will have a relatively smaller role in the acquisition and management of the structural funds after the accession, than planned before.
- *Conflicting interests of independent consultants and of the professional elite:* The practical know-how of applying for funds and of planning-managing regional development projects are monopolised by a narrow group of experts and civil servants mostly at central and regional level. This group of experts and clients originates from the public administration and business; they know very well that offering expertise at the application of regional policy can be a good business and that information and contacts can easily be converted into power. Conflicts between experts employed by the development agencies and the non-professional members of the council emerge very often. Professionals are not always interested in enabling decision-makers to understand the very complicated rules of applications etc.
- *Technocrats vs. local interests.* During the process of regional programming, technocrats have more opportunities to enforce their concepts than local society. However, on many occasions the lobby of mayors of settlements was stronger than the technocrat groupings interested in specific directions of economic

development. In particular, due to the predominance of mayors within the county development councils the principle of equity enjoys higher priority than the principle of concentration. As a result, resources are distributed often in a fragmented way, rather serving the development of basic infrastructure of certain settlements. This phenomenon shifts regional policy towards settlement development.

*As of environmental policy*, Hungary still continues to be a laggard with regard to implementation of EU regulations, and this statement holds especially for waste management. There is a sizeable implementation gap between the national and European level legal requirements and Hungarian environmental performance. Hungary's EU-harmonised waste management legislation is only three years old but it has already profoundly changed the strategies of all involved parties, including all tiers of government and the private sector. During the accession talks the negotiating partners have accepted these facts and have accepted a certain delay of legislation and implementation process of waste management regulations in Hungary.

This is partly caused by the costly adaptation process and partly by the slow development of institutional structures and behaviour. ISPA waste management projects often demonstrate the difficulties of managing public-public and public-private partnerships. The creation of regional waste management infrastructures is almost impossible where local governments are too deeply embedded into administrative hierarchies and in the same time fiercely autonomous. Frictions between Government and local authorities, co-operation incapacities between local authorities can often be attributed to conflicts between various political parties.

Hungarian NGO's and independent environment protection organisations often embrace issues, which in fact are countering EU-conform waste management principles. In particular, the reason for the failure of some planned ISPA projects has been that stakeholders have focussed rather on the local, than on general aspects. Single-issue organisations have often successfully campaigned against planned waste depositories with classical slogans of NIMBYism ('Not in My Back Yard'). For many local authorities the new waste legislation has been too difficult to comply by, and the Government has issued a decree allowing a delay in its implementation. Even so, most of the local governments are in clear breach of the Waste Management Law.

A fierce competition exists in the provision of waste management utility services, offered by firms of the private sector and partly by firms of public ownership. Various local authorities have been successful in slowing down the planned modernisation of waste management systems in neighbouring communities by blocking some ISPA projects in order to maximise the utilisation of their existing waste depositories (PIMBYism - 'Put in My Back Yard').

There is lack of consensus on the necessary number and capacity of landfills. Companies and local governments widely disagree on the optimal size and geographical pattern of waste management infrastructure to be developed by using joint private and public, Hungarian and EU sources.

### *Section 3. Evolution of central state policy-making structures*

The institutional arrangement of both investigated policy areas are rather centralised, although during the last decade recurring efforts have been made to decentralise some decision-making powers. Especially the decentralisation of finance has been difficult and slow, this feature opening the gates to eventual re-centralisation tendencies.

*Regional policy.* The place of control of regional policy within the governmental structure has been changing since we can speak about regional policy at all. Quite Recently the National Agency of Regional Development has been integrated into the Prime Minister's Office. The Commission year by year repeatedly has called for the strengthening of co-ordination among line ministries, for harmonising the development strategies of various branches with regional policy. However, the central administrative control of regional policy has not been strong enough to co-ordinate the implementation of other government policies on the regional level (*Fleischer-Futo-Pessl, 2001*). The development of regional policy still appears to be in its early phase, whereby the most important policy means are centrally provided legal regulations and resource allocation, and formal, institutionalised networks are initiated and directed primarily *from above* by applying the Regional Development Act (*Pálné, Kovács Ilona 2001b*).

Self-governments are financed partly by their own resources and partly by grants transferred from central government, whereas micro-regions, counties and regions do not have the right of levying taxes. Several counties and micro-regions have established organisations in order to assist the economic and social development of the regions. Informal, personal networks, local elites, key individuals have an important role in the distribution of power and of development resources.

*Environmental policy.* The main body responsible for environmental policy in Hungary is the Ministry of Environment Protection and Water Management. The Ministry organised the modernisation of the administrative and regulatory structure for environmental policy and the adaptation to developments in EU environmental policy. Its 12 regional agencies and local authorities are the major responsible parties for the implementation of environmental policy and in particular, of waste management. Within the Ministry of Environment Protection and Water Management a Waste Management Section was established with specific responsibility for this area.

Environmental actors agree that environmental policy remains centralised and that the relationships between Government agencies and local authorities are characterised with a special mix of co-operation and conflict. Formal structures such as the requirement for regional waste management plans have been put in place, which are suitable frameworks for organising waste management of localities, counties, regions and the whole of Hungary, but their implementation needs the continuous intervention of regulative and financing bodies.

### *Section 4. Non-state actors*

During the last decade the involvement of non-state actors in Hungarian policy-making has increased, but still lags behind the European requirements. The criticism raised earlier in Western Europe is also formulated in Hungary, owing to the democratic deficit



of partnership, corporative government (*Olsson, 1998, Pierre, 2000*). The weakness of private and NGO sectors is also reflected by the unsophisticated and uncontrolled nature of the mechanism for interest reconciliation, and by the dominance of the political parties in professional disputes (*Gombár et al., eds 1995*).

*Regional politics.* Private and NGO sectors still play an insignificant role in Hungarian regional politics. The institutional system itself does not motivate intensive involvement of these actors in decision-making and planning, also these sectors have a relatively low level of organisational and resource capacity regarding regional development. The weakness of NGOs in the regional decision-making process is also due to the fact that they are scarcely or not at all represented in the councils at the various tiers of administration and regional development. As for the social embeddedness of local authorities, the situation is slightly better, but empirical sociological research has shown that, especially in major municipalities, neither constituents nor civic organisations have close contacts and that the proportion of indifferent, uninformed citizens is typically significant (*Hajnal, 2001*). Analysis of the case study region Southern Transdanubia suggests that, although NGOs and the private sector are certainly part of the overall regional development network, they are unable to play a central role. The only exception is the university, which, also owing to its size, is a dominant actor in the region.

*Environmental policy.* During the last decade private stakeholders, experts and non-governmental actors have intensified their activities and widened the range of their contribution to Hungarian environmental policy. Public-Private Partnerships are widely implemented in environment protection, but face many hardships due to lack of proper regulation and organizational know how. Private sector companies are deeply involved in various tasks of environment protection, in particular of waste management. A substantial number of environmental experts are working in various environment related lobby groups (*Chamber of Commerce 1999*). There are various professional associations of employers and of waste management companies that represent the interest of member companies on various government levels.

The Hungarian Green Movement started around the mid-1980s and as political changes neared, the number of groups increased significantly. After the 1989 political changes environmental activists re-oriented their critique to cover not only political decisions but also activities of profit-oriented companies. Groups have become increasingly institutionalized, arranged legal status, were registered by the state, sought financial support and became more professional, entering into activities such as research-and environmental education (*Klarer-McNicholas-Knaus 1998*). Environmental pressure groups have demanded attention from local and national authorities. Today insufficient funding, general legal problems, limited access to means of communication and a lack of volunteers seem to be their most pressing problems. There are numerous NGO / independent environmental organisations in existence that attempt to monitor the full implementation of European environmental law in order to promote positive solutions to environmental problems, but they are too fragmented to have a lasting impact.

### *Section 5. Civic culture*

Governance in Hungary is heavily influenced by the fact that citizens show only a marginal involvement in international comparison, and that their awareness regarding their rights and obligations is rather limited. The investigation has corroborated the views on the general weakness of civil society and on the low level of civic participation. Public participation either in the planning and implementation processes of regional development, or in environmental programmes is rather scarce and formal, participation in voluntary environmental associations and organisations is very limited.

Hungarian political culture, civil society and the state can be characterised traditionally by a paternalistic attitude, which has retained its positions and exercises its impact even after the systemic change. One part of the economy and society is integrated by Western capital and culture, while a wide domain of the economy and society is characterised by traditional paternalistic attitudes. The resulting networks form a veritable dual economy and society. Critics of Hungary's Europeanization fear that this duality will be sharper after the accession of the country due to a possible stabilisation of the status and advantages of the Western type elites. This duality is also easily demonstrated in environmental policies: while companies managed by foreign investors typically conform to high environmental standards, on the other side, small and medium sized companies of Hungarian owners find it difficult to comply by European-style environmental requirements.

The investigated stakeholders have exhibited a wide range of attitudes, including patterns and levels of civic engagement. In particular, the waste management behaviour of all stakeholders and also waste policies are influenced by such "soft" factors as environmental awareness, political culture and civic participation. Waste management behaviour is to a large extent a matter of collective consciousness. The presence, amount and visibility of illegally dumped waste is a reliable indicator of social capital in a region. The success or failure of infrastructural projects of waste management also depends largely on the trust between stakeholders, on their capabilities to communicate.

## **Part III. Assessment of Learning Capacity**

### *Section 1. Outcome*

In both policy areas the adaptation of the stakeholders to European standards can be properly modelled by the learning paradigm. The interviewed decision makers in both study regions have often referred to their strategies when confronted with consecutive new waves of European adaptational pressures - such as legal harmonisation, institutional development or the emergence EU-co-financed projects - as learning strategies.

*Regional policy.* The ongoing learning process regarding the regulation, institutionalisation of Hungarian regional policy has brought its impacts: these elements are more or less compatible with the European standards. In particular, Hungary has institutionalised partnership forums, NUTS II regions, planning and programming systems, monitoring etc., and all three territorial tiers are integrated into the regional political institution system. It is a challenge of the coming period to avoid fragmentation

of the development resources, and for this purpose a clear division of labour has to be defined, avoiding unnecessary competition and conflicts among the tiers.

The regional decentralisation was fulfilled primarily in terms of the tasks and competencies but the bulk of resources continues to be distributed centrally. Adaptation pressure in form of administrative pressure from Brussels has accelerated the building and change of regional policy. New agencies have been or going to be established for administering and handling the structural or pre-accession funds. Their main challenge is to absorb sufficient EU money without creating too extensive bureaucracy. The institutional system of regional planning and regional development is still centralised and in the same time uncoordinated, and it is not sufficiently based on professionalism. Networks among actors affected by regional policy still do not function properly.

*Environmental policy.* Hungary's environmental policy is characterised by a continuous adapting and learning process. The country's European integration process has profoundly changed the incentive mechanisms of all types of stakeholders of waste management. The main impacts of the EU on the behaviour of organisations can be attributed (a) to harmonised rule-making, (b) to its implementation and the compliance by the resulting regulations, to the EU-compatible development of the institutional arrangement and (c) to the emergence and co-operation consequences of new types of resources such as EU co-financed waste management projects.

Change is most clearly visible in the administrative reform: quick and consequent in legal harmonization, but somewhat slower in its implementation due to conflicts and compromises. Roles and relationships between government regulators and regulated businesses have been profoundly re-defined due to deep identity changes on both sides. The enhancement of the role of civil society is also a result of Hungary's adaptation to democratic principles.

### *Section 2. Patterns of learning and adaptation*

Most of the institutions affected by the investigated adaptational pressures have reacted in a pro-active way; a defensive attitude was only rarely to be observed. As a general rule, adaptation within individual organizations was more effective than the creation of joint projects, together with other institutions serving the aims of learning. Organizational learning was successfully embodied in renewed rules, re-organized institutions and investment projects serving EU-conform objectives, while on the other side, human learning occurring within planned frameworks of human resource development was not so typical than learning occurring as an unplanned by-product of institutional development.

*Regional policy.* Adaptation to the requirements of regional policy has been in progress at all levels of decision-making since the enactment of the Regional Development Act. The majority of the requirements (concentration, programming, partnership, additionality and efficiency) covered by the European Council's statute declaring the EU requirements of regional politics prevail also in Hungarian law and in regional policy practice. Information and knowledge about European affairs is better

disseminated on central level, than on local levels of public administration or in other sectors of the institutional system.

Respondents in the case study region attributed positive changes to the EU programmes in respect of self-training, learning and especially the support of development initiatives. The investigated case study region shows an increasing degree of cohesion and networks. The adaptation was basically top-down directed using the methods of institution building and regulatory activity, with much less emphasis placed on human resource development policy.

Beneficiaries of the resources of regional policy were usually the local governments, which have acquired in this process a relatively substantial professional experience in the field of planning, tenders and project management. However, the number of organisations, politicians, persons and businesses that directly participated in EU projects is still rather small. The skills necessary for keeping in touch with European institutions are highly appreciated on the market, and the concerned range of experts and businessmen are not interested in the dissemination of this know how.

*Environmental policy.* It is generally accepted that EU environmental policy is the main force behind recent development of environmental policy in Hungary. Legal harmonisation and its enforcement has generated a substantial amount of adaptation work for the central and decentralised government agencies of environment protection, albeit without a sufficient degree of institutional development. Public institutions of environmental protection play an important part in the implementation of the above regulations and policies, leading to conditions whereby markets of waste management services and wastes function smoothly as well.

However, the learning capacity of these institutions is seriously limited by resource problems. In particular, Environmental Protection Agencies have not enough capacities to fully exercise control activities. Resource shortages of institutional development and of infrastructure investment are alleviated by EU funds to a considerable extent. Moreover, various ISPA co-financed waste management projects of regional scope have been launched.

In environmental policies the following institutional solutions have been introduced as mechanisms of adaptation.

- *PPP.* Most of the waste management infrastructure established by these projects are (or will be) operated in the framework of public-private partnerships. PPP is a way of co-operation that is still underdeveloped, but the spreading of such partnerships is inevitable. In the case study region policy-making structures and policy implementing institutional structures at all levels have been heavily influenced by the Europeanization process.
- *Network building* is an adaptation strategy for most of the stakeholders. Local governments and waste management utility companies often team up in order to utilise economies of scale in integrated waste projects.
- *Planning.* Waste management planning has been also proving an efficient way of learning and adaptation, and has served as an effective forum of interest reconciliation among the many stakeholders of waste management. The

preparation of these plans is still co-ordinated by the decentralised institutional network of Environment Protection Agencies, but it is hoped that at a later phase NGOs and private groups will be able to compile these influential documents.

### *Section 3. Policy recommendations*

Multi-level governance is first and foremost a method of governance whereby the stakeholders of various tiers and sectors act autonomously, but in the same time in a harmonized way, based on a wide range of information, using a strong portfolio of accumulated social capital. For this reason education and human resource development policies have to pay sufficient attention to the deep problem of the lack of civic consciousness. The schooling system should emphasis issues of regional, national and European consciousness and moreover the rights, duties and values connected with sustainable development. In particular, Government Programs have to be launched to inform the citizens about the above matters, in order to improve the general knowledge on decision-making processes and to reinforce citizens' participation. For these purposes the universities and the scientific communities have to be mobilized. R&D activities in regional and environmental policies have to be conducted and the impact of each policy on the other has to be assessed. Also, statistical efforts have to be conducted on the inputs and outputs of the respective policy areas.

*Regional policy.* The role, inter-dependence, finances and legal framework of administrative regions has to be clearly and quickly designed. European experiences corroborate that the reinforcement of the administrative capacities of the existing regional institutions enjoys a high priority. It is a main inconsistency of the Hungarian regional policy structures that the means of the established institutions, especially regarding financial resources, are totally insufficient to accomplish the regional policy goals. Regional policy still follows a decentralisation trend only in respect of decision-making competencies, but unfortunately, regarding resource allocation the degree of centralisation is has not diminished.

More attention has to be paid to the concentration of the local allocation of resources. Considerations of efficiency, competitiveness and innovation are not prominent in decision-making in relation to regional development. Local actors have to be persuaded that only wide-ranging regional programmes are effective and will receive support after accession. Also, more attention has to be paid to the transparency, accountability, publicity and sound management of regional programmes.

As a parallel programme, the tasks of the sectoral networks of de-concentrated administrative structures have to be clearly defined.

Viable solutions have to be disseminated regarding co-operation between central, regional and local actors, locally optimal techniques and methods have to be developed to improve the culture of co-operation and partnership. In particular, the legal, institutional and procedural frameworks of PPPs have to be determined.

*Environmental policy* is still very centralized, despite continuous efforts to involve private and civil stakeholders. Involvement of local and environmental interest groups is

on many occasions a formality; on other occasions it lacks professionalism and leads to sharp conflicts based on the NIMBY principle. In environmental protection, still many decisions regarding the distribution of resources are strongly influenced by political party allegiances, rather than by professional considerations.

For the above reasons, the Government should launch projects in order to create more effective fora for the interaction between conflicting environmental interests and interest groups.

Local governments are often not able or not willing to comply by important pieces of regulation due to lack of resources - consequently frictions and tensions arise between various sectors and tiers of the public administration. For the above reasons attention has to be paid to enhance co-ordination among central and local levels of the public administration.

Also an intensification of co-ordination is necessary among public and private stakeholders within strongly regulated and transparent frameworks. In particular, a uniform regulation of Public Private Partnership is needed.

The level of civic participation and awareness is rather low in international comparison. Therefore the Government should attach resources and enter into joint projects with the relevant NGOs with the aim of developing the consciousness of the public regarding environmental matters.

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## Appendix 1: Map of Hungary with the two case study regions

*The NUTS II division of the country based on the National Development Concept 1998*





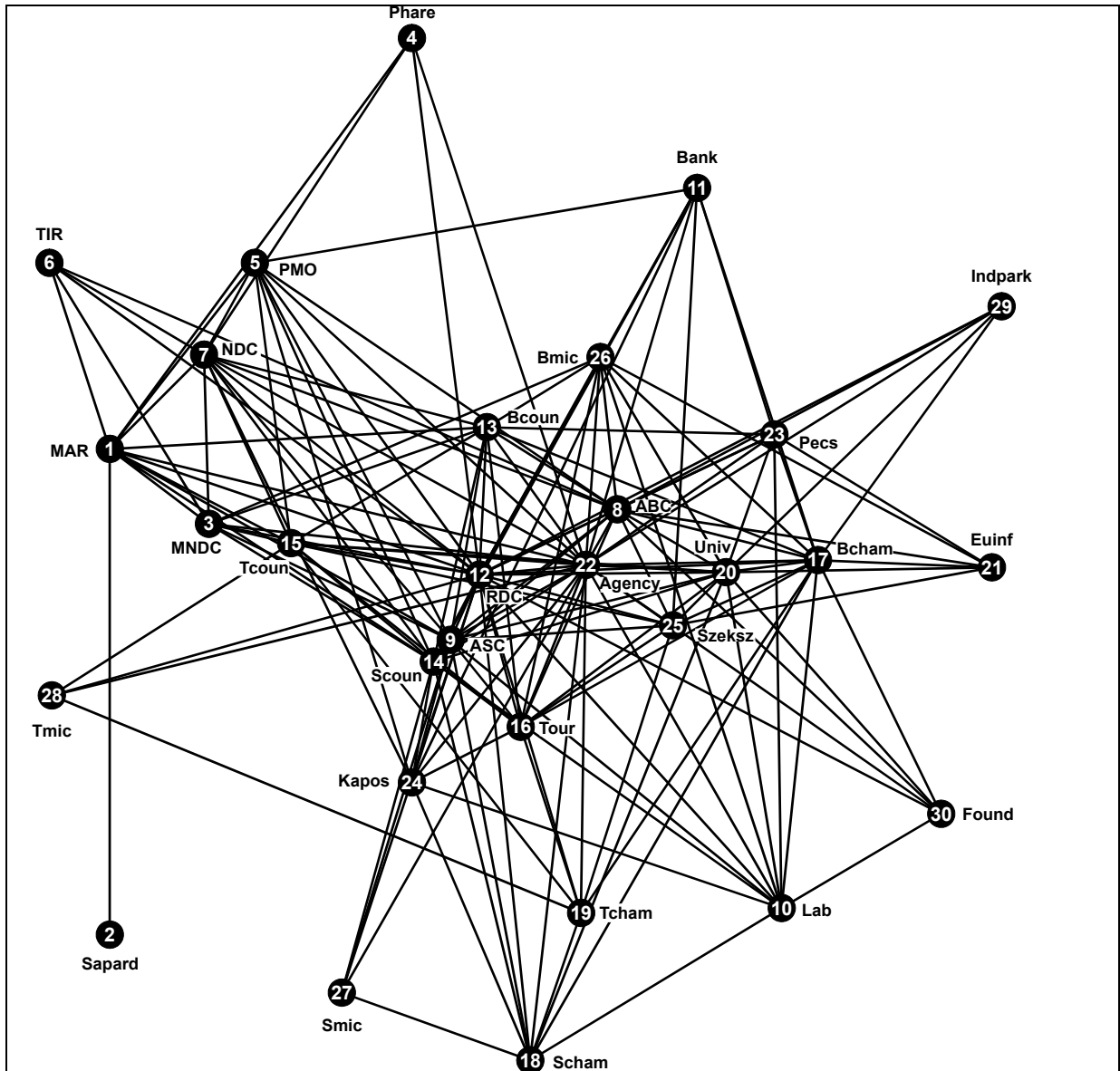
## Appendix 2: Interviewed actors / stakeholders and quantitative SNA results

*Policy Area: Regional Policy. Case Study Region: Southern Transdanubia*

### Interviewed actors / stakeholders in the Region Southern Transdanubia

Serial No of Stakeholder	Administrative tier or geographical range of activity	Sector or ownership	Name of Stakeholder	Abbreviation
1	National Level	Public	Ministry of Agriculture and Regional Development, Division of Regional and Rural Development.	MAR
2		Public	Ministry of Agriculture and Regional Development, Division of Sapard Programme Management	Sapard
3		Public	Ministry of Agriculture and Regional Development, Division of National Development Centre	MNDC
4		Public	Ministry of Phare Affairs, Secretariat	Phare
5		Public	Prime Minister's Office, State Secretariat of Regional Policy	PMO
6		Publicly owned	Hungarian Institute of Town and Regional Planning, Division of Territorial Information System	TIR
7		Public	National Development Council	NDC
8	Regional and County Level	Public	Assembly of Baranya County	ABC
9		Public	Assembly of Somogy County	ASC
10		Public	Regional Centre of Labour Force Training and Education	Lab
11		Publicly owned	Hungarian Development Bank, Regional Unit for Southern Transdanubia	Bank
12		Public	Southern Transdanubian Regional Development Council	RDC
13		Public	Baranya County Development Council	Bcoun
14		Public	Somogy County Development Council	Scoun
15		Public	Tolna County Development Council	Tcoun
16		Public	Southern Transdanubian Regional Tourism Committee	Tour
17		NGO	Chamber of Commerce and Industry of Baranya County	Bcham
18		NGO	Chamber of Commerce and Industry of Somogy County	Scham
19		NGO	Chamber of Commerce and Industry of Tolna County	Tcham
20		Publicly owned	University of Pécs	Univ
21		Publicly owned	European Information and Development Ltd., Pécs	Euinf
22		Publicly owned	South-Transdanubian Regional Development Agency	Agency
23	Local and Micro-Regional Level	Public	Self-Government of the Town of Pécs	Pecs
24		Public	Self-Government of the Town of Kaposvár	Kapos
25		Public	Self-Government of the Town of Szekszárd	Szeksz
26		Public	Micro-Regional Associations of Baranya County	Bmic
27		Public	Micro-Regional Associations of Somogy County	Smic
28		Public	Micro-Regional Associations of Tolna County	Tmic
29		Publicly owned	Industrial Park Pécs	Indpark
30		NGO	Resource Centre Foundation	Found

Multidimensional scaling diagram of the stakeholders in the Region Southern Transdanubia



**Freeman's degrees of centrality of the stakeholders in the Region Southern Transdanubia**

Serial No.	Abbreviation	Stakeholder	Degree of centrality
12	RDC	South Transdanubian Regional Development Council	78,2
22	Agency	South Transdanubian Regional Development Agency	69,0
14	Scoun	Somogy County Development Council	57,5
8	ABC	Assembly of Baranya County	56,3
20	Univ	University of Pécs	56,3
9	ASC	Assembly of Somogy County	51,7
13	Bcoun	Baranya County Development Council	51,7
15	Tcoun	Tolna County Development Council	49,4
17	Bcham	Chamber of Commerce and Industry of Baranya County	48,3
23	Pecs	Selfgovernment of the Town of Pécs with county rank	48,3
25	Szeksz	Selfgovernment of the Town of Szekszárd with county rank	47,1
24	Kapos	Selfgovernment of the Town of Kaposvár with county rank	43,7
16	Tour	South Transdanubian Regional Tourism Committee	41,4
26	Bmic	Micro-Regional Associations of Baranya County	41,4
3	MNDC	National Development Centre	40,2
7	NDC	National Development Council	40,2
10	Lab	Regional Centre of Labour Force Training and Education	40,2
1	MAR	MARD regional and rural development divisions	37,9
5	PMO	Prime Minister's Office, State Secretariat of Regional Policy	35,6
11	Bank	Hungarian Development Bank – regional unit	31,0
18	Scham	Chamber of Commerce and Industry of Somogy County	31,0
19	Tcham	Chamber of Commerce and Industry of Tolna County	31,0
21	Euinf	European Information and Development Ltd.	29,9
27	Smic	Micro-Regional Associations of Somogy County	26,4
30	Found	Resource Centre Foundation	26,4
29	Indpark	Industrial Park of Pécs	25,3
2	Sapard	MARD Sapard programme management	21,8
6	TIR	VÁTI - Territorial information system	21,8
28	Tmic	Micro-Regional Associations of Tolna County	20,7
4	Phare	Ministry of Phare Affairs, Secretariat	18,4
		Mean	40,6
		Std. Deviation	14,3

## Structural equivalence matrix of the network in the Region Southern Transdanubia

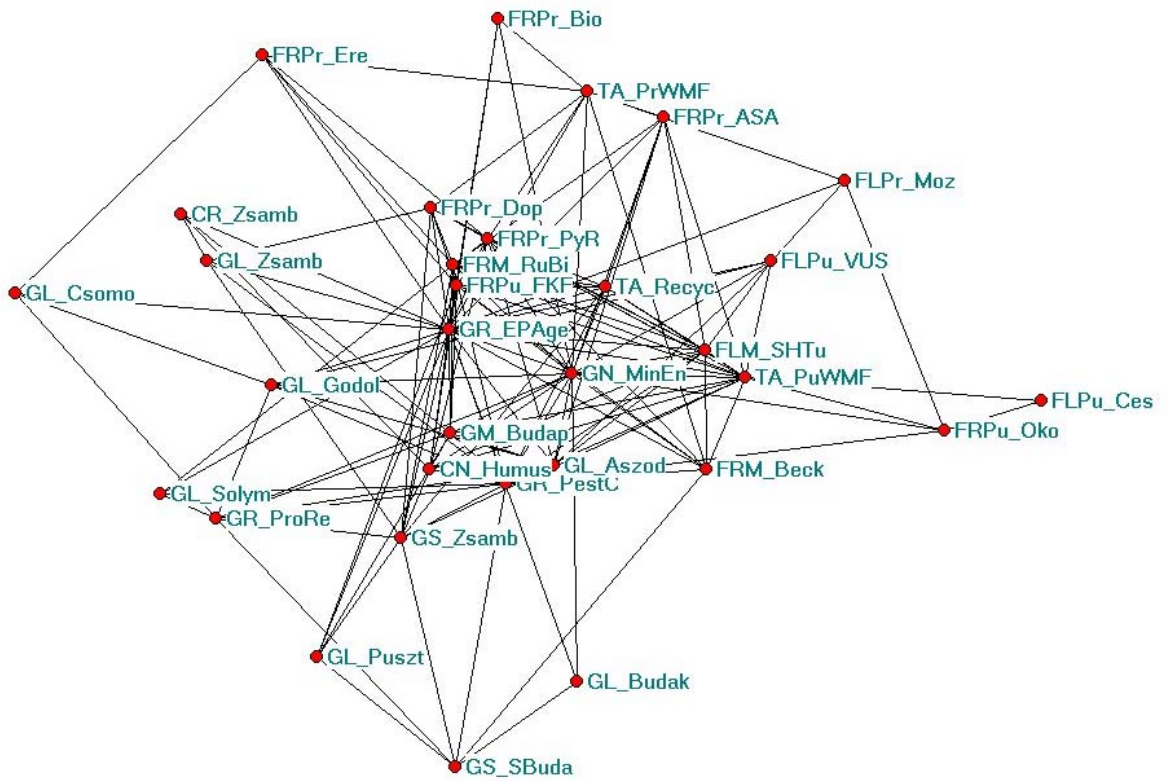
	MAR	Sapard	MNDC	Phare	PMO	TIR	NDC	Tcoun	Tmic	ASC	Scham	RDC	Kapos	Scoun	Tcham	Smic	ABC	Bmic	Pecs	Bcham	Euinf	Indpark	Found	Univ	Bcoun	Bank	Lab	Szeksz	Agency	Tour	
1 MAR		2	2	2	2	2	2	2	1	2	1	2	1	2	1		1	1	1					1	2			1	2		
2 Sapard	2		1		1		1	1		1	1	1	1	1	1	1	1	1						1	1		1	1			
3 MNDC	2	1		1	1	2	2	3	1	2		3	1	3		1	1	2		1				1	2	1	1	2	1		
4 Phare	2		1		1		2			1		2	1		1			1				1		1				2			
5 PMO	2	1	1	1		1	2	2	1	2		2	2	2		1	2	1	1					1	1	2		1	2		
6 TIR	2		2		1		2	1		1		2	1	1			2			1				1			1	1			
7 NDC	2	1	2	2	2	2		2	1	2		2	2	2		1	2	1	1	1				1	3			1	2		
15 Tcoun	2	1	3		2	1	2		3	1	1	3		2	3		1	1			1		1	2	2	1	1	3	3	3	
28 Tmic	1		1		1		1	3				2			2				1				1			1	1	1	2		
9 ASC	2	1	2	1	2	1	2	1			2	3	2	3	1	2	2	1	1	1	1		1	2	2	1	2	2	2	2	
18 Scham	1	1						1		2		2	2	2	2	2	1			2				2	1		3	2	1		
12 RDC	2	1	3	2	2	2	2	3	2	3	2		3	3	2	3	3	3	3	2	1	2	2	2	3	2	2	3	2	3	
24 Kapos	1	1	1	1	2	1	2			2	2	3		3	1	2	1		1	1	1			1	1	2	2	2	2	2	
14 Scoun	2	1	3		2	1	2	2		3	2	3	3		1	3	2	1	1	1	1	1	1	2	2	2	2	1	2	3	
19 Tcham	1	1		1				3	2	1	2	2	1	1			1			2				1		2	2	2	2	2	
27 Smic		1	1		1		1			2	2	3	2	3					1				1				1	1	2	1	
8 ABC	1	1	1		2	2	2	1		2	1	3	1	2	1			3	3	2	3	2	2	3	3		1	2	3	2	
26 Bmic	1	1	2	1	1		1	1		1		3		1			3		2	2	2		2	2	3	1	2	2	2	2	
23 Pecs	1				1		1	1	1	1		3	1	1		1	3	2		3	3	3	1	3	3	3	2	2	3	2	3
17 Bcham			1			1	1			1	2	2	1	1	2		2	2	3		2	3	2	2	3	2	3	2	2	2	2
21 Euinf								1		1		1	1	1			3	2	3	2		1	1	3	1		1	2	1	1	
29 Indpark				1								2		1			2		3	3	1			3	1	1	1	1	2	2	
30 Found								1	1	1		2		1	1		2	2	1	2	1			2	1		2	3			
20 Univ	1	1	1	1	1		1	2		2	2	2	1	2	1		3	2	3	2	3	3	2		2	1	2	3	2	3	
13 Bcoun	2	1	2		1	1	3	2		2	1	3	1	2			3	3	3	3	1	1	1	2		1	1	2	3		
11 Bank			1		2			1	1	1		2	2	2				1	3	2		1		1	1			3	2	1	
10 Lab			1					1	1	2	3	2	2	2	2	1	1	2	2	3	1	1	2	2	1			1	2		
25 Szeksz	1		1		1	1	1	3	1	2		3	2	1	2	1	2		2	2	2	1		3		3	1	3	2	2	
22 Agency	2	1	2	2	2	1	2	3	2	2	2	2	2	2	2	2	3	2	3	2	1	2	3	2	2	2	2	2	3	2	
16 Tour			1					3		2	1	3	2	3	2	1	2	2		2	1			3	3	1		2	2		

*Policy Area: Environmental Policy / Waste Management. Case Study Region: Central Hungary*

**Interviewed actors / stakeholders in the Region Central Hungary**

Serial No of Stakeholder	Administrative tier or geographical range of activity	Sector or ownership	Legal form of Stakeholder	Name and location of Stakeholder	Abbreviation
1	National	Public	Central Government Institution	Ministry for Environment Protection and Water Management (Budapest)	GN_MinEn
2	Regional	Public	Decentralised Government Agency	Environmental Protection Chief Directorate of the Middle Danube Valley Region (Budapest)	GR_EPAGE
3	Regional	Public	County Government	Office of County Pest (Budapest)	GR_PestC
4	Regional	Public	Regional Development Institution	"Pro Regio" Regional Development Agency of the Region Central Hungary (Budapest)	GR_ProRe
5	Municipal	Public	Local Government	Budapest	GM_Budap
6	Subregional	Public	Sub-regional Association of Local Governments	South Buda Vicinity Regional Development Association (Budakeszi)	GS_SBuda
7	Subregional	Public	Sub-regional Association of Local Governments	Zsambek Basin Regional Development Association of Local Governments (Biatorbagy)	GS_Zsamb
8	Local	Public	Local Government	Aszod	GL_Aszod
9	Local	Public	Local Government	Budakeszi	GL_Budak
10	Local	Public	Local Government	Csomor	GL_Csomo
11	Local	Public	Local Government	Godollo,	GL_Godol
12	Local	Public	Local Government	Pusztazamor	GL_Puszt
13	Local	Public	Local Government	Solymar	GL_Solym
14	Local	Public	Local Government	Zsambek	GL_Zsamb
15	Local	Public	Utility Firm	Municipal Public Space Management Shareholder Company (Budapest)	FRPu_FKF
16	Local	Public	Utility Firm	Okoviz Ltd. (Cegled)	FRPu_Oko
17	Local	Public	Utility Firm	VUSZI Ltd. (Godollo)	FLPu_VUS
18	Local	Public	Utility Firm	Ceszolg Ltd. (Cegled)	FLPu_Ces
19	Regional	Private	Utility Firm	ASA Hungary Ltd. (Gyal)	FRPr_ASA
20	Regional	Private	Utility Firm	Biofilter Ltd. (Budaors)	FRPr_Bio
21	Regional	Private	Utility Firm	Doppstadt Ltd. (Zsambek)	FRPr_Dop
22	Regional	Private	Utility Firm	Ereco Co. (Budapest)	FRPr_Ere
23	Regional	Private	Utility Firm	Pyrus-Rumpold Ltd. (Budapest-Aszod)	FRPr_PyR
24	Regional	Mixed Public - Private	Utility Firm	Becker Ltd. (Erd)	FRM_Beck
25	Local	Private	Utility Firm	Mozes Ltd. (Cegled)	FLPr_Moz
26	Local	Private	Utility Firm	Selective Waste Recycling Ltd. (Tura)	FLM_SHTu
27	Regional	Mixed Public - Private	Utility Firm	Rumpold Bicske Ltd. (Bicske)	FRM_RuBi
28	National	Civil	Trade Association	Association of Privately Owned Waste Management Service Providers (Budapest)	TA_PrWMF
29	National	Civil	Trade Association	Association of Publicly Owned Waste Management Service Providers (Gardony)	TA_PuWMF
30	National	Civil	Trade Association	Association of Recyclers	TA_Recyc
31	National	Civil	Environment Protection Pressure Group	Humusz Environment Protection Association of Waste Management Issues (Budapest)	CN_Humus
32	Regional	Civil	Environment Protection Pressure Group	Zsambek Basin Environment Protection Association (Perbal)	CR_Zsamb

Multidimensional scaling diagram of the stakeholders in the Region Central Hungary



## Freeman's degrees of centrality of the stakeholders in the Region Central Hungary

Serial No.	Abbreviation	Name and location of Stakeholder	Degree of centrality
2	GR_EPAge	Environmental Protection Chief Directorate of the Middle Danube Valley Region (Budapest)	46
1	GN_MinEn	Ministry for Environment Protection and Water Management (Budapest)	31
15	FRPu_FKF	Municipal Public Space Management Shareholder Company (Budapest)	28
29	TA_PuWMF	Association of Publicly Owned Waste Management Service Providers (Gardony)	26
3	GR_PestC	Office of County Pest (Budapest)	24
23	FRPr_PyR	Pyrus-Rumpold Ltd. (Budapest-Aszod)	20
27	FRM_RuBi	Rumpold Bicske Ltd. (Bicske)	18
5	GM_Budap	Budapest	17
7	GS_Zsamb	Zsambek Basin Regional Development Association of Local Governments (Biatorbagy)	15
30	TA_Recyc	Association of Recyclers	15
6	GS_SBuda	South Buda Vicinity Regional Development Association (Budakeszi)	13
8	GL_Aszod	Aszod	13
21	FRPr_Dop	Doppstadt Ltd. (Zsambek)	13
26	FLM_SHTu	Selective Waste Recycling Ltd. (Tura)	13
4	GR_ProRe	"Pro Regio" Regional Development Agency of the Region Central Hungary (Budapest)	12
24	FRM_Beck	Becker Ltd. (Erd)	12
12	GL_Puszt	Pusztazamor	11
19	FRPr_ASA	ASA Hungary Ltd. (Gyal)	11
28	TA_PrWMF	Association of Privately Owned Waste Management Service Providers (Budapest)	11
31	CN_Humus	Humusz Environment Protection Association of Waste Management Issues (Budapest)	11
11	GL_Godol	Godollo,	10
17	FLPu_VUS	VUSZI Ltd. (Godollo)	10
22	FRPr_Ere	Ereco Co. (Budapest)	10
14	GL_Zsamb	Zsambek	8
16	FRPu_Oko	Okoviz Ltd. (Cegled)	8
20	FRPr_Bio	Biofilter Ltd. (Budaors)	8
13	GL_Solym	Solymar	7
10	GL_Csomo	Csomor	6
9	GL_Budak	Budakeszi	5
18	FLPu_Ces	Ceszolgt Ltd. (Cegled)	4
25	FLPr_Moz	Mozes Ltd. (Cegled)	4
32	CR_Zsamb	Zsambek Basin Environment Protection Association (Perbal)	4

## Structural equivalence matrix of the network in the Region Central Hungary

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33							
1 GN_MinEn																																								
22 FRPr_Ere	1																																							
19 FRPr_ASA		1																																						
20 FRPr_Bio			1																																					
21 FRPr_Dop				1																																				
24 FRM_Beck					1																																			
31 CN_Humus						1																																		
12 GL_Puszt							1																																	
25 FLPr_Moz								1																																
32 CR_Zsamb									1																															
13 GL_Solym										1																														
2 GR_EPAge																																								
27 FRM_RuBi																																								
26 FLM_SHTu																																								
23 FRPr_PyR																																								
14 GL_Zsamb																																								
5 GM_Budap																																								
30 TA_Recyc																																								
15 FRPu_FKF																																								
28 TA_PrWMF																																								
29 TA_PuWMF																																								
8 GL_Aszod																																								
3 GR_PestC																																								
18 FLPu_Ces																																								
17 FLPu_VUS																																								
4 GR_ProRe																																								
9 GL_Budak																																								
16 FRPu_Oko																																								
11 GL_Godol																																								
10 GL_Csomo																																								
7 GS_Zsamb																																								
6 GS_SBuda																																								