Towards Multi-level Territorial Governance in Hungary

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Introduction

Hungary has been involved into a very difficult struggle in order to develop a transparent and effective public administrative system in the past decades. This is especially the case in terms of the organization of relevant and well-proportioned spatial planning levels. During the 20th century, the administrative divisions have had to adjust to several changes in the size and steering mechanisms of the country. For instance, the system that had been based historically on counties had to adopt the extensively altered circumstances emerged as a consequence of the Treaty of Trianon in 1920, which separated around the two third of the territory from the body of the country. After the Second World War, the occupation of the Soviet forces led to the introduction of a centralized governmental structure, which had largely influenced the form of planning methods. The first freely elected government in 1990 decided to reverse this trend and laid extensive rights of sovereignty into the hands of local governments. The power allocation had not coupled with the allocation of sufficient financial resources; therefore the administrative system based on weak and fragmented localities has proven ineffective in many aspects – expressly in terms of spatial planning. This situation has been becoming even more complicated with the accession to the European Union. So far unknown, 'strange' regional levels, such as the NUTS-2 had to been formed in order to make the structural funds achievable in the country. Also a once known level of spatial division emerged with the appearance of micro-regions, although, this spatial administrative level has totally different functions compared to similar sized districts, which were historical components mostly for local administrative purposes. The event that endowed this study with particular relevance is the governmental decision made in September 2011, which decreed the re-introduction of the above mentioned districts by the 1st of January 2013. Partly with this decision, the parallelisms in the public administrative structure are now beyond all bearings and are in contrast with basic EU-principles such as the objective of transparency. Now it seems more and more obvious, that competitiveness and territorial balance cannot be reached in an overly complex system lacking of territorial governance approach.

More and more 'waves' and external forces are testing the endurance and competitiveness of the states in the 21st century. In order to become relevant actor in the international dispute of the European Union, Hungary has to 'grow up' for challenges of pan-European politics, become active participant of the alliance, and has to overcome on the global financial crisis as well. In so doing, the country has to act as a role model of renewing state structure. Since I am a citizen of this country, I feel special responsibility in this case as a prospective spatial planner. I would like to
contribute in the state structure renewal with this study aiming for taking the initial steps in the development process of a flexible, transparent and effective planning structure. This organizational structure has to be a useful framework for competitive and innovative initiatives, be able to adsorb EU-funds and has to act as a solid ground for other planning-related activities, such as land-use management, environmental protection and nature conservation. I am convinced that this unique experiment might also serve with useful lessons to other Members States, which want to 'streamline' their spatial administrative systems in the EU-context.
The objectives of this work

This thesis aims to conceive scenarios based on the organizational experiences of various Member States of the European Union regarding the future administrative framework in which the Hungarian spatial planning practice can effectuate its work. The latest Hungarian reform process of public administration, which involved the (re)introduction of districts, directed the attention to the governance structures, which define the circumstances of the spatial planning activities for a high extent. The Territorial Agenda of the European Union 2020, which has been agreed at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development on 19th May 2011 during the Hungarian presidency period in Gödöllő, claims the following: ‘In line with the Treaty on the Functioning of the European Union (Art. 174 and 175), all policies and actions of the Union should contribute to economic, social and territorial cohesion. (…) The coherence of EU and national policies is of utmost importance for territorial cohesion.’ (TA 2020, 2011, p. 4.)

Although the common spatial planning policy itself still does not exist in the European Union, respected scholars of the academic discussion, such as Dühr (2010) have been arguing for a common competence in this field. Formulating the Hungarian spatial planning system in a manner, which is aware of coherence and interoperability within the European spatial planning, might be ahead of its time. Anyhow, the assessment of utilizable experiences in the pan-European context can significantly underpin the knowledge basis of decision-making sequence of a reform procedure.

The main question of this work was the following: What working methods, organizational logics might be adopted from European spatial planning models? Having regard to the widely varying legislative and cultural backgrounds of the unitary Member States, the concepts related to governance served as a solid ground for comparing the current framework for spatial planning in European examples and thus designated the first steps of this work.

For this express purpose of creating a solid ground of assessments, first, it was necessary to clarify a sound theoretical framework. In line with the recent academic discourse, the Territorial Agenda 2020 (2011) named the multi-level governance structures as suitable frameworks of exercising place-based approach to policy making, which was considered as the main contributor of territorial cohesion by this document. The academic stream on Multi-level governance has been combined with discourse on the eligible Territorial governance structures in order to find a suitable spatial planning system, in which the structural and relational features are reinforcing the pan-European values of governance.
The scenarios were aimed to build theoretical territorial governance structures based on the background conditions of Hungary. The indicative characteristics of the three main spatial planning models have been arranged into matrices, which served later as the backbone of the scenarios. During the development of the matrices, the aim was to thoroughly reveal the Multi-level relations within the different models. Efficiency indicators have also been juxtaposed to the matrixes, although only for informing purposes. The numbers of levels, the sizes of the units and the relations among them have been appointed in the scenarios in accordance with the most characteristic spatial planning models observed in Member States with the similar state form.

The uniqueness of this study lies in the fact that it has been proven, that no comparative research seeking for utilizable experiences in the organization of spatial planning systems in other unitary Member States has been conducted in Hungary before. Mr. Márton Péti, the Head of the Department of Strategic Planning, Regional and Rural Development at the VÁTI Non-profit Ltd. for Regional Development and Town Planning has ensured me that this thesis work could fill in a research gap.

This work aimed to generate specific knowledge in order to enlighten the debate about a spatial planning system, which suits into the Multi-level structure proposed by recent spatial planning policy documents such as the Territorial Agenda 2020. As a first step, it was strongly advisable to pay attention to the available preconditions for developing such structure and to examine, for what extent are these recommendations applicable and beneficial in the case of Hungary.

The next chapter aims to clarify the theoretical framework of the document, including the notions of ‘government’, ‘governance’ and their relationships and interconnections with spatial development. The chapter thereafter aims to provide an overview on typologies of European government structures and spatial planning approaches. The third chapter made an attempt to define a conceptual framework of the recent European spatial planning in the light of the ongoing dispute on efficient structures considering the pan-European principles of good governance, the territorial governance approach and the Multi-level governance concept. The subsequent chapter aims to summarize the specific features of the Hungarian spatial planning system and the characteristics of the governmental structure, with an emphasis on the most conspicuous challenges of harmonization with the recommendations of various European policies. The following chapter presents the process of scenario-writing, based on the conceptual framework outlined above, with the utilization of a matrix, which differentiates the main characteristics of the three viable spatial planning models. In the final chapter, the author drew conclusions regarding the scenarios and outlined the possible directions of the forthcoming debate.
Theoretical framework – government and governance

In order to avoid the misunderstandings during the discussion of the Hungarian spatial planning system, a series of basic notions have to be clarified. To interpret the academic debate regarding the structures of Multi-level governance and to examine the possibilities of applying the related concepts on this field of Hungarian public administration, the circumspect definition of the key terms is essential.

First, it is necessary to paraphrase one of the most often used notions of the political science, namely the ‘government’. The importance for doing so is grounded in the endeavour to distinguish this core concept from another basic notion of a similar sounding, the ‘governance’. According to the Blackwell dictionary of political science (1999) the concept of government refers to the ‘legislators, administrators, and arbitrators in the administrative bureaucracy who control a state at a given time and to the system of government by which they are organized’ (Bealey & Johnson, 1999 p. 147.).

Second, the notion of ‘governance’ covers a wider range of meaning, as it does not refer merely to structural feature, but also to the dynamics of exercising power within the organization. Since the academic scholars tend to interpret this concept as a premise, which is not necessary to define, it seems wise to examine the interpretations of the organizations that work with this notion pragmatically. The fairly simple, thus broadly interpretable definition of the United Nations Economic and Social Commission drew governance as it is the ‘process of decision-making and the process by which decisions are implemented or not implemented’ (UN ESCAP, 2012, p. 1.). This definition leaves much room for uncertainty; therefore it might be advisable to present a different approach to describe the concept in question in more dimensions as well. The Worldwide Governance Indicators (WGI) project of the World Bank describes governance the following way: it ‘consists of the traditions and institutions by which authority in a country is exercised.’ Moreover, this concept incorporates other dynamics and features, such as ‘the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them’ (World Bank, 2012). It is important to note here, that regardless of the fact, as the World Bank applies this definition to central governments; within the framework of this document, the application of the governance concepts for multi-level planning structures automatically involved the expansion of this interpretation to lower tier authorities, e.g. to regional and local governments as well.

Third, the notion of ‘good governance’ refers more for an ideal state or ideal form of performing
governance, which according to the definition of the UN ESCAP, might be achieved by fulfilling eight criteria. In order to be appropriate for the epithet ‘good’, governance has to be participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive. It also has to follow the rule of law, minimize corruption, has to take the views of minorities into account, be attentive to the needs of the most vulnerable groups of the society in the decision-making processes and also has to be responsive to the present and future needs of society (UN ESCAP 2012, p. 3.). The European Union utilizes a slightly different interpretation for the same term; however, the organizing logics behind the concept were the same, only the indicative characteristics appointed to describe the extent of the existence of this state are different. These alternations possibly serve the potential of wider applicability for multi-level policy formulation processes and are going to be discussed in a following chapter of this document.

Since the ‘good’ governance, as its name tells, is a highly value-based concept and is overly elusive to serve as a ground for an academic debate. Although, the way of fulfilling the criteria of good governance is highly unclear, it seems easy to detect a correlation among the effectiveness of territorial cohesion and the suitable and modern organizational structure of the state administration. This granted a reason to take its recommendations into consideration; therefore its restrictions had been serving as secondary guidelines during the preparation of this work.

Fourth, during the past decade, the arguments for the pragmatic appliance of 'Multi-level governance' (MLG) came to the fore as amongst other things, being a method eligible to tackle the challenges imposed by good governance requirements. Liesbet Hooghe and Gary Marks have been publishing a series of articles in the first years of the 2000s in which they expanded the applicability of this notion. At the same time, they have not defined, only circumscribed their concept. The OECD, however made a definition, according to which Multi-level governance ‘can be understood as the exercise of authority and the various dimensions of relations across levels of government’ (OECD, 2012, p. 1.).

Last, a special form of governance, the so-called ‘Territorial governance’ has to be discussed. The general concept of Territorial Governance has been summarized well for instance by Davoudi, Evans, Governa and Santangelo (2008, p. 37.) in a highly clear-out form as it follows: 'the process of organization and coordination of actors to develop territorial capital in a non-destructive way in order to improve territorial cohesion at different levels'. This notion in different forms has been a very characteristic topic of the academic discussion on spatial development in the past decade and thus has also been influencing the related European political agenda as well.

The importance of the last two notions is that there is a passage between them. Hooghe and Marks, the developers of the Multi-level governance concept were at first interested only in the extent to
which authority for a particular territory is dispersed across multiple jurisdictions (Hooghe and Marks, 2004. p. 3.), but later on, differentiated two types of Multi-level governance systems. According to their work, two types can be differentiated, based on whether the jurisdictions are general-purpose or specialized, their territories are mutually exclusive or overlapping; and whether their responsibilities are stable or fluctuating. Based on their findings, it is possible to construe these features of Multi-level governance in the structures of spatial development. Thus the conceptual streams of ‘Multi-level governance’ and ‘Territorial governance’ are available to being combined: The definition of ‘Multi-level Territorial governance’ has to been understood in my paper as a first type of MLG system, in which the ‘general-purpose jurisdictions’, the ‘non-intersecting memberships’, the ‘jurisdictions at a limited number of levels’, and a ‘system-wide architecture’ are the most characteristic attributes. In this conceptual framework, the national structure of spatial planning can be interpreted as the lower tiers of the governance system, while the highest level is the non-binding framework of the European Union, constituted by the intergovernmental agreements on territorial cohesion.

As it has been claimed in a previous part of this chapter, the interpretations on the roles and actors in the process of governance in bringing about territorial cohesion within the political agenda of Hungary and the EU will be discussed in latter sections of this document. Before summarizing the current political positions on the importance of application of these concepts, first it is necessary to review the recent attempts of systematizing territorial governance patterns within the European space.
Attempts of Systematizing Territorial Governance Patterns

Since this study is proposed to make the debate about the feasible territorial governance structure in Hungary more knowledge-based, my work needed extensive circumspection in order to tackle such a complex challenge in the right manner. In doing so, first I had to analyse the European patterns of government structures, the dominant approaches of spatial planning and the influence of the Territorial- and Multi-level governance school of thought on the European understandings of efficient and suitable systems bringing about territorial coherence.

Typologies of European Government Structures

The EU Compendium of Spatial Planning Systems and Policies (1997) distinguished three main types of governmental systems: Unitary systems with varying levels of decentralization, Regionalized systems and Federal systems. By the time the Compendium was made, Hungary has not yet been the Member State of the Union and therefore it was not mentioned in the document, however it is clear that this nation belongs to the group of unitary states.

Another typology has been made by Dubois in a form of a working paper for the ESPON project 3.2. (Nordregio, 2005), in which the author differentiated five main types of state structures: Federal States, Regionalized Unitary States, Decentralized Unitary States, Centralized Unitary States, New EU Member-States and candidate countries. Moreover, this working paper expounded a typology of regionalization as well, in which the sub-categories were Administrative Regionalization, Regional Decentralization, Regional autonomy or Political Regionalization, Regionalization through existing Local Authorities, and Regionalization through Federate Authorities. According to this interpretation, Hungary belonged to the New EU Member States, and was considered as a Regionalized Unitary State through its the existing Local Authorities.

A third classification of government structures have been made as the outcome of the ESPON project 2.3.2. (2006), which incorporated even more aspects of examination. The main considerations were the following: the devolution of powers (Unitary states (Devolution to regions / real power in central state, Unitary states Devolution to regions / real power in regions, Unitary states - Centralization / Dominant central state and Federal states), the power of the local level (the relative weakness of central state, compared to the local level), inter-municipal co-operations, the interactions and negotiations (national or regional) and the existence of contracted relationships (in terms of national-regional or regional–sub-regional).
Spatial planning approaches

Konstantinos Lalenis and Dimitris Kalergis made a very extensive summary of the different planning approaches in Europe in their work, 'A theoretical analysis on planning policies' (Kalergis & Lalenis, 2010). The authors introduced the concept of Families of Nations (developed by Peter Newman and Andy Thornley), which makes distinctions based on 'the legal families in Europe', on the 'administrative families of nations' and on 'families of nations in Spatial Planning'. Newman and Thornley defined the legal families by making a distinction between the nations, which followed the British common group law, utilized the Napoleonic system, adopted the principles of the Germanic system or used the Scandinavian approach, which might be considered as a hybrid of the Napoleonic and the German system with more emphasised characteristics of the latter, but without 'scientification' and being more pragmatic (Kalergis & Lalenis, 2010, p. 30). Hungary, which formerly took place in the Eastern European legal family and the Communist-Centralist administrative family, has developed an own legal system during the past decades, based on Continental (mixed Germanic and Napoleonic) traditions and borrowed most of its administrative approach from the EU. Newman and Thornley also differentiated four families of spatial planning, which were the following: the British-, the Napoleonic-, the Germanic-, and the Scandinavian family.

The members of the British family, similarly to their administrative systems, employ a planning system, which is strongly centralized and compose limits for the local level. The central appeal system provides a strict control on the local decisions and also serves as a force that eliminates the contradiction among the local development activities and the national guidelines of planning. At the same time, employers of the approach of the British family tend to separate the three major planning functions, namely the regulatory and control function, the development function and the plan making function within their institutional organization. The nations of the Napoleonic family tend to create a top-down hierarchy of the plans, in which the higher level plans mainly concern regarding development policy goals, while the lower level documents utilize a zoning-based land-use approach and are significantly more detailed. In order to provide its local duties and responsibilities in a demanded quality within a centralized system, the most significant member of the Napoleonic family, France utilizes a wide range of interactive arrangements. The German family bases its framework on the strict and extensive system of laws and rigorous planning regulations. Finally, the Scandinavian family embodies an overarching bottom-up approach, as it sets the municipalities as the most important actors of spatial planning. In this highly decentralized system, the regional planning is fairly weak and the influential power of the national level has also been constrained to a minimal level (Kalergis & Lalenis, 2010, p. 32.).
Since Hungary was not a Member State of the Union by the time these authors had been developing this typology, the planning characteristics of the nation has not been detailed in this document. At the same time, one might recognize the mostly 'Napoleonic' influences in the planning system of Hungary, as it also has a centralized national framework of planning and has been likewise developing a strong hierarchy of plans and typically utilizes zoning its land use approach at the lower levels.

The authors of the PLUREL Deliverable Report 2.2.1 (2010) also summarized the in these days outdated findings of the EU Compendium from 1997, with regards to the 'Traditions of spatial planning' in the EU-15. There are significant differences among the approaches of Newman and Thorney, and the one that has been utilized in by the Compendium in terms of the historical inquiry and the organizing principles of categorization. For instance, the Compendium used the term 'traditions' instead of 'families', thus emphasized that its approach aimed less to focus on finding common roots but more on the currently detectable similarities in the outcomes of the pragmatic use of the different approaches. Furthermore, while the differentiation made by Newman and Thorney focused on finding similarities in the structures of the spatial planning systems of the nations geographically close to each other, the Compendium tried to define groups in which the members share conceptual similarities in the functional relations within their spatial planning systems (ESPON 2.3.2., 2006, p. 741). Therefore the Compendium also examined a broad range of interrelated factors that are able to describe the most dominant functional relationships, such as 'the relative roles of public and private sectors', 'the locus of power' and 'the distance between expressed objectives and outcomes'. (PLUREL Deliverable Report 2.2.1., 2010, p. 34)

In conclusion, the Compendium distinguished four types of planning traditions, which were the following: the Regional economic planning approach (also known as the French model), the Comprehensive integrated approach (German model), Land use management (often called as the British model), and the ‘Urbanism’ tradition (also known as the Mediterranean model). The Urbanism tradition is rooted in the local level regulatory plans, therefore its focus mainly concentrates to the physical conditioning of the lowest tier and just secondarily to the supra-local and regional levels. The Land use management approach also can also be considered as a 'hard' spatial planning style, since it also aims to tackle mostly the physical relations of the area in question; however it shows up greater potentials in terms of higher level (regional and national) planning than the Urbanism tradition. The Regional economic approach, as its name implies, draws on from a softer direction of enhancing economic performance and has its the highest potential in tackling the spatial planning matters on regional and national levels. Finally, the comprehensive integrated approach might be considered as the softest spatial planning style as it has a sustainable
spatial focus of planning, which is highly in line with the European Spatial Development Perspective. The strength of this approach lies in its fairly good capacities to establish a working mixture of the hierarchical systems and the essential coordination both in terms of vertical (multi-level) and horizontal (cross-sectoral) relationships, while its focus ranges to physical, economic and environmental considerations as well.

Since the EU Compendium was made, several diversions from the initial categories have become noticeable in the spatial systems and policies in the European Union. Partly because the accession of 12 new Member States, the mixing and the rise of hybridism in families of nations have been occurred. Lalenis and Kalergis also synthesised the findings of the ESPON 2.3.2 study about the movements and changes that took place in spatial development approaches after the Compendium has been made, and came up with the statement that 'the majority of Europe is moving towards the comprehensive integrated approach and the regional economic approach' (Kalergis & Lalenis, 2010, p. 39.).

This means that the spatial planning approaches that are less suitable to tackle the challenges of spatial planning on higher levels, or focus merely on physical regulation and unable to integrate the economic and environmental concerns – such as the Urbanism tradition and the Land-use Management – seem to be gradually disappearing from the pan-European practice. The possible reasons might be multifarious: the adequate programming and planning on regional levels became essentially important in the utilization of the Structural Funds and there might exist a trend of unification in the European planning approaches as well. The ESDP process and the presumed 'Learning machine' that manifest in multilateral communication and sharing of experiences among the representatives of the nations might demand to diminish the significant differences in the pan-European practices. In order to exclude the possibilities of misunderstandings and to keep the dynamics of co-operation among the experts of the Member States, the lessening of distance within the planning structures seems to be inevitable; and this process might has been leading to a ‘natural selection’ of the planning approaches.

Hungary has been classified in the ESPON project 2.3.2. as a Member that utilized the characteristic instruments of the Comprehensive integrated- and Regional economic approach the most after the accession procedure to the European Union. The table demonstrating the major changes in the spatial planning styles of the EU Member States can be found in the Annex 1. It is worth to mention, that the ESPON project 2.3.2. reflected on the amalgamation proceedings of the different planning approaches thus yet used the term 'styles', instead of 'traditions', which formerly had been utilized by the Compendium.

Kalergis and Lalenis (2010) also summarized the conceptual framework of 'Macro-regional
perspectives on European spatial planning', which has been expounded in an article by Janin Rivolin and Andreas Faludi (2005), and claim that this theoretical approach can be used for analytical purposes only, since it does not make unequivocal differentiations along the borders of the different Member States.

Finally, Lalenis and Kalergis (2010) presented a vividly descriptive and easy-to-interpret systematization of spatial planning policies in the EU: The so-called 'Four-dimensional Hypercube' (see Figure 1), a concept developed by Joaquín Farinós and applied in the ESPON 3.1. study. This model is able to illustrate the dimensions of the above mentioned four spatial planning approaches of Europe, in terms of levels involved and the focus of planning. The concept of Hypercube has been built on the statement that the borders between the different styles of spatial planning have been continuously fading in the past decades. The strength of this perspective stems from the recognition that the pan-European processes of spatial planning, such as the ESDP have been influenced the planning traditions named in the Compendium to a fairly high extent. Kalenis and Lalergis (2010) concluded that the agendas of international organizations, such as the OECD, the spreading appliance of the Open Method of Coordination approach and the development of 93 common, European policies, such as the Structural Funds have been accelerating the process of mutual exchange of spatial planning styles and practices.

1. Figure: The 'Four-dimensional Hypercube of Spatial Development Planning Approaches.

Source: Farinós, J., ESPON 3.1. (2005)
There are two major trends in the old Member States, as these countries have mainly moved towards the comprehensive integrated and the regional economic approach during the past decades. As it has been stated above, both of the two approaches have their own strengths, therefore the scholars of this field - such as Lalenis and Kalergis - now recommend the construction of a 'Neo-comprehensive integrated planning approach', which can encompass the values with the wise mixing of the elements of both of the approaches mentioned above. They claim that thus this new approach can contribute to Territorial Cohesion, while it can fulfil the requirements of the Multi-level governance concept and able to ensure the essential conditions of Good Governance, such as Sustainability, Subsidiarity, Cooperation, Equality of access in decision-making, Efficiency, Transparency, Accountability and Civic Engagement (Kalergis & Lalenis, 2010).

It seems obvious that each nation should develop a ‘fine-tuned’ planning approach for its own needs, thereby be able reflect on the special conditions of its particular cultural background and spatial challenges. At the same time, Kalergis and Lalenis (2010) stated, the 'Neo-comprehensive integrated planning approach' offers high potentials to encompass the values and recommendations of the Territorial Cohesion agenda of the European Union. Thus the move towards an own Neo-comprehensive integrated planning direction can only be conducted after circumspect assessment of the specificities in the planning environment of the Member State in question. Even if there is no common policy and binding regulations for Spatial Development within the European Union, the growing number of recognized common values, and the academic arguments for a joint European spatial planning (as it has been emphasised for instance in the book edited by Stephanie Dühr (2010)), have been serving as a solid ground for thinking in overarching structures, such as a Multi-level Territorial governance. If one insists to this notion, as the spatial planning system of a Member State should be restructured in line with this framework, then, as a following step it is necessary to examine the acceptance level of these common values, and in the differences of spatial planning practices on the different levels. Thus, in the following chapter, the analysis will start with the European conceptual framework for spatial planning and then the focus is going to move along to the lower levels within the Multi-level structure: The next step will be the assessment of the governance relations of the central government in Hungary and later take place the regional, sub-regional and local features. At the end of the chapter, those significant challenges of the spatial planning system are going to be summarized, which has to been kept in mind during the scenario-building process.
A European conceptual framework for spatial planning

As Andreas Faludi stresses, the process of European integration might offer a possibility for a mutually beneficial exchange of working experiences in terms of territorial planning practices as well, resulting in a so-called 'learning machine' (Faludi, 2008). Although Faludi formulated mainly wishful thoughts regarding the possible benefits of a pan-European system of joint research and information exchange, the ESPON 2.3.2. (2006, p. 169) report stated, that the national and European spatial policies are indeed mutually dependent and influence each other. The document mentions that there were certain policy development areas that have been influenced significantly by the European policy, for instance, the ESDP, the successful international co-operations of the Interreg, the spreading of the Open Method of Coordination and the environmental policy integration into the planning practice. The strong willingness of the Member States to participate in multilateral projects and to adopt instruments that have been utilized successfully in other nations are phenomena that proves the mutually beneficial nature of the co-operations and learning procedures of these kind.

The term 'governance' is considered to be rather elusive in the European phrasing. Regarding to the more or less accepted EU-definition it 'means rules, processes and behaviour that affect the way in which powers are exercised' (EC, 2001 p. 8.), i.e. the process of decision making and method of implementation of the decisions. The fairly transparent general guiding principles of 'good governance' in the EU have been conceived by the White paper on European Governance, (EC, 2001), which serve as framework instructions for every actions on governance. According to this document, the aim of more democratic governance has to be achieved through the pragmatic exertion of five principles. The main key terms are 'Openness', 'Participation', 'Accountability', 'Coherence', and 'Effectiveness'; all of them are aimed to contribute to and compliment the existing pan-European values of governance, namely the proportionality and subsidiarity. The accessible highest extent of democratic representation of the society in the decision-making and implementation processes serves as a cornerstone of developing 'Governance', the 'post-modern form of economic and political organisations' (EC, 2012), therefore these principles of the White Paper on European governance are recognized as general guides of this work.

The importance of the territorial governance school of thought

The Territorial Agenda of the European Union (2007) applied a slightly different approach than Davoudi, Evans, Governa and Santangelo (2008) as it formulated the notion of Territorial Governance by improving the concepts of good governance. The Territorial Agenda defined the
concept in the following way: *Territorial cohesion can only be achieved through an intensive and continuous dialogue between stakeholders and territorial development. This process of cooperation is what we call territorial governance.*' (Territorial Agenda, 2007, p. 2.). Thus the Territorial Agenda stressed rather the need for an advanced multi-lateral conversation among the stakeholders and decision-makers, called for the integration of the scientific community, the private sector (mainly the local and regional entrepreneurs), the public sector, the sectoral representatives and the NGOs into the decision-making processes with territorial impacts for the highest extent available.

As it has been emphasised in the Final Report of the ESPON project 2.3.2 (2006), with learning from pragmatic experiences of spatial planning models of other unitary Member States and implementing the values and principles of Territorial governance, there exists a good chance to find a common ground to reflect on many of the contemporary challenges of spatial planning. Naturally, these findings do not always automatically apply to all of the Member States of the European Union. For instance in the Nordic states the territorial governance approach has never been the decisive school of thought in spatial planning. On the other hand, in the case of Member States which have legal interpretations and planning practices rooted in 'continental' traditions, as well as the most characteristic European spatial agenda-setting nations such as France and the Netherlands, the territorial cohesion concept has legitimacy to a high extent.

**The Multi-level governance concept in the EU discourse**

The successor of the TA, the *Territorial Agenda 2020* (2011) emphasised that the Multi-level governance method might be the successful instrument in the pragmatic implementation of subsidiarity principle while the evidence-informed decision making and horizontal coordination in realizing the place-based approach in the policy formulation leads to territorial cohesion. The document stresses, that Multi-level governance approach is essential to coordinate the different functions and synthesize the needs of the stakeholders of the area. Moreover, the CIVEX Commission of the Committee of Regions (CoR) stated in the follow-up document of the White Paper on multi-level governance (CIVEX, 2011) that the approach of Multi-level governance has to be integrated thoroughly into the policies with significant regional impact and these efforts are of a highest priority for the development of cohesion policy. The CIVEX Commission also set the future goal of setting a framework of legal and political cooperation, based on commonly accepted and jointly consolidated values and principles of Multi-level governance by the means of 'relevant mechanisms and instruments' and by 'ensuring that the various tiers of governance, in particular local and regional authorities, are in a position of financial independence and able to pool resources efficiently as a result of fairer distribution of public funds' (CIVEX, 2011 p. 2.).
Framework for the Multi-level Territorial Governance

As has been clarified in the previous chapters of this document, the Territorial Agenda of the European Union (2007) interprets the continuous process of multilateral dialogues among the stakeholders and decision-makers of territorial development as Territorial Governance. At the same time, the Territorial Agenda 2020 also supports the instruments of Multi-level Governance in order to achieve territorial cohesion: 'This needs vertical and horizontal coordination between decision-making bodies at different levels and sector-related policies to secure consistency and synergy' (TA 2020, 2011, p. 9.)

However, the Territorial Agenda 2020 is an outcome of an intergovernmental agreement and the recommendations serve only as guidance, as a consequence of its non-binding nature. Hungary has a special relationship with this document. The Territorial Agenda has been adopted in Gödöllő, Hungary in 2011, during the period of the Hungarian presidency and this nation might be considered as one of the drivers of this work as a host of this informal ministerial meeting of European ministers responsible for spatial planning and territorial development.

During the period of literature review, I have been trying to find existing materials, which aim to tackle the complex problem of finding a more suitable form of territorial governance, with involving all the levels of a nation into the study perspective. The material I found confirmed almost unquestionably the presupposed hypothesis of mine that a comprehensive work aiming to examine the features of spatial planning in Hungary from the perspective of Multi-level governance requirements has not yet made in Hungary. The foci of the Hungarian studies were generally aiming to the promotion of a level in spatial planning practice (as it was the case of Metropolitan neighbourhoods as a planning element in the Final Report of the LMRI in 2008) or to acclimate a study perspective (the 'Peri-urban relations' aspect in the PLUREL Deliverable Reports 2.2.2 and 3.3.10 (2010).

My aim was to analyse the governance shortcomings in Hungary that influence the spatial planning practice and to assess the characteristics of three different models of spatial planning in unitary Member States. The three different models encompass the concept of (Multi-level) Governance for different extents. At the same time, this perspective offered a reliable set of standards in order to find the utilizable experiences. It is my contribution to make the debate more knowledge-based on finding a suitable spatial planning system for Hungary. Thus I based my analyses on the values and principles of a so-called ‘Multi-level territorial governance’ concept, in order to analyse the general schemes of working spatial planning models. A possible way of organizing the core concepts and locating the theoretical position of Multi-level Territorial Governance system of a Member State in this process has been illustrated with the Figure 2.
Within the conceptual limits of this work, I interpreted the different spatial planning practices as the outcomes of the spatial planning models, influenced by the contemporary theoretical concepts, local influences and the dominant approaches on tackling a spatial development task.

As all of the activities related to governance, the spatial planning procedures also have a well-confined framework within the overarching legal system of the nation in question, which has been built on the traditions and values of the dominant law family inherent in the environment of European structure of nations. The general position of the political sciences adopted to practice has also have influence on governance structures: the patterns of exercising power in the territorialized processes of governance highly depends on the on the accepted interpretations of the role of the state, namely on the pragmatic understanding of the distribution of tasks and responsibilities within the public administrative structure and the extent of recognition of the role of Spatial Planning policies as socio-economic drivers.

Within the conceptual framework of this document, the prospective territorial governance system of a Member State itself has a multi-level structure. Within the system of territorial governance (symbolized by a grey 'bubble' in the figure) the different levels of planning can be considered as
the vertical tiers of governance. The highest level(s) of this Multi-level governance system is (are) Supranational one(s), and the intermediary National, Regional, Sub-regional and the lowest Local levels are in a co-ordinated relation in terms of tasks, powers and responsibilities, regardless from their seemingly subordinate hierarchical division ensued by the size of the supervised territory. Since the main policy documents of European spatial planning, such as the Territorial Agenda (2007) emphasise the importance of the democratic and open nature of the system of territorial governance the participation is has to be multi-dimensional: In an ideal case, the processes of advocating the different interests amongst decision-makers and stakeholders has to been realized on various levels and through co-ordinative synergies. Similarly, the implementation of territorial governance objectives has to been performed through co-operations in top-down and bottom-up directions of as well.

It is also worth to emphasize the importance of pan-European agenda-setting policies aiming to define the main directions and common values, such as the ESDP process and the Territorial Agenda 2020, which altogether encompass and promote the recommendations of Multi-level structure concepts and the values of good governance. The end result of the appropriate functioning of the Multi-level territorial governance system, the heading to a more balanced state of territorial cohesion might hopefully been observed. Naturally, the multi-level governance systems do not lead to territorial cohesion automatically, since the real cornerstones of reaching this state are the political decisions. At the same time, it is easy to admit that the range and quality of political choices depend on the framework of territorial governance for a high extent. As has been stressed before, the main objective of this work is to support the debate on suitable forms of spatial development in Hungary with essential knowledge. Furthermore, as has been claimed before, one of the promising directions of reaching the state of territorial cohesion is the formulation of a suitable system of Multi-level territorial governance; at the same time the first step in doing so is the examination of the relevant conditions and challenges of the country.
The case of Hungary

The territorial governance and the Multi-level governance conceptual frameworks are not in every case in line with the understanding of all the Member States. At the same time, they might apply for the case of Hungary, as this state has continental legal traditions, which is highly in line with the framework of good governance requisites. Moreover, this nation has spatial planning traditions heading to the 'neo-comprehensive integrated' approach, on a fairly similar path with most characteristic spatial policy-formulating nations of the Union.

The ESPON project 2.3.2. (2006 p. 45.) enumerated several instruments fostering territorial cohesion, one of the ‘best practices for territorial governance’ was the ‘reform of structures, planning instruments and methods’ –which is the main purpose of this document as well. In order to have a clear vision on the subjects of this reform, one should equally examine the government structure and the spatial planning approaches of the Member State in question.

Government structure of Hungary

According to examined aspects of the ESPON project 2.3.2., Hungary was considered as a unitary state, which is centralized or has at least a dominant central state; the local level was considered powerful, accompanied with the equally strong central state; there was no sign of regional spatial planning through inter-municipal cooperation and there were no national-regional interactions, negotiative and / or contractual approaches to spatial planning. A summary table of the ESPON 2.3.2 on features of governance can be found in the Annex 2.

Since the subject of interest of this document is related to the Multi-level governance structure, the analysis aimed at describing the performance of the Member States in terms of the multi-level structure and multilevel relationships in the ESPON project 2.3.2 (2006) has particular relevance. The multi-level-relations of the governance structures has been assessed with the utilization of three highly descriptive indicators, namely the role of sub-national governments within operation process of the States, the political systems of the Member States and the distribution of spatial planning powers within the nations. Regarding multi-level relationships the analysis has used three other categories of indicators, which were the ‘Approaches for vertical cooperation and coordination’, ‘Forms of cooperation between agencies, departments and authorities’ and the existence of 'integrated spatial planning', as whether the different forms of multi-level co-ordination practices are available to certain degrees in the field of spatial planning. According to the analysis on Multi-level governance characteristics of the ESPON 2.3.2 project, Hungary has a score in multi-level structure
only a little lower than the EU-27 average, at the same time the multi-level relationships of the State are slightly more developed than the EU-mean (see Figure 3). The indicators of this assessment of the ESPON 2.3.2. project covered a wide range of inquiry, for instance the aspects of the structural analyses were the following: Model of State; Typology of Regionalisation; Constitutional guarantee for local and/or regional levels; Allocation of spatial planning powers; Existence of new, innovative spatial planning powers (elected assemblies) at supra-local / subregional level; Existence of National Territorial Chambers; Devolution to first tier local authorities. Moreover, the study also assessed the following relational features: Forms of cooperation between agencies, departments and authorities; Approaches for vertical cooperation and coordination; Existence of regular multi-level governmental meetings;Extent of local financial dependence on central government; Existence of an integrated approach for Spatial Planning (ESPON 2.3.2, 2006. pp. 1028-1031).

3. Figure: The Multi-level Governance Characteristics of the EU-27.

Source: ESPON project 2.3.2 Final Report. Emphasis added by the Author

The report in question stated, that the bulk of the Member States tended to agglomerate around the central area of the graph close to the average values in both dimensions, and these nations were called as ones with 'no experience of optimal performance' by the ESPON (ESPON 2.3.2., 2007 Annex D, p. 18). Another less provable, although plausible assumption has been made by the report, as there might be a positive relationship among the more developed multi-level structure and the better performance in multi-level relationships.
The top three states that performed the best in terms of multi-level structure, Austria, Germany and the EFTA-member Switzerland have federal state structure and perform also relatively well in multi-level relationship mechanisms, tools and attitudes. On the other hand, the Member States that have the highest scores in multi-level relationships are Nordic countries, namely Denmark and Finland.

The complexity of state structure seems predominantly influential on the score of multi-level relationships: As an outcome of the asymmetric model of federal state, the multi-level relationships among the different levels (central government, regions, communities and municipalities) became overly elaborate and difficult in Belgium. Similarly, Italy has fairly low scores in multi-level relationships, regardless from its relatively developed multi-level structure. ESPON 2.3.2., 2007 Annex D, p. 18).

According to the statements made in the ‘Framework for the Multi-level territorial governance’ chapter, the aim for developing a suitable spatial development administrative system can be fulfilled with the highest efficiency with the enhancing the Multi-level relations and structures of the nation. Thus the nature of challenge for Hungary in terms of is to move to the direction of the area highlighted with red colour in this figure, in which the Member States presented have high scores both in multi-level structure and relationship mechanisms, tools and attitudes.

Nonetheless, it is strongly recommended to notice here that the authors of the PLUREL Deliverable Report 2.2.1. (2010) emphasized that the assessment of lower and middle-levels of territorial governance offers more details about the functioning of the different systems than the typologies aimed to define characteristics of governance based on the examinations of national level characteristics, often using generalizations. (PLUREL 2.2.1, 2010 p. 50.). From this point of view, the potential effects of recently proposed level of districts and the recent changes in the administrative structure of Hungary (such as the gravity displacement among the NUTS-2 Regions and NUTS-3 counties) has greater significance in the development process of a Multi-level governance system than one might think at first. The introduction of a new level of governance, which might have spatial planning responsibilities, could fundamentally restructure the allocation of spatial planning powers, thus possibly leading to a more centralized territorial governance structure. A more centralized governance structure is possibly more sensitive of the central political decisions and its processes might be less evidence-based. The power allocation from the politically independent NUTS-2 bodies with only spatial development tasks to a level, which is the scene of party politics as well, seems to carry the same risk.
Challenges of Governance

As it will be detailed further in this work, the Report established by the Congress of Local and Regional Authorities of Europe (CLRAE, 2002) had assessed the state of regional democracy in Hungary in a meeting held in 2002 identified major shortcomings in the regional democracy of Hungary in 2002. Many of these challenges have remained, although a whole decade has passed since this document was made. One should handle the great expectations regarding a promising change in democratic governance, such in view of the National Report of the ESPON 2.3.2 (2006) with care. Albeit the experts of this report construed the Act XXI of 1996 on Spatial Development and Planning and the Local government Act of 1990 as promising initiatives for the decentralization of spatial planning and for the decision-making power transfer from the central state to the local governments, the following steps from government to governance have still not been taken. As the Figure 4 illustrates, the vast majority of priority emphases on good government objectives – such as Transparency, Openness, Accountability, Coherence, Horizontal- and Vertical co-ordination) were still lacking in 2006 in Hungary. As it can be read from the figure, the situation of Hungary is not exceptional: Austria, Estonia, Finland, Spain and Sweden have also not encompassed the majority of these objectives. This might has several reasons: one of those is the fact, that even if the concepts and the academic debate on Governance are influencing the European practices of public administration, some of the Member States do not identify themselves with these theories. Simultaneously, while the European spatial development agenda is encompassing more and more of these concepts, the application of these recommendations is not compulsory. Given that the EU has no common, binding policy regulations in terms of spatial planning, the Member States have the right to decide whether they want to adopt the Governance principles in this field or would like to utilize other general principles for administering.
The National Report of the ESPON project 2.3.2 (2006, p. 299) also identified the most dominant shortcomings of governance. The author of the National Report on Territorial Governance in Hungary has mentioned in the final report that only three out of the nine analysed governance objectives (Openness, Transparency, Participation, Effectiveness, Horizontal coordination, Accountability, Vertical coordination, Decentralization, Coherence) has been given a priority emphasis during the act of governance (ESPON, 2006). Moreover, the creator of the report emphasises the ever-growing tension resulted from the struggle of different levels of governance. Among other things, these disadvantageous factors for bringing governance in effect are for instance the administrative structure, in which the powerful cities and the central government were

4. Figure: Priority Emphases on Good Governance Objectives in the EU Member States.

Source: ESPON project 2.3.2. Final Report, Summary of National Reports.
in a power struggle, or the political culture, in which the short term goals are dominant, the politics is traditionally characterised with a predominantly top-down approach and the civil society is weak. The report also emphasised the distorted local governments with strong powers and vulnerable financial position and the lack of interest in community-based participation as the most critical shortcomings of the governance system in Hungary (ESPON project 2.3.2, 2006, p. 154). The National Report stated that the Hungarian experts have very limited experiences in participation processes as well as in the functioning of partnerships. Moreover, it is worth to mention that the few examples mentioned in this report as promising public-public possibilities in Hungary, such as the micro-regional alliances or the regions as forums of public-public co-operation have been proven as failures.

The currently valid State Reform Operational Programme (2007 p. 15.) has made similar ascertainment, as 'the Hungarian administrative culture is expressly formal and hierarchical in nature', and claimed that the lacking good governance principles led to an opposition experience between the government and the society, since the people feel that the option of direct influence on decision-making has been lost. The State Reform Operational Programme (2007, p. 10.) also claims that the organizational interests tend to overrule the advocacy of the citizens and as a result of the lacking transparency, the state performance became fragmented and the parallel use of resources is perceptible.

The State Reform Operational Programme (2007) confirmed the concerns of the National Report of the ESPON 2.3.2., as it named the financial dependence of the local governments, the historically immature civil society and the traditionally centralized decision-making process as the most pressing problem of Hungarian governance. The State Reform Operative Programme of Hungary, like the National Report, also lists a series of shortcomings in terms of good governance objectives. Among others, it names the improper emplacement of tasks, a high level of organizational parallelisms, and the exclusively hierarchical organizational culture of operation as distinctive weaknesses which are associated with a weak system for monitoring and control and generally low level of social partnership. It also mentions the dominance of organizational approach coupled with lacking modern management methods, the absence of group work practices and horizontal cooperation and the determinatively legislation and law-centric aspect of government, which leaves no space for individual initiatives. Moreover, the Operative Programme claimed that there is a lack of policy approach in the preparation stage of decision-making, both in the central and lowest levels as well. Naturally, the State Reform Operational Programme (2007) not only stated the shortcomings, but also drew fairly clear recommendations in order to develop the networking characteristics of the Hungarian governance: It strongly recommended the enhanced involvement of
social partners and the 'boosting up of public life activity', which might contribute to the competitiveness of the nation as well.

The National Overview of Hungary in the ESPON 2.3.2. report claimed that practices based Open Method of Coordination (OMC) are not being utilized in the Hungarian planning culture, the only experiences are related to social protection or employment policy matters. The EU-wide favoured 'Management by Objectives' approach is not peculiar to the governance of Hungary, as the necessary preconditions of public partnerships, policy integration and strategic thinking with specified goals and time sets (Emmelin, 2011) are not dominant in the decision-making processes.

According to Varjú (2010), the hierarchical planning system of the country has rather counterproductive results in terms of sustainability. The scholar stated that the lack of a reasonable vertical division of labour eventuate in critical shortcomings of the environmental policy integration. He claimed that series of communicational failures have been happening between the actors of different spatial planning levels; moreover, the hierarchical structure does not allow the evolving of bargains and arguing among the different governance levels, which are common procedures of the policy formulations in the EU. As Varjú (2010) stresses, this phenomenon raises several questions regarding the fulfilment of subsidiarity and proportionality principles of good governance between national and regional actors in particular.

**Historic levels of public administration in Hungary**

The phrase of 'county' has been covering a huge range of meanings during the History of Hungary. There have been various interpretations of counties since the first use of the expression in the structure of the realm of the state founder king, István in the year of 1000. The number and territory of the counties have been varying several times and they only became exclusive public administrative units in 1876, however their dominance was unequivocal from the 11th century. The current number of 19 counties has been formed in the year of 1950 and the system of democratically elected governments of the counties has been constructed in 1990. The 19 counties form the NUTS-3 level of Hungary in the nomenclature of the European Union.

The counties were not always the direct supervisor bodies of the processes on the local level. The districts, which have appeared in the 13th century, fulfilled these tasks up until 1983. It is important to note that districts were never governmental bodies, they only served as intermediary and executive organizations between the territorialized central will on the level of counties and the local level of settlements. Therefore the districts have never had collegiate bodies, except from a period between 1950 and 1971, when these units possessed people's representative boards under the name of 'district councils'. Although, it is worth to mention that even in this period, these 'councils' did not
maintain effective advocacy on a lower governance level and served only as the subservient fortification of a centralist state structure, as the districts always were in Hungary (Districts: Historical overview, 2011).

The key role of the local governments in the governance came to the focus with the Local government Act in 1990. After 45 years of occupation by the Soviet forces and a highly centralized state structure, which aimed the total control of the nation, the first democratically elected government was committed to decentralize the powers of governance and to transfer responsibilities from the central state to local governments for the highest extent possible. The actual frame of mind focused on the autonomy of the settlements and on the principle of equality. However, this transformation of heightened speed resulted in a model, which does not consider the traditions of the local government system before the socialist period (LRMI Final Report 2008).

The most significant problem is the fragmentation of the system, in which the autonomous roles and responsibilities are not in line with the financial capacities of the local governments. Despite the developed management system of differentiated tasks before 1945, the current model failed to construct an effective division of labour (e.g. through the formulation of municipalities) and it lead to the disintegrated system of public tasks. The LRMI Final Report stresses that this model not only led to decentralization without subsidiarity and to extreme differences in the extents of factual autonomy, at the same time it liquidated the relationships among the local level and the metropolitan areas (LRMI Final Report 2008, p. 8.).

Several attempts aimed to re-balance this model; one of them was the Act XXI. of 1996 on Spatial Development and Planning, which might be considered as the late instrument for constructing the institutions and a framework of spatial planning. The first version of this law consciously avoided the using of the term 'districts', on the other hand it had some forward-looking visions even then, eight years before the accession, as it set the aim of 'fostering the harmonisation to the regional policy of the European Union through international cooperation' (Act on Spatial Development and Planning, 2012). Further attempts have been made in order to adjust the spatial planning model of the state, the most notable were the laws in 1997 and 2004, which tried to set the system of voluntary co-operations, first based on unique compromises between the local governments and later among the actors of a micro-region. Both these attempts might be considered as failed, which might be explainable with the lacking cultural background and affinity of cooperation on local level.

**The EU-transition procedure**

As the part of the EU-accession procedure, the introduction of previously not utilized levels of
The level of micro-regions had first been created for statistical purposes in 1994. The official appointment of 168, and later 174 NUTS-4 (LAU-1) micro regions in 2003 was aimed at granting an opportunity to bring forward territorial cohesion at this level, in accordance with the European framework of spatial development. At the same time, the LAU-1 level has not lived up to the expectations of the profession: During the last eight years, 132 micro-regional ‘development concepts’ has been made, with fairly different standards of quality (TeIR, 2012). The so-called ‘development concepts’ in the Hungarian spatial planning phrasing are the strategic plans that formulate the visions on development and set the main goals, which have to be reached by the responsible organizations with mostly non-specified operative instruments. The Government of Hungary has accepted the CVII. Act of 2004 as regards the multi-purpose micro-regional associations of the local governments and therefore authorized these associations to act jointly to tackle certain types of tasks, such as road maintenance, nature protection, healthcare and social services, and last, but not least spatial planning. However, the local governments failed to cooperate efficiently within this framework. Albeit the voluntary associations have had the
opportunity to require additional funds from the central budget, this possibility has raised the attention of local leaders less than it was expected. As Pupek (2006) concluded, the lack of local competences and funds led to a phenomenon, in which beside the 95 micro-regions that could be considered as actives, 59 micro-regions were absolutely passive. The Final Report of LRMI (2008) states that this failed modernisation attempt of the Hungarian model was doomed from the beginning, since the undifferentiated linking of the highly diverse challenges of formulating efficient economies of scale divisions and of service organization. In order to achieve the efficiency of the similar model of voluntary associations in France, it is crucial to establish development agencies in this level, appoint mediators between the local governments and to differentiate reflecting on the various types of settlements - both in terms of the size of the micro-regions and in terms of the logic of service organization, as it has to be emphasised for a higher extent in metropolitan areas (LRMI 2008, p. 28.).

On the other hand, the necessary strategy- and sustainability focused thinking, and the use of modern planning tools and decision-making procedures of performing joint tasks in terms of local public administration and public services are still lacking (State Reform Operational Programme 2007). In conclusion, the NUTS-2 and LAU-1 levels of Hungary in their current form are not capable to foster the objectives of territorial coherence, contrary to the expectations emphasized in several policy documents. Regardless to the findings what the experts of this field emphasised several times, the extremely monocentric spatial planning system results in contradictory outcomes in terms of territorial balance objectives. As the LRMI Final Report (2008, p. 10.) states, in a longer time span it is indispensable to construct a planning level with solid social background based on statistical micro-regions; moreover, the experts, who prepared the National Report of Hungary in the ESPON project 2.3.2. (2006, p. 71) stress the crucial necessity of increasing the roles of the NUTS-2 regions, and in doing so the formulation of regional authorities, who are not only able to construct development plans, but possess sufficient executive powers as well.

The ongoing reform

There is a global trend among the developed nations as they have been trying to modernise their public administration systems from the middle of the 1980s on (State Reform Operational Programme, 2007 p. 9.) This tendency has not avoided Hungary either. The general concept behind these efforts is based on two pillars: streamlining and modernisation. The former notion has fairly rational drivers: The optimisation of resource utilization might have clearly financial motivators. As the State Reform Operational Programme (2007) stated, the Hungarian public administration does not employ significantly more employees than other states of a same size, however the cost-
effectiveness of the system is highly questionable, since the costs of the tasks carried out are proportionally higher. Modernisation, at the same time encompasses a further need of possessing a competitive advantage compared to the other nations by adapting the latest findings of social sciences in practice.

Both these objectives are discoverable in the State Reform Operational Programme (2007) and the *Magyary Zoltán Public Administration Development Programme* (MP11.0, 2011), at the same time the two programmes have very different interpretations on the modern form of state itself. The MP11.0 clearly takes a step away from the pan-European concept of good governance and its statements might be considered as rather interesting explanation of 'modernisation'. The programme states for instance that the state (embodied by the central government) is located in the centre of every social and economic activities and processes, both in terms of supervision and decision-making. Moreover the document consistently uses the term 'good government' instead of 'good governance', thereby declaring a position fairly opposing to the pan-European agenda of decentralisation and equal rights of participation. The MP11.0 celebrates a questionable notion, as the omnipotent government takes place at the top of the hierarchy of the state and builds on the concept that this organ might be able to make the best decisions for the citizens, since the state of 'full informedness' is available for the central decision-makers. This approach does not takes the basic findings of contemporary governance studies (such as for example the 'Governance without government' study of Rhodes (1996), which served as a cornerstone of the 'Good Governance' agenda of the European Union) into account, and it is not willing to interpret the state as a part of a horizontally extended system. The hidden tension in the theoretical opposition between the two programmes might result in a greater pragmatic problem, since as long as the State Reform Operational Programme, which was able to integrate the requirements of good governance has been legally accepted by the European Commission in 2007, the turning away from this direction with the MP11.0 might indicate a serious intention to move apart the basic values from the European Union.

At the same time, similar to the statements made in the Territorial Agenda 2020 and the report of the CIVEX Commission (Territorial Agenda 2020, 2011; CIVEX, 2011 p. 2), various Hungarian experts also support the implementation of Multi-level governance concepts in the process of developing public administrative practices, with a particular emphasis on the current pressures of the national context. For instance, *Tamás Kaiser* (2009) stressed that the need for implementing Multi-level governance is highly intertwined with the ongoing reform of public administrative system.
Regionalization as a goal

As opposed to the importance of effective devolution to regional level that has been stressed in several policy documents, the latest reinforcement of spatial planning powers of the county level at the expense of regions can be considered as a highly contradictory trend. Moreover, this recent process has been opposed to one of the main of the basic principles of the National Development Policy Concept (2005), which stressed the need for a decentralization in which the regions will become the dominant actors of development policy.

The Chamber of Regions, which belongs to the Congress of Local and Regional Authorities of Europe had assessed the state of regional democracy in Hungary in a meeting held in 2002. In order to develop the regional democracy further, the Chamber of Regions stressed in its Recommendation no. 116 on Regional Democracy in Hungary (CLRAE 2002, p. 2.) that it is necessary ‘... to choose one of the existing levels of public administration for the creation of the democratically operational regional structures, namely the level of the counties or that of the regions of territorial development’.

Nevertheless, the decision between country and regional level in this matter is not only question of territorial organization, spatial development or management of organizations; but also a question of politics, regarding the centralization or decentralization of power (LRMI, 2008).

A final resolution regarding the most suitable supra-local level of organizing spatial development has still not been made. The National Development Policy Concept (2005) emphasises the dominant role of the regions in spatial development. However, this level has lost its powers of autonomous spatial planning with the latest amendment of the XXI. Act of 1996 on 'Spatial Development and Planning' (2012) in 2011. This change also seems fairly opposing to the general professional position, since the Hungarian National Overview of the ESPON project 2.3.2 (2006) claims the strengthening of the NUTS-2 level as a crucial task. The National Overview stresses the suitability of NUTS-2 level as middle-layer, which is capable to fulfil the supervision duties of the level of counties and below. At the same time, according to the National Overview, the NUTS-2 level might be capable to act as a mature administrative layer by taking over the functions of the counties. Moreover, the power concentration on this level that is more in line with the recommended structure of the European Union with regard to the Multi-level Governance concept. On the other hand, the devolution of financial means and spatial development responsibilities to the NUTS-2 level 'seems to be a necessary precondition for the innovative use of the new governance ideas' (ESPON 2.3.2, 2006, p. 290.).

At the same time, as Dühr (2010 p .283.) stressed, based on the findings of the ESPON 2.2.1. project, Member States with small, dependent internal economies tend to have overlapping national
regional policies with the European regional policy and coincidence of the regional planning tends to occur in those states, which are the most beneficiaries of the EU funding. This phenomenon has a very obvious explanation: It has a fairly clear rationale to administer the level of distribution as a planning level as well, especially in Member States, which are hard-wired to Structural Funds. The current process of silent withdrawal of regional powers in Hungary thus contravenes this simple piece of rationality.

The Introduction of Districts

As the part of the current reform process outlined by the MP11.0 (2011) a government decision was made in 2011 about the re-installation of the district level of public administration. Under the government decision ‘1299/2011.’ the state committed itself to set up again the administrative level, which has been abolished in 1982 by the 1st of January, 2013. Some responsibilities of the district offices have been clarified already, as they will receive the authority roles of the local governments in certain tasks, such as building authorisation and environmental protection. Thus the document management, customer service offices, and the educational and social institutions of the capital city will be transmitted to this level by 2013. At the same time, local matters, such as traffic and sanitation tasks and the rights of tax collecting will remain at the local governments.

This process has some promising potential benefits in terms of enhancing local administration. The division of districts has similar size-pattern as the LAU-1 micro-regions and the State Reform Operative Programme (2007, p 47.) recommended the expansion of co-ordination capacity on this tier. At the same time, the new partition effectuates another parallelism in the government structure and still raises tensions with the settlements, which have the actual competence for legislation. However, while an overarching level above the settlements might be an effective tool of tackling problems, which extend beyond the borders of local governments, the historical role of the districts might raise some questions regarding the level of subsidiarity and proportion in the new system. Even in the period, in which the districts had been ruled by so-called 'councils' (from 1950 to 1971), and an attempt had been made to devote relative sovereign rights to the district governments, these units remained the extended arms of the state and the basic unit of spatial development were the counties (LRMI Final Report, 2008). Naturally, historic experiences do not have to doom the re-introduction of a structure, although, there are some other factors, which raise concerns. Based on the key concepts outlined in the MP11.0, (2011) all the levels serving the centralized ‘good government’ have to be organized into a strict hierarchical structure, in which the vertical coordination and especially the top-down approach dominate. In conclusion, it is highly advisable to treat the level of districts as the enhancing units of territorial governance with reservations.
**International Examples of Districts**

Since one of the main objectives of this work was to assess different distributions of spatial planning powers among the different levels of governance, it seems essential to examine the possible roles of the recently (re)introduced layer of districts. In doing so, one of the promising options is to study the utilization practice of this level in other Member States. There is no level of public administration similar to the prospective Hungarian districts, with units higher than the lowest tier and with population between 25,000 and 150,000 inhabitants in the following countries:

First, there are nations with fragmented system of governance, such as Romania, Croatia and Italy. Secondly, there are Member States with governance levels similar to districts, at the same time with less than 25,000 inhabitants, such as Latvia and Belgium. Finally, there are Member States, in which public administrative layers can be found with an average population between the limits of 25,000 and 150,000 inhabitants, although the level in question is on the lowest tier. These nations are Bulgaria, Denmark, Greece, Ireland, Lithuania, The Netherlands, Spain and Sweden.

One might differentiate three types among the Member States, in which the governance level similar to the debated Hungarian district can be found. Firstly, there the nations with divisions above local level with 25,000-150,000 inhabitants, where these units only fulfil statistical purposes, such as Luxemburg and Malta. Secondly, Member States exist where the units of this level have sovereign rights as governments in terms of legislative powers at minimum, these Nations are Poland, Portugal and the United Kingdom (in this case the responsibilities vary highly between the countries, for instance in England and Northern Ireland, the districts even have the rights for taxation, while the division of districts is not used in Scotland and Wales). And finally, there are Member States, in which the actors of the district level do not possess rights as sovereign government, however, have functions as state administrative units, such as Austria, Cyprus, the Czech Republic, Estonia, the Slovak Republic and Slovenia.

Two of the largest EU Member States have district levels, in which the size of these units adjusts to the size of the territory of the nation: In France and Germany the average population of the districts are around 190,000 inhabitants. At the same time, while in France the district only has state administration roles; in Germany these units have sovereign governments as well.

There is only one Member State and one EFTA member in Europe, in which the district level has planning and development purposes and associated functions, these are Finland and Norway. Despite the fact that in Sweden there are no districts, the level of municipalities has similar size to the prospective Hungarian districts with 30,900 inhabitants on average and these units have both state administration tasks and sovereign governmental rights as well. In Spain, the district units possess different functions varying on the regions. For more details, see the third table in the
Annexes.

As a general conclusion regarding the topic of districts, one might summarize that the district level of this size range is in the most cases coupled only with public administrative duties. As the authors of the Districts: International Outlook document (2011) emphasise, in spatial development matters it is usual in several Member States, that settlements collaborate in this level in order to tackle their issues jointly. These sorts of co-operations are usually voluntary and are connected to a certain project. However in Italy, these processes are managed in a top-down approach as the regions appoint these action-areas. It is worth to mention that most of the professional documents, as for example the LRMI Final Report (2008) draws attention to a simple, but fairly significant fact: While the Regional- or Micro-regional governments are directly elected organizations, in the most cases the districts are the part of the hierarchy of the state.

Concluding the historic background of the districts in Hungary, it can be claimed that the districts were primarily aimed to act as administrative authority units. In the period of historical counties, (before the Treaty of Trianon in 1920) the district as the administrative division of the county granted an opportunity to the people for manage their administrative matters within the distance of a days walk. Historically, the districts were almost never meant to be the territorial level of organizing public services in the practice (Districts: Historical overview 2011).

Questions of Decentralization

As an OECD report titled 'Governance in transition' (1995) states, two dimensions of decentralization exist: the responsibility of decision-making might also be shared (1) vertically, with the delegation of powers to lower tiers and (2) horizontally, when the power of decision-making remains on a certain level, however the responsibilities are divided among more actors. The report also claims that there is an observable tendency among the developed countries to delegate the decision-making powers to lower levels of governance and to share more and more competencies with social partners in order to achieve the common goals (OECD, 1995, p 26.). One possible way of improving its competitiveness and formulating an efficient operational structure, is to follow the lead of the more developed Member States of the European Union and the transitional tendency outlined by them. The delegation of power vertically and of sharing competences with social partners has it advantages; namely it enhances the democratic soundness of the future decisions by promoting subsidiarity. Moreover, since the decision-makers are closer to the scene of the decision and to the stakeholders, they might have heightened sense of responsibility. At the same time, the vertical delegation and sharing of competences might also have disadvantages: the involvement of more actors can radically slow down the decision-making processes and the democratic process can
fritter away the original objectives of a discussion.

According to Barry Dalal-Clayton and Bass (2002), different forms of decentralization processes exist, such as decentralization, devolution (democratic decentralization), deconcentration (administrative decentralization), delegation, deregulation and privatization. In the case of the redistribution of spatial planning powers, one of the most supportable ways of decentralization is the so-called 'effective devolution' of governance, when the responsibilities are transmitted vertically, from larger to smaller jurisdiction levels, thus enhancing subsidiarity and somewhat surprisingly achieving higher level of effectiveness in the most cases (OECD, 1995).

According to the Final Report of the LRMI (2005), the experts of Hungarian spatial planning agree on the notion, that the strengthening of the middle-level is not possible without decentralization. At the same time, Dalal-Clayton and Bass claimed (2002) that basic principles of a decentralized state system exist; the effective decentralisation has to be coupled with sufficient financial resources, adequate technical and institutional capacity and reliable mechanisms of accountability. Therefore the devolution in question can be only conducted with the development of a transparent and eligible public administrative background on the lower levels, encompassed with autonomous financial resources, for instance through the extended local and regional rights of taxation. Without fulfilling these conditions, the outcomes of the administrative decentralization initiatives often result in failures. At the same time as Dalal-Clayton and Bass also stressed (2002 p. 22.): 'while decentralization might have a facilitating role, it is neither a prerequisite nor a guarantee of good local management.' These findings are rather concerning: The failure of voluntary micro-regional multi-purpose associations might haunt in the case of the re-introduced districts as well: The demarcation of administrative units among the logic of optimal providing of administration and office routine services might result in similarly inefficient outcome, as it was the case in the multi-purpose associations (LRMI, 2005).

Some tend to identify decentralization as the process in which the power and the role of the central state is decreasing. The OECD study (1995) emphasised that these sorts of transformations may complicate the procedure of governance. Nevertheless, paradoxically, this often even amplifies the role of the state. Thus the basic policy documents of Hungarian spatial planning, which have been made in 2005 indicate no doubts regarding the importance of decentralization. For instance, the National Spatial Development Concept (2005) stresses the need for setting up a polycentric network of cities and aims for a sharing of functions among them, and in doing so enhancing the economic development effect in their surroundings. The conceptions regarding regional development have been considered as a critically important force of spatial development as well. At the same time, the recent changes are outlining a different direction (while the above mentioned spatial development
policy documents are still legally binding): The institutional dominance in spatial planning has become even more emphatic: The National Report of the ESPON 2.3.2 (2006) states that the position of spatial planning is overly politicised and relies on the central government authority the most. The planning activities became fairly impenetrable in Hungary, at the same time as a new institution called 'National Planning Bureau' is going to start its work in June 2012, an office that has been formulated on the model of Denmark, Sweden, Germany, Netherlands and France. This institution will mostly employ professionals of economic studies. However, it will integrate the whole Strategic Planning and Rural Development Department of the so far most important non-profit planning organization VÁTI (Hungarian Regional Development and Urbanistic Non-Profit Ltd), further enhancing the institutional dominance and centralization in Hungary.

The current government has made efforts to ease the duties of the local governments with taking over certain tasks from the settlements under the name of the new Act on Local Governments. At the same time, associated events to this decision are outlining a symptom of a re-centralization process: The bill of T/5005., put forward in 2011 has been conceived the desire to transfer certain properties of local governments to the governments of county level by the 31th of December, 2013 (The Presidency of TÖOSZ, 2011).

**Key Challenges of Spatial Development**

According to the conceptual framework of this document, the performance of the Multi-level territorial governance system influences the efficiency of spatial development. The shortcomings of spatial development in reaching the state of territorial coherence act as symptoms of the Multi-level territorial administering. Thus analysing these dominant challenges might serve with essential information regarding the most crucial structural and relational deficiencies of the Multi-level territorial governance.

The need for a spatial planning system more harmonized with the characteristics of the guiding principles of the European Union appeared first in a publication of the Congress of Local and Regional Authorities of Europe (CLRAE). The CLRAE report stated that the current, exceptionally complex system of public administration and network of territorial authorities in Hungary is inadequate to fulfil the requirements of regional democracy. The need for a more balanced spatial development and the necessity of strengthening the territorial coordination of the administration system has also been emphasised in the (at present) valid 'State Reform Operational Programme' which was legally accepted by the Commission Decision No. B (2007) 4012, in 2007 (State Reform Operational Programme, 2007, p. 12.).

The most conspicuous spatial shortcoming of Hungary is the highly imbalanced territorial
development and productivity. Obviously, the territorial development is mainly influenced by the political decisions taken at the different administrative levels; however, it is clear that the structure and relations within the planning system is an extremely significant factor which determined the range and quality of the available political choices. Anyhow, a gap can be observed between the central and remote regions both in terms of structural and of functional indicators. As an example for the lacking social and economic cohesion, the central NUTS-3 region of Budapest had 136% of the GDP/capita on PPS compared to the EU-27 average, while Nógrád and Szaboles-Szatmár Bereg counties had 28.8 and 33.5% in 2007 (TeIR-GeoX, 2010). In terms of territorial cohesion shortcomings, it is worth to mention for instance that regardless the specialization objectives of the Hungarian spatial planning documents, the metropolitan concentration patterns are still far from being balanced. The consistent network of cities has not yet developed as the transport, communication, energy, and other influential factors of development are not equally accessible, therefore the utilization of different local strengths is still immature. The quality of available services and the expectable life standards are significantly better in the capital city than in the remote rural villages. Accordingly, the number of the inhabitants is still decreasing in the smallest settlements of rural areas, while the 'monocentric' position of Budapest, which accommodates one fifth of the inhabitants of the country has had not been counterbalanced significantly for instance in terms of the density of public service organization (TeIR, 2012).

The situation has not changed into a positive direction with the past years of economic crisis; moreover, another factor has made the pursuit of territorial cohesion even more difficult. The power struggle of the NUTS-2 regions and the NUTS-3 counties have made the planning background uncertain, as the questioned expert formulated in the Hungarian national report section of the ESPON project 2.2.1.: 

'The current rivalry blocks many good initiatives, hinders the development of well-functioning regions, and slows down the reshaping of the Hungarian administrative system according to EU norms' (ESPON 2.3.2, 2006 p. 318). Hungary has been experiencing how critical impact the collision of local and county interests with regional spatial development objectives on territorial cohesion might have. A vividly descriptive example might be the case of debate on the tracing of the recently opened section of the M7 highway (the Hungarian part of the E71 European route). As the State Audit Office of Hungary report highlighted (SAO, 2008), the final tracing of the highway has been adjusted by the interests of the local governments and power players of the county, who wanted the route to be appointed as close to the recreational localities at the shore of the lake Balaton as possible. Most of the spatial planning experts agree with the incorrect nature of this decision, as the power struggle resulted in a tracing which fails to thoroughly utilize the spatial
development capacities of an instrument like a highway. Some experts say that the alternative tracing of a few tens of kilometres to the South would have extended the development capacities of this instrument to the 'sleeping' villages of Somogy county and possibly to other parts of the NUTS-2 region, which belongs to other county (Tolna), such as the Tamási micro-region which is considered officially as one of the 'most disadvantageous' microregions in Hungary. Moreover, this tracing might would have allowed the spending much of the 43 billion HUF (cca. €147 million) costs of the Kőröshegy viaduct to other territorial cohesion related tasks.

A series of initiatives has been taken in order to find a key instrument to bring about territorial balancing. For instance, the State Reform Operational Programme (2007) considered the Multi-purpose Micro-regional Associations as the main tools for fostering territorial balance. Obviously, as the Final report of the LRMI (2008, p. 26) emphasizes, it was misguided and naïve to achieve a higher level of territorial balance through the empowerment of a further type of organisation and formulating a versal level which is expected to tackle all the heterogeneous tasks at one place. At the same time, the critically low affinity for voluntary cooperation and the overly complicated conditions of legal and structural restrictions exceeded the capacities of the local leaders. Thus this experiment can be considered as fairly unsuccessful (Pupek, 2006). The State Reform OP also has also stressed the necessity of setting up regional governments on NUTS-2 levels, units which have not been formulated. Moreover, the recently amended Act on Spatial Development and Planning (2012) considers the Regional Development Agencies only as the coordinators of activities aiming to prepare and implement the decisions of developments on county level.

It is not certain yet, whether the current government is willing to delegate any spatial planning responsibilities on the recently introduced level of districts. The process of public debate in connection with this topic has not even proven yet whether these units are aimed to correct the shortcomings of the fragmented system of localities in the form of a settlement-associations, or if the only purpose of this level is a mere public (or might be better to use the term of state-) administrative duty.

**Dominant Spatial Planning Approaches of Hungary**

The original EU Compendium for Traditions of Spatial Planning made in 1997 implicitly did not contain the descriptions of planning approaches of prospective Member States, such as Hungary. At the same time during the ESPON project 2.3.2 has been conducted another examination in 2006 to evaluate the most dominant characteristics of the spatial planning approaches of the different EU-27 Member States. Its Final Report details the planning characteristics of Hungary in the aforesaid framework of the Compendium (Figure 5.).
As can be read from the figure, the assessment of the ESPON 2.3.2. concluded that the most dominant planning approaches of Hungary are the Comprehensive-integrated and the Land-use planning methodologies. Two approaches of a regulatory nature, namely the Land-use planning approach and the Urbanism tradition are equally dominant at local level as the Comprehensive integrated approach. On regional level, the predominance of the Regional economic approach is unquestionable, while on national level this approach has equal significance of Comprehensive integrated approach. Since the Land-use planning and the Comprehensive integrated planning approach are equally dominant both on local and on national levels, contrary to the Urbanism tradition and the Regional economic approach, which are representative only on one level, the report considered the former two spatial planning approaches as most significant in terms of the Hungarian practice. At the same time, the simultaneous application of these approaches with fairly dissimilar focus and instruments has been leading to a series of planning-related contrarieties. It is possible that different geographical levels need different approaches. However, as Kalergis and Laleniš (2010) stated, many European Member States are heading towards the application of a general 'Neo-comprehensive integrated planning approach' on all levels. On the other hand they also claimed that an integrative approach which utilizes a wide variety of instruments according to the features of the level in question offers high potentials and might be a cornerstone of the setting up a common European Spatial Planning Policy.

**Land-use regulation / Spatial planning contrarieties in Hungary**

There is a fairly interesting contradiction in the practice of territorial governance in Hungary. As the PLUREL 2.2.1. Report (2001) states in its second chapter regarding theoretical analysis on planning policies, the former socialist Member States which usually had centrally directed economies tended to borrow tools from 'land use planning' and 'comprehensive integrated' styles the most. It seems that the historical culture of planning eventuate in the dominant use of land-use and area-based
regularization practice among the experts in Hungary. This mixed approach in favour of the structural and utilization restrictions in the focus of planning might stem from the historically more deeply rooted culture of regulations, as on the local level it has been mandatory to prepare these sort of plans since several decades.

The Act on Spatial Development and Planning has been prepared only in 1996 (Act no. XXI.) in order to give a more transparent legal framework of spatial planning and regional development practices. To demonstrate the continuous transformation of the understanding on the role of this policy, it is worth to mention that this law has last been amended in its effect on the 1st of January, 2012. Although the spatial planning and land-use regulation matters have been adjusted jointly in this Act, the separation of the two practices immediately outcrops on lower levels. For instance, while the general conditions of territorial planning have been regulated in one law, the National Spatial Development Concept (Government Decree 97/2005. for long-term guidelines) and the National Development Policy Concept (Government Decree 96/2005. regarding guidelines for the period of 2005-2002) are separated from the document regarding the National Development Plan (2003, Act no. XXVI.) aimed to define the land-use conditions of particular areas of Hungary.

In conclusion, there are the spatial plans aimed to set visions on development, and the so-called 'development plans', which basically set the appropriate forms of land-use and conditions of construction. While these documents are intertwined in functions, the separation in forms of detached documentation tells a lot about the lack of passage between the two types of plans and among the two different professional understandings on the role of planning (see Figure 6.).
The well-marked opposition between ‘regulatory’ and ‘visionary’ planning, and by the fact that the number of completed restrictive 'development plans' is by far higher, one can deduct that this practice has greater appreciation in Hungary. It is a fairly interesting conclusion in the light of the fact that the National Spatial Development Concept (2005) considers 'development plans' as only one pillar out of six in the practice of spatial planning. Another contradictory phenomenon is, that the LXXVIII. Act on Management of the Built Environment of 1997 stresses, that the development of the settlement is a task of the local government. In doing so, the local government should prepare a Settlement Development Concept, which is acts as the 'founding' document of the Regulatory Plan – and has a subordinated role in the planning process of the latter.

The Hungarian Spatial Planning Levels and their Shortcomings
Under the name of the Act XXI. of 1996 on Spatial Development and Planning (2012), five layers of spatial planning exist in Hungary. The National level has been managed by the National Government of Hungary; the seven NUTS-2 Regions have been administered by the Regional Development Councils, which are not elected by the citizens. There are 19 Counties and the capital
city of Budapest on the NUTS-3 level, these units have been managed by the Country Governments and the Country Assemblies (moreover, Budapest has an own Metropolitan Assembly), these organisations have legitimacy by elections. The LAU-1 level Micro-regions have only Development Councils, which do not receive authorization by elections. On the lowest tier, the each of the 3154 settlements possess directly elected bodies of Local Governments, which have the spatial planning responsibility of preparing local structure and regulatory plans – but not development concepts.

At the same time, there is an other level, for which spatial planning documents were made, these are the plans of the 'High of Priority' Regions. The highest level plans in the Hungarian spatial planning hierarchy are the National Spatial Development Concept and the National Development Plan, these document set up the main framework for spatial planning on lowest levels, the proportion of alterations form their content is regulated in the Act XXI. of 1996 on Spatial Development and Planning (2012). The spatial planning organization of the state is illustrated with the Figure 6.

There are some undeniable shortcomings of this current spatial planning system. For instance, the State Reform Operational Programme (2007) claims that significant regional differences can be detected in the quality of human resource in the operating of local governments. Moreover, albeit the elections ensure strong political legitimacy for the Local Governments, which grants a high degree of freedom in decision-making, the disproportionately high number of compulsory services (which includes among other things basic education, social- and health care services and maintenance of basic infrastructures) compared to the amount of their central financial subsidies and own income sources results in a very limited give in the most cases.

The community-based methods of planning are generally lacking as the outcome of the scarce financial funds of the local governments, which force these organizations to focus on the fulfilment of their most essential tasks and needs. The State Reform Operational Programme (2007, p. 11.) also stresses that the fragmented public administration structure does not grant the sufficient expert capacity for the performance of the compulsory tasks with the highest available quality. This finally results in the phenomenon that the inhabitants of the small settlements receive lower level services than the ones living in bigger localities with more incomes. Moreover, the fragmented system of public administration is not able to fulfil the basic needs of the citizens: only the one third of the localities had own administrative bodies, at the same time 75% of the settlements had less than 2,000 inhabitants in 2007 (State Reform Operational Programme, 2007 p. 16.).

The vision of the Hungarian National Report maker (ESPON 2.3.2, 2007) as the role of the NUTS-2 Regions would develop as a result of the regionalization objectives of the National Development Policy Concept (2005) and the increasing financial means of this level has proven to be an illusion. The co-ordination of central administration, which has been claimed as weak by the State Reform
Operational Programme (2007 p. 12.) at the regional level has been further weakened with the recent reinforcement of the county level. At the same time, as will be expanded more in the subsequent part of this work, no formal decision has been made regarding the question of deciding between the regions or the counties as the suitable middle-levels of territorial governance. Although the latest amendment of the Act XXI. of 1996 on Spatial Development and Planning (2012) unequivocally subordinates the Regional Development Councils to the counties, the main spatial planning documents still promote NUTS-2 level regionalization. The Hungarian National Development Policy Concept (NDPC, 2005) and the National Spatial Development Concept (NSDC, 2005) equally stress the need for regionalization and decentralization in the Hungarian spatial planning practice. The former conception is easy to understand, without referring to the notion of Multi-level governance: The territorial divisions which fit into the NUTS-2 divisions are essential building blocks of the regional planning activities, since these are the statistical and planning units devoted to channel the incoming EU-funds. The latter notion might need some further explanation: Dalal-Clayton and Bass (2002) stress the need for an especially just and transparent, subsidiarity-based form of decentralization, the devolution instead of delegation in their work named 'Sustainable development strategies: a resource book'. These authors argue that decentralization performed in an appropriate manner might ‘promote localized governance structures responsive to citizens’ needs and allow the downsizing and streamlining of centralized government.’ At the same time, Dalal-Clayton and Bass noted, that decentralisation is ‘neither a perquisite nor a guarantee of good local management’ (Dalal-Clayton & Bass, 2002, pp. 21-22.)

These are rather important statements in the light of the fact, that the recently re-introduced territorial level of districts basically is aimed to act as an extended arm of the central state. The recent practice of dispensing with planning on NUTS-2 regional level and eroding the governing roles of this layer are actions unequivocally in contrast with the objectives of the National Development Policy Concept, which names the regions as key actors in the process of implementing spatial development objectives of the nation.

In conclusion, the problem of lacking transparency in the regional system of the central administration and the burden of parallelisms, as has been stressed in the State Reform Operational Programme (2007, p.12.) has not been adjusted appropriately. Considering the ambiguities among the objectives of the main Hungarian spatial planning policy documents and laws, one might state that the spatial planning system of Hungary is still far from the transparency level of other Member States, as it is for instance in Sweden, where there only three levels of spatial planning have been utilized in practice and the legal framework of spatial planning is free of contradictions.
**Division of labour: Northern/Southern models**

Regarding the size and task division of the lowest tier, Page and Goldsmith (1987) introduced the distinction between integrated and non-integrated administrative systems prevailing in the European states. However, the recent studies have shown that the gap between the 'Northern' and 'Southern' models of local governments have been shrinking in accordance with the rising of the multi-level governance practices (Goldsmith, 2005 p. 243). This sort of division might help us to understand the critical shortcomings and reasons behind the lack of effectiveness in fulfilment of the tasks on the local level in Hungary.

The names of these variants of local size and functional division, such as 'Nordic' and 'Southern' were coming from studies concerning the EU-15. In that perspective, the division between these models in the European Community was parallel to the geographic position for a higher extent. The general notion behind the distinction of these models is the following: While the so-called 'Northern' states (such as the UK, Sweden, Finland and Denmark) tended to have big municipalities with high number of population, and in the Scandinavian countries a high level of autonomous rights, such as tax collection, the 'Southern' members (such as France, Spain and Greece) tended to have small localities with lower population and less rights of sovereignty. The amount of independent sources and rights are in line with the compulsory task that the local governments have to fulfil. The conflict, which has been encoded into the Hungarian system with the Local Government Act of 1990, stems from the inappropriate deployment of tasks: The high amount of compulsory tasks (such as schooling, land-use regulation, communal services, etc.) of a local government reflects on a 'Northern' model of deployment, at the same time, the structure of the lowest tier is highly fragmented and consists of small localities with low population and only a few autonomous financial sources (Koós & Lados, 2008). In numerous cases, some local governments do not have any own incomes and have to rely fully on the central support (see Figure 7). As one can see on the figure, there are two major concentration of localities without tax incomes, one is located in one of the most disadvantaged NUTS-2 Regions of the European Union, Northern Hungary. The other one is situated in the Southern Transdanubia Region, in which the which fragmentation of the localities is the most significant in the country. The other settlements are mostly dispersed in the Western Transdanubia region and some are located in the Central Transdanubia NUTS-2 Region. As one can see there is hard to find a geographic pattern in the dispersion of these settlements. However, there is a common factor of these localities and that is the low number of inhabitants.
Regardless of the high level of dependence on central financial support, as 67-70% of the incomes of the local governments have been originated from the central budget in the past two decades, the actors of the lowest tier had to take loans and the situation has been escalated to a level when around 1600 out of 3154 of these localities are considered to be 'involuntarily insolvent' (TeIR, 2012).

Concerns regarding Sustainable Development issues have also risen in connection with the current governance methods of Hungary. Since the expert culture tends to consider the Strategic Environment Assessments as an indicator of the acceptance level of the environmentalism paradigm and the 'Management by Objectives' approach, it is advisable to pay attention to the utilization experiences of this tool. Viktor Varjú, claimed that ¼ of the leaderships of Hungarian settlements did not know the requirements of the SEAs, 45.8% of them have never even heard about this instrument and only 9.8% have conducted an SEA – which numbers are fairly interesting in the light of the information that 73% of the localities had plans in connection with an assessment of this type should have been done (Varjú 2010). This not only questions the efficiency of the environmental integration, but on the other hand it might suggests something even more disconcerting about the incapabilities of the fragmented local authorities.

However, the issue of the lowest tier is not only dependent on the size of these elements. The PLUREL Deliverable Report 2.2.1 (2011, p. 17.) stresses that the positive increment of devolution,
the subsidiarity can be fully utilized only in the case of a system with sufficiently large local governments, *being able to develop the institutional systems required for exerting their delegated powers*. This statement might be in correlation with the general tendency in most of the EU Member States during the second half of the 20th century. The practice of Hungary can be considered rather particular, as the 1607 local councils have been divided into 3060 local governments in 1989. This number has been continuing to rise to the present 3154 (TeIR, 2012). This change in two steps denotes a 196% growth in the number of lowest level authorities. The reason for this increase could have been the political will that wanted to avoid the repetition of the historical failures of the country. In order to prevent the re-centralization of political powers, the political elite wanted to establish the highest possible number of autonomous local organizations after the Soviet occupation. Regardless the reasons, Figure 8 tells us that this way of thinking was generally the opposite of the administrative modernisation trends in Europe. Except Italy, in which the number of local governments has been increased by 4%, one can observe decreasing numbers in every assessed nation. Thus the increase of 196% in Hungary can be considered extremely exceptional. Figure 8 also tells much about the fiscal structure of the administrative system of the European nations: As one can read, the proportion of central transfers compared to the total incomes of the localities was only higher in the United Kingdom than in Hungary. This shows that the Hungarian settlements are excessively dependent on central funding, which constrains their real elbow-room in decision-making.
In order to illustrate the generally opposite trend in the other Member States one might take the example of Finland (Kaarakainen, 2009). There were 542 municipalities in Finland in 1950, which decreased to 455 until 1992. In the past two decades, while Hungary has almost doubled the number of its local authorities, Finland has conducted a municipality reform named 'PARAS' that started in 1995. Recognizing that small and remote municipalities are not able to organize their services properly, the Finnish central government has introduced financial rewards for municipalities that are willing to merge with others. The core concept behind this process was a resolution to raise the minimum population of the lowest administrative unit to a minimum of 20,000 inhabitants – at the same time, in Hungary the number of localities under 100 citizens have exceeded 100, and the smallest 'self-sufficing' unit had 12 inhabitants in 2011. As the outcome of the Finnish municipality reform reflects the values and principles of Multi-level governance, the number of units on the lowest level has decreased to 348 until 2009, which is a 36% of decrease compared to the original 542 units in 1950.

Nordic Member States, such as Finland often organize much of their public services through the system of municipalities. The duties and services, which in some cases are additional welfare provisions that serve as building blocks of the Nordic social model often need extended

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8. Figure: Size of the local governments in different Member States.

Source: Koós & Lados, 2008 Translated by the author.
infrastructure. At the same time, the question of sufficient size in the lower tiers markedly applies in the case of Hungary, as the localities have faced with challenges of financing even in fulfilling the tasks connected to the most elementary needs.

The current government of Hungary has made initiative steps to arrange the situation of small and over-fraught settlements in the recently passed Act on Local Governments. The CLXXXIX. Act of 2011 abolished the position of lord mayors in localities below the population of 2000; therefore the smallest settlements have to conduct their tasks in joint governments from now on. The government also dedicated itself to take over some of the tasks of the local level. The first alteration might indicate similar direction to Nordic state reforms; however, the question is still open, whether the population size of 2000 as frame number for merging would be sufficient. At the same time, the latter change raises some questions regarding the devolution objectives of the European Union. One way or another, it seems essential to solve the shortcomings of the territorial self-determination and the issues of the overly hierarchical practice of planning, which culminates in the lack of lower-level planning documents and the absence of implementation of EU-wide objectives and policies, such as environmental integration as an emphatic part of the sustainability agenda.

The Lack of Planning Documents

While the expert culture of Hungarian planning tends to separate the development concepts (strategic plans that formulate the visions on development and set the main goals, which have to be reached by the responsible organizations with mostly non-specified operative instruments) and regulatory plans, the general coverage for planning documents has critical shortcoming on all levels. For instance on the local level, 1452 settlements have one ‘Development Concept’, 237 have two or more documents and 1486 localities have no official planning concepts at all. Similarly, as the result of the insufficient funds, the lack of local development plans can be observed: 1522 localities have one ‘Structural Plan’, 893 settlements have prepared two or more, while 760 disadvantageous localities have no such documents. Likewise, 1462 localities possess one ‘Regulatory Plan’, 1120 settlements have two or more, at the same time 593 localities were unable to prepare this official collection of restrictions. Preparing a Local Building Regulation requires far less resources, therefore 1423 settlements have one, 1307 have more then one and 'only' 445 localities have no documents of this type at all (TEIR, 2012).

Summarising above discussed shortcomings of the planning practice of Hungary, it is strongly recommended to examine the possibilities for moving towards the direction of an above mentioned Neo-comprehensive integrated planning approach in the later debate. The requirements of territorial cohesion, which aim to complement the economic and social cohesion policies in order to equalize
the territorial imbalances (Faludi, 2006) might be fulfilled with this approach with the highest efficiency. Moreover, the Neo-comprehensive integrated approach, which borrows elements from the regional economic approach as well, might encompass the different sectoral requirements and the currently separated methodologies of land-use regulation and conceptual planning.

As a conclusion of this chapter, one should emphasize the findings of the the National Overview of Hungary in the ESPON 2.3.2 project (2006), which stresses that an in-depth, 'clear-cut' administrative reform is essential for the country to create a new, more equitable, more decentralized division of power. In the implementation process of this concept into practice, the ESPON Final Report of the project 2.3.2. (2006, p. 44.) recommends the formulation of Territorial Governance systems in the Member States, in which all the three (macro-, meso- and micro-) levels are in line with the criteria of 'democratic governance'. This recommendation builds mainly on the propositions of the White Paper on European Governance (2002), which has laid down the basic standards of the 'good governance', namely the 'Openness', 'Participation', 'Accountability', 'Coherence', and 'Effectiveness'.

Therefore the aim of a prospective Territorial governance structure is to involve the most possible actors of a decision-making process and to be able to resist partial interests, such as the pressure of stronger interest groups with political influencing powers. The expert of the National Report recommends the development of a system, in which the vast majority of the decision-making power remains at the local level, while the method of governance has been enhanced with horizontal coordination, in terms of an advanced public participation and the better involvement of the Non-Governmental Organizations. On the other hand, it is also necessary to find a more suitable management and regulation framework for larger areas, which might be realized in enhanced supervision from the above, since the system of fragmented local authorities has been proven ineligible to tackle these challenges.

Considering the planning traditions of Hungary, and the fact, that the country has actively participated in the adoption process of the Territorial Agenda 2020, the recommendations of this policy document can be considered as objective-setting. This also applies for the proposed Multi-level nature of the territorial governance, as a seemingly promising and theoretically effective framework. Therefore the results of the following analyses have to be organized in scenarios that are able to integrate all the above mentioned aspects and restrictions.
Scenario Building

The aim of this paper was to start a debate about the appointment of the most suitable territorial governance organization structure for Hungary, with the encompassing of the recommendations of the Multi-level governance agenda of the European Union. Therefore one of the objectives of this work was the identification of the most dominant characteristics in line with the differently interpreted emphases in the administrative divisions of spatial planning among other unitary EU Member States. As it has been stressed in this document before, there are no predecessor documents which aim to develop viable paths based on pan-European values for transforming the spatial planning organization within the public administrative system.

Methodology

The tackling of a complex challenge, such as the designating possible paths of organizational development for the spatial development administrative system of a Member State needed a suitable research methodology. The utilizable experiences regarding this topic vary greatly depending on several variables, such as cultural backgrounds or population densities of the different Member States. Therefore I have tried to adopt an approach, which has the sufficient wideness of perspective for such high-level assessment, and at the same time applies a certain level of generalisation in order to avoid the disturbing effect of the overly detailed results. Moreover, in order to assess the available choices, I had to find a common set of values and features along which the analysis of those can be conducted, these were the aspects of Multi-level governance. After a process of extensive consideration, I decided to use the scenario-writing as the methodology of this work.

Scenarios are descriptions of the possible future, the options of what can happen as outcomes of different influences and impacts. All the scenarios are based on the same framework of circumstances. Different measures can modify the linear process of the basic course, directing the real situation to other tracks of events. The measures are directed by different concepts lying in the background – in this case by the different understandings and approaches of three spatial planning models. Scenarios can be used to indicate the possible ways on which a process can move forward. Since the different tracks can be compared with each other, there is a possibility of selecting an alternative course which promises the most benefits and to act consciously and utilize the measures to reach the state outlined in the scenario.

Scenario-writing as a method starts with identifying the drivers for change and continues with the encasement of these drivers into a viable framework. The method proceeds with the drafting of
scenarios in the requisite number and then it continues with the detailing of those. The process ends with the establishment of the major issues or the attributes (Mercer, 1995) that will have been become influenced the most as the result of utilizing the different set of measures assigned to one or the other scenario.

In this particular case, the drivers bringing forth changes were the core values and features within the different spatial planning models. The viable framework for bringing together these drivers was the development of two dimensional matrices. The number of the available mini-scenarios has been determined by the number of analysed Member States, thus eight scenarios plus the Hungarian baseline scenario have been drafted. The mini-scenarios have been aggregated along the organizing principle of the spatial planning models. Therefore the final number of detailed scenarios has become four, as three main scenarios have been developed in line with the three major unitary spatial planning models and the Hungarian baseline scenario has been explicated in addition.

The ESPON Final Report 2.3.2. (2006) and the Deliverable Report 2.2.1 of PLUREL (2010) successfully enumerated characteristics of the national planning approaches and divisions, thus they served as a solid ground for my analyses. Since Hungary is a unitary state, I focused solely on this group of states; moreover I did not take into consideration that the Final report of this project also distinguished among the different types of unitary states as it defined the Centralised, Decentralised and Regionalised variants.

Instead, I adopted the framework, which has been utilized in for instance one of the studies of Jan-Evert Nilsson, (2010) that ensured a not overly broad, at the same time sufficiently in-depth framework aspect for my work. Using this approach might be justified with the findings of the ESPON 2.3.2. Final Report (2006), which emphasised the opinion mainly based on the antecedent NORDREGIO studies that the borders between the original spatial planning families have been becoming vaguer and vaguer in the past decades. The special feature of this methodology is that it examines the three unitary planning models, which are all working and are utilized currently in Europe without weighting or any previous preconceptions.

The approach that divided the unitary Member States into three main spatial planning models (Nordic, Anglo-Saxon, and French) by their understanding on dominant spatial levels provided a promising framework, in which the unitary state form served as largest common factor and thus filtered the disturbing characteristics, which stem from the different national specificities. On the other hand this conception highlights fairly well differences in the relations of the spatial planning levels with each other in the assessed Member States, regardless of the predominantly centralized, decentralized or regionalized nature of the unitary states in question.
During my work, I did not abide by the limitations of spatial planning approach definitions of the EU Compendium and the ESPON 2.3.2 project. Especially as these distinctions are only snapshots of the continuously changing mixture of approaches and in many cases it is impossible and of no use to define, which characteristics are the most dominant ones. At the same time, this work contemplated and relied to a high extent on other analyses of the ESPON 2.3.2. (2006) from the point of view of Multi-level governance. On the other hand, the analyses in this document aimed to complement these aspects by primarily focusing on the distribution of powers, rights and responsibilities of the different planning levels state structure.

As a first step, I tried to enumerate the highest number of distinctive specificities, which were available in the ESPON and PLUREL reports and the statistical data, which were related to the current analysis. The conception behind this approach was the intention to integrate all available considerations in order to develop the achievable most comprehensive method for scenario-building. Thus the limitations have to been made only in the case of the descriptive features of a secondary importance: For instance this paper could not aim to conduct an extensive analysis of the law systems of the different Member States, although this factor highly reflects the general understanding of the roles of the spatial planning procedures. The existence of a working structure of networking governance was neither the main subject of this study, since the available literature resources are not available for conducting a balanced comparison.

The indicators have been assigned to the matrices of the main spatial planning models of European Member States with unitary government structures. The common specificities highlighted within these matrices were the main building blocks of the scenarios that have been developed later on. At the end, the scenarios were able to translate and describe the fairly different structural and relational characteristics of the various models, unfolding the most distinctive specificities within the framework of the Hungarian circumstances.

The reason for why I chose the scenario-writing as a methodology is the comparability and the fact that scenarios create a flexible structure for the discussion. The matrices, which served as cores for the scenarios were able to paraphrase the basic driving concepts of the three unitary models. Therefore this methodology grants an opportunity to the decision-makers of the state to decide which basic values and principles of the Union they identify themselves the most. Moreover, this process of scenario-writing was able to contribute to this discourse to a high extent and grants solid ground for the politically influenced subsequent decisions with the utilization of the set of standards embodied in the Multi-level governance and Territorial governance concepts.
Sources of Analysed Material

Before introducing the matrix-building procedure in details, it is worth to enumerate the sources of the descriptive indicators and to summarize the nature of these analysed features, as these features influenced the later detailed structure and aspects of inquiry of the matrices for the utmost extent. The possibilities of selecting the available sources for the matrix-based analyses were rather limited, as the nature of this examination required mostly comparable macro-level data. This sort of high-level comparison needed reliable and expansive information regarding the specificities of the different nations. Therefore the possibility of collecting information through primary resources was constrained, and the analyses in questions had to rely on the extensive data compilations of international planning-related reports. The first major resource of utilizable data was the Final Report of the ESPON project 2.3.2, with the title of 'Governance of Territorial and Urban Policies from EU to Local Level'. A second important source of information was the Deliverable Report prepared in the framework of PLUREL (Peri-urban Land Use Relationships) Work Package 2.2, the 'Typology of EU national governance and spatial planning systems'. The advantage of these reports lies in the fact that both these studies contain high amount of abstract data regarding the spatial planning models of the 27 EU Member States. The reliability of these resources might be considered fairly good within the scientific discourse on the European Union: The ESPON Report has been made by the most extensive and prepared professional research network of the spatial planning discipline; the PLUREL Deliverable Report was conducted under the supervision of a professor of the University of Thessaly and the highly reputed Metropolitan Research Institute of Hungary in the framework of a PLUREL project, which is also a pan-European collaboration with a long time span that acts as an automatic peer-reviewing system. A third resource of indicators needs to be mentioned here: the six Governance Indicators of the World Bank, which have been aggregated form 30 underlying data sources based on exceedingly large number of surveys have successfully complemented the questionnaires regarding the integration level of Good Governance, conducted in a narrow group of spatial planning experts during the ESPON 2.3.2. project. The mainly descriptive indicators of the above mentioned sources have been supplemented with quantifiable data from the 'Regions at a glance' reports (elaborated in 2005, 2009 and 2011) of the Organisation for Economic Co-operation and Development (OECD) and with the regional statistics of the EUROSTAT, which foreshadowed some interesting results regarding the efficiency level of the different models in terms of bringing about territorial balance.

The matrix-building process

The Final Report of the study 'Specificities of Metropolitan Areas and their Surroundings from the Aspect of Micro-Regional Functions', a report made by the Hungarian Local & Regional
Monitoring Institute (LRMI) emphasizes a twofold condition in forming viable spatial planning levels. The prospective layers of territorial governance have to be eligible in terms of a dual criterion, as those have to approximate a functional and size-related optimum as well. Moreover, the matrices had to map the extent of the appliance of good governance objectives and also had to map the existing multi-level relationships both in terms of horizontal and vertical co-operation as well. The analysis of the latter two aspects were conducted mainly on the 'Classification of characteristics determining style of planning' table (see the Annexes) and the 'Priority Emphasises on Good Governance Objectives in the EU Member States' summary table of the National Reports in the ESPON project 2.3.2. Final Report (2006).

The three major fields of interest during the matrix-building process were the structural features of multi-level structure, the relations within the multi-level organizations of territorial governance and the existence and acceptance level of the values of Good governance.

The acceptance level of good governance objectives have been measured with two partly overlapping groups of indicators: a less representative survey of the ESPON 2.3.2. conducted among various national spatial planning experts utilized mainly the value typology of the White Paper on European Governance (EC, 2001) as its indicators were Openness, Transparency, Participation, Effectiveness, Horizontal coordination, Vertical coordination, Accountability, Decentralization and Coherence. At the same time, the indicators adapted from the aggregated surveys of the World Bank Development Research Group used a typology which incorporated 'Voice and Accountability', 'Political Stability', 'Government Effectiveness', 'Regulatory Quality', 'Rule of Law' and 'Control of Corruption' as good governance criteria. In the matrix presenting the national indicators of governance (see in the Annex 4) and in the matrix displaying the aggregated indicators by spatial planning models (see in the Annex 5), the different nations or the spatial planning groups have been organized along the vertical axis. At the same time the good governance indicators, the emphatic governance objectives, the descriptions on the practice of governance and the general characterization of spatial planning power allocations have been organized along the horizontal axis.

The other two major fields of interest have been regularized somewhat differently. There were two major types of indicators, one of which is the descriptive or quantifiable set of characteristics of Multi-level relations and structure, while the other type is the set of more elusive Gini indices. The indicators belonging to the first type were displayed on white background with black fonts, the indicators based on Gini coefficients were highlighted with light turquoise colour.

There is no clear evidence available to prove the effectiveness of an administrative structure on territorial balancing capability, and given the complexity of the interactions it seems impossible to
justify certain correlations with simple headline indicators. However, some trends might serve with some indirect information to evaluate the effectiveness of each or other spatial planning model. Naturally, the decreasing territorial imbalances are mainly the outcomes of appropriate political decisions. However, the planning models might serve as solid grounds for exercising power in preferable way. Moreover, the analyses with decade-long time spans in many cases exclude the possibility of the conscious carrying through of a political will over different governments and may increase the significance of the planning frameworks and circumstances, such as the applied models themselves. Thus, once again emphasising that there are no direct proofs to verify direct correlations among the use of certain macro-level spatial planning models and the indicators of territorial imbalances; gradual, but continuous decrease (or increase) in the Gini-coefficients might tell much about the capabilities of the spatial planning model utilized in that area in question.

On the other hand, there are differences in the applicability even among the different Gini coefficients as well. For instance, the dispersion of average travel times to the closest urban centre only serves as a snapshot of the territorial imbalances. At the same time, processes are more informative regarding the efficiency level of the spatial development actions.

The main indicator groups for analysing multi-level structures were the number of levels used in planning and the descriptive and quantifiable characteristics, such as size, population density of the units at different (the National-/Middle-/Lowest-) tiers. In the case of multi-level relations, the descriptive characteristics were both the specific vertical and horizontal relations, interactions, co-operations within the activities of spatial planning; while the allocation of powers among the different levels became measurable to a certain extent with a comparison of proportions of the local and central level revenues and expenditures within the total national budget.

The structural features of the spatial planning models by nations organized along the principle of Multi-level territorial governance systems have been presented in the Annex 6, while the aggregated results for spatial planning models can be found in the Annex 8. The Multi-level relational features of the analysed nations have been displayed in the Annex 7, while the aggregated characteristics by the spatial planning models have been presented in the Annex 9. In these matrices - similarly to the matrices of governance - the nations or the groups of nations have been sorted along the horizontal axis. The levels of governance have been organized along the vertical axis, in line with the vertical structure of a theoretical Multi-level administrative system.

The development of the scenarios
Although there are some phenomena that are foreshadowing the presumed direction of the transformation of Hungarian spatial planning system this process is highly influenced by decisions
of political nature and the path of future seems still indecisive. The creation of the central planning authority of National Economic Planning Office and the reallocation of planning powers from NUTS-2 levels to the levels of the counties, which are strongly regulated and influenced by the central government are outlining a certain direction. At the same time, one should conduct the procedure of scenario-writing by assessing feasible structures, which are in line with the recommendations and the regulative framework of the European Union. In doing so, the objective was to develop equally detailed scenarios as first steps in the reorganizing procedure of the Hungarian spatial planning system in a manner which lacks of preconceptions or bias. The scenario writing process encompassed the development of short conclusions on the main advantages of one or the other scripts. It is obvious that it could have been equally important to analyse the main challenges and costs of starting off in one or the other direction. At the same time, the assessment of the cost of diverging from the baseline scenario promised to be such a complex task with so many features to analyse, that I decided not to conduct this examination. However, this task might be a possible future step of fostering the debate on the feasible administrative structure of spatial development in Hungary.

In the next chapter, I will first present an overview on the results of the matrices. Then I am going to display the possible scenarios which can be conducted from those. I will start the representation with the baseline scenario of Hungary, based on the matrix of the state. Thereafter I am going to introduce the scenarios based on the structural and relational Multi-level territorial governance features of the three main unitary spatial planning models.

**Results – Overview of the Matrices**

Before discussing the scenarios built mainly on the indicators regarding the relationships and structural features of the three unitary spatial planning models, it is worth to have a look at the indicative specificities of Good governance in the analysed Member States. The separate discussion of this topic has a twofold reason: On the one hand, the findings, conducted from the assessment and comparison of these indicators are carrying more universal edifications. On the other hand, the amendment of these conditions is mainly out of the scope of the spatial planning discipline.

The ESPON report 2.3.2. (2006) reflected the contemporary agenda of the European Union for a high extent, as they considered 'governance' as a highly efficient, just and balanced form of public administration. Therefore one of the indicators of the highest importance for this inquiry was the one demonstrating the 'Official acceptance of governance concept'. The national overview of the spatial planning system (ESPON report 2.3.2., 2006) of Hungary in 2006 claimed the approval of this conception was lacking and it seems the public administrative reform procedure of Hungary,
spearheaded by the MP.11 (2011) took some further steps in another direction. The report-maker of the national overview named only three emphatic governance objectives within the working structure of the Hungarian public administration; these were the efforts to bring about Participation, Effectiveness, and Decentralization. It would be really interesting, to ask the same questions again after the ongoing administrative reform. Preliminary it seems arguable now, whether one should draw off 'Decentralization' from the list after the re-nationalization of certain local services. If governance really is the most modernistic, resilient and just framework in which a state can work - as the main agenda of the EU claims - then the administrative competitiveness of Hungary within the European Union would be highly questionable: In opposition to the low number of (and possibly decreasing) indicators of accepted and emphatic governance objectives in Hungary, the Netherlands fulfilled all the nine out of the nine examined objectives in 2006 (see the comparison of the emphatic governance objectives per country in the Figure 4). Naturally, as it has been stressed before, this perception is open to being debated and as various national examples (such as Austria, Finland and Sweden) show, different Member States do question this concept – and for instance their economic performance indicators prove that there is a good reason to being dubious in this question.

The low performance in applying the concepts of governance in Hungary is detectable through other indicators as well. According to the survey data collected by the World Bank (WGI, 2012), the aggregated mean of the governance indicators was 73.2 % for Hungary. As orientation, it is worth to mention that the average value for the analysed Nordic nations (Denmark, Finland, Norway, Sweden) was 95.9 % (see the detailed table of comparison in the Annexes). It is important to mention here, that the low performance of Hungary can not be explained convincingly with historical or geophysical reasons; Member States with similar background have mostly performed better in this analysis. The aggregated indicator for Estonia was 82.2%; for the Czech Republic was 78.8; for Poland it was 76%, The Slovak Republic scored 74.4 percents. Only the latest assessors of the European Union, Romania and Bulgaria performed worse than Hungary: The former nation achieved 67.8 percent and the latter had 59 percent in 2010.

The other two matrices, and their aggregated tables organized by spatial planning models do not need such an extensive explanation. The different indicative specificities were directly utilizable in the process of scenario-writing. The only thing that has to be noted here once again is the necessity of treating the indicators describing the potentials of bringing about Territorial coherence with reservations. As it has been detailed above, it is not possible to prove the causal relationships between the Gini coefficients of territorial disparities and the efficiency of a spatial planning model. At the same time, these indices may foreshadow these capabilities, which might be measured with a
more precise methodology, developed in a forthcoming work.

**Scenarios**

Before assessing the available scenarios in detail, one should clarify the main topics of interest, the most important questions needed to be answered by scenario-building. What has become obvious after the formulation of the matrices is the fact that Hungary has extensive knowledge regarding building vertical systems of administration, but the experiences about setting up horizontal cooperation and partnerships is generally lacking. Thus it will be of highest importance to clarify, which model is the most capable to develop these sort of interactions. Another issue advisable to be clarified is the question of sufficient and adequate size of the local level units, in line with the scope and complexity of the tasks and responsibilities of the levels in question. The PLUREL 2.2.1 report (2010) claims that one essential condition of utilizing the capacities of subsidiarity is the sufficiently large local governments, which are able to develop the required institutional and administrative background for practising their delegated powers. At the same time, Hungarian experts have identified arguments against larger local administrative units as well:

‘Large units better utilize systemic capacities for the effective provision of public services. Small ones provide greater opportunities for citizens to participate directly in governance, and thus public needs are more clearly determined.’ (Horváth 2000, p. 36) Therefore the analysis of the matrices aiming to identify patterns in the working practice of governance might help to facilitate this theoretical debate.

The structure of the budgetary structure, the proportion of revenues and expenditures on local level compared to the total financial balance of the states in question might offer an invaluable introspection on vertical power relations within the system of governance. Therefore I added this topic of inquiry to the scenario-building process. As the matrices have shown, the small volume of local revenues is not exceptional and specific only for the case of Hungary: there are also less autonomous incomes, e.g. taxes in the Anglo-Saxon states. However, the central government might probably take over more tasks in those nations, since the local governments have less expenses as well, compared to the total amount of expenditures. In conclusion, one might diagnose that Hungary was the country from all the analysed ones, which had to conduct such a high extent of redistribution and reallocation of resources. As has been claimed in the ‘Challenges of Spatial Development’ chapter, the dependence on these resources might be the outcome of the imbalance in the extent of autonomous financial resources at the lower levels and the number of compulsory tasks they have to fulfil. The high level of dependency on reallocated resources from the central budget might be the reason that has made the local governments vulnerable and why the real
autonomy of the local level might has been compromised. On the other hand, this process led to a lack of resources to fulfil tasks not considered of vital necessity in day-to-day 'survival', such as spatial planning. This case carries critical risks in a spatial planning model, which relies to a great extent on the development of land-use regulation plans on the local level. Thus one might trust that the findings of the assessment of other spatial planning models in a matrix-based scheme will also provide valuable edifications in the question of distribution of tasks, responsibilities and resources, based on the practice of the three different understandings on spatial planning among unitary Member States.

**Baseline Scenario of Hungary**

First, let us consider how spatial planning will function in Hungary if the political will does not want to modify the existing system in the forthcoming period. The acceptance of the concept of governance remains low, the structure of the government stays in its habitual hierarchical form, with mainly vertical, command-based interactions and with weak horizontal coordination. The planning co-operations are only eventualities, only for making a plan or some plans on occasion only. The co-operation between the State and the civil society remains unspecific, so as the research associations of the Public sector and the universities.

The central state is the most dominant actor of territorial governance; the regional levels remain in a subordinated relation. Therefore the national – regional negotiations and bargains are unspecific, so as the planning arrangements for national-regional and interregional cooperation. There is a risk that legally wide range of local competencies will have to be cut back in order to be synchronized with the practically constrained fulfilment of the duties as an outcome of the high extent of financial dependence on central government. Without new forms of local tax collecting the localities still spend more than twice as much as they have collected. Therefore the dependence on central support remains and the autonomous exertion of the legally granted rights will remain constrained.

The voluntary local development or planning agreements or frameworks remains unspecific as a result of the general shortcomings of the local political culture in terms of the affinity for cooperation. Thus the inter-municipal planning arrangements will possibly not be created in sufficient number and the planning objectives of the higher level will be challenging to implement.

Without alterations in the scenario of Hungary, the number of spatial planning layers will remain five, which is more than the number in any of the other assessed unitary states. Following this script, there will be no National Territorial Chamber or National Territorial Senate created and the constitutional guarantee for regions will not be granted. The substantial powers, which have been re-allocated to the NUTS-3 regions at the expense of the NUTS-2 level, will remain at the level of
the counties, potentially causing tensions mainly in the economic planning procedure and serve as an additional challenge in the distribution of Structural Funds. The significance of the NUTS-2 level as a spatial planning level will continue to decrease and finally this layer will be utilized only for programme creation in order to get access to the EU-funds. The Regional councils will remain subordinated to the decision-making bodies of the counties. Following the baseline scenario, the modification of the number or the border of the NUTS-2 regions is unlikely, the average population of 1.43 million inhabitants and the average surface area of 13 289 km² will remain the same.

The territorial governance importance of NUTS-3 level will continue to grow gradually and they will not only be able to overrule the NUTS-2 level plans, but also to influence the lower level planning processes for a higher extent. The land-use plans that have been made for the counties will set a strict framework for the localities, which on one hand will set up limits in the development directions of the localities, and on the other hand will help to solve inter-municipal debates and will help to synchronize plans of the lower levels. There is no high probability for the creation of Regional-Metropolitan authorities or for the setting up of city networks, thus the co-operation between cities remains low.

The debate regarding choosing the most useful supra-local planning unit of the three types of organizations, the LAU-1 Micro-regions, the Voluntary multi-purpose associations or perhaps the Districts promises to be a long-run argument as the instruments utilized in the very mixed Hungarian scenario seems to be ineligible to decide the dispute. The ongoing devolution process to sub-regions (namely the districts) within the regions will probably be prolonged, as the roles regarding the different types of responsibilities have not yet thoroughly been clarified. At the same time, the implementation of regional planning through inter-municipal co-operation remains an unspecific framework. Therefore the lack of supra-local planning documents planning will probably remain in the near future.

The LAU-2 level localities remain as the basic units of spatial planning. At the same time, the recently amended Local government Act recommends the small localities under 2000 inhabitants to join their powers with other units, in order to enjoy the full rights of autonomous decision-making. Since there was no impact assessment published about how, and why exactly the number of 2000 inhabitants as a minimum has been appointed, the possibility of sufficient plan making competences at the local level may have been raised, but at the same time it might not approximate the optimum to the greatest extent possible.

The statistical indicators of efficiency tell us that if the currently used Hungarian spatial planning model is not amended, the territorial structure of the nation will remain unbalanced. Moreover, the regional disparities might grow at a rapid pace. It is presumable that the inequalities among the
lagging regions and the most developed Central-Hungarian Region (which is, for example the only Hungarian NUTS-2 region with GDP per capita above 75% of the average in the European Union) will continue to increase. The Adjusted Territorial Gini coefficients of territorial disparity in average productivity and in activity rates have been growing in Hungary with the second highest rate of increase among the four analysed models in the period of 1994-2000. This trend of moving towards an even less balanced territorial structure as an outcome of employing the baseline scenario might be also justified by the indicators of change in the NUTS-2 level disparities. This model has been producing the worst results in the average changes in Gini indices of inequality of GDP per capita, GDP per worker and regional unemployment rates. It has to be noted once again, the Gini-indices are not eligible to prove unquestionably the causal relationship among the efficiency level of the spatial planning models and the development pace of territorial cohesion, although they might carry indirect evidences. Anyhow, the capability of the utilized spatial planning model for enhancing balanced distribution of economic and social resources among the regions remains highly questionable.

The Nordic Scenario

According to the Nordic scenario, the strong vertical coordination has been complemented with horizontal interactions and the involvement of the stakeholders is achieved to a high extent. According to this scenario, the co-operation between the spatial planning authorities and agencies is encouraged; the partnerships within the governance structure have integrated more aspects than a mere system of hierarchical direction. The framework of governance has moved away from subordinated relationships and fosters coordinative partnerships in terms of Public–Private economic initiatives, cooperation among the state and the civil society. The political representatives on different levels support different forms of public initiatives that aim to influence the spatial conditions in a positive manner.

Applying this scenario, two excessively powerful layers of spatial planning - the local and the national - dominate the spatial planning structure. This structure is optionally complemented with one or two regional layers with rather weak allocated powers and without any constitutional guarantee. The middle level of the planning system possesses a moderate level of control mechanisms on the planning system. One of the two main actors of territorial governance is the dominant central state; the devolution of its powers to regions would be conducted only within a highly limited scope of responsibilities. There is no National Territorial Chamber or national agencies, councils or committees utilized to foster spatial development. On the other hand, the negotiations and bargains between the actors of the national and the regional level have become routine government practices. The creation of planning arrangements among these levels and the
different units of the regional levels is facilitated with the necessary set of instruments and organizations. Spatial and/or economic development regions might be organized on the supra-local level for planning purposes, but inter-municipal planning arrangements might be formulated as well. The realization of regional planning through inter-municipal co-operation in a bottom-up scheme of organizing spatial planning at the middle level is an alternative solution for substituting the system of development regions. The local governments are practically financially independent, with wide range of tax collecting rights and a high amount of funds available for covering the expenses of the autonomously defined priorities of development. Regional-Metropolitan authorities might have been utilized in this scenario in a great number, as well as city networks and co-operation between cities.

The NUTS-2 level is pragmatically not utilized for spatial planning purposes. Since the Nordic countries and Hungary are rather different in terms of population density, it is not advisable to take the average population numbers of the Nordic Nuts-2 regions as a standard for the reorganization. For illustrative purposes only, in that case only two units of this type would fit into the area of Hungary with the average surface area of 45 453 km² of the Nordic NUTS-2 regions. Thus utilizing the organizing principle of the less than a million persons as average number of the inhabitants in NUTS-2 regions, Hungary has ten NUTS-2 units.

The also relatively powerless NUTS-3 level can have optionally different roles. This level can act as a flexible collaborative framework for the co-operation of counties, in order to bring about regional and state-level strategies. The second option is that NUTS-3 regional planning bodies are basically appointed by the central government to develop sectoral planning-based physical plans, which are highly influenced by the opinions and interests of the stakeholder municipalities. In this case, the regional plans are carried out on a voluntary basis. The third option is to the create regional development strategies and EU programmes on this level, while the county councils of the NUTS-3 level accept binding regional land use plans.

As has been claimed, supra-local districts for spatial development might be created on the LAU-1 level. With the average population of 66,000 inhabitants specific in the Nordic states, 151 units of this type will function in Hungary. According to the Nordic scenario, the LAU-2 level units with strong spatial responsibilities have been created through the fusion of the smaller localities until they have reached the required size. With the average population of 28 830 inhabitants, 346 Hungarian municipalities exist with the average surface area of 269 km², as opposed to the features of the Hungarian baseline scenario, according to which 3152 localities remain with an average 29,51 km² of surface area.
Greatest assets of the Nordic scenario

Following the Nordic scenario promises to reach the best results in proceeding towards territorial balance. The Adjusted Territorial Gini coefficients of territorial disparity in average productivity and in activity rates were the lowest in the analysed period of 1994 to 2000. This also applies to the comparison of NUTS-2 regional imbalances: The average change in the Gini index of inequality of GDP per capita, between 1990-2007 and in the Gini indices of regional GDP per worker between 1995-2005 had the best results among the four compared models. Even if the territorial disparities were growing slightly according to these indicators, the pace of process was the least rapid in the case of the Nordic States. At the same time, these nations have not been performing that well in terms of regional disparities in unemployment rates: the -0.0475 value of decrease in the Gini coefficients in the period of 1999-2009 can be considered as the worst result of the comparison among the three analysed unitary models. However, it is worth to mention that this outcome is still slightly better than the result of the baseline model of Hungary.

The French Scenario

According to the French scenario, the generally strong affinity for vertical co-ordination has become complemented with the development of horizontal relationships, especially with enhanced interaction among agencies, departments and authorities. At the same time the vertical partnerships also have been intensified, the co-operation has gone beyond the conventional hierarchical chain of commands. The negotiations and bargains have become key elements of the multi-level structure of government. During these processes, Hungary has acquired significant practice in Public–Private co-operation in economic initiatives, Public–Public co-operation and (which has been possibly the most important challenge) in terms of State–Civil society - e.g. with NGOs, public associations – co-operation. Moreover, the nation has gained significant practice of Private–Private agreements (also known as consortia), learning from the experiences of the other Member States and has also implemented the practice of co-operation among the public sector and the various universities within the framework of research associations.

The real power remains in the central state, however, with significant extent of power devolution to the NUTS-2 regions. The negotiations and bargains have become dominant feature of the governance in the discourses between the national and the regional level and the advanced relation of these levels are 'sealed' with planning arrangements among the highest and middle tiers. Similarly to the typical interregional planning arrangements in the French model, Hungary has furthermore applied another very characteristic attribute: the voluntarily organized inter-municipal associations, which exist in varying number and with medium level of control mechanisms on the planning system. By doing so, Hungary has developed an advanced culture of formulating local
development- or planning agreements and frameworks.

Approximating the financial distribution structure of France and the Netherlands, Hungary has established a structure, in which the local governments have a relatively low extent of financial dependence on the central government. The proportion of local revenues might be considered moderately high, compared to the volume of central revenues (25:75%). The amount of locally distributed resources is around twice as much as the fiscal means collected on this level; therefore it is obvious that the volume of centrally secured funds for fulfilling tasks on the local level is not negligible.

The Hungarian spatial planning system has three layers in the French scenario. The setting up of a totally Territorial National Chamber has been inevitable. This organization represents all spatial planning layers. Hungary has granted constitutional guarantee for the regions and has allocated even further powers to the NUTS-2 level. In this planning framework, there is a possibility to organize duties of regional planning through inter-municipal co-operation. This spatial planning model utilizes the planning framework of city-networks and inter-city co-operation and regional-metropolitan authorities have been set up to coordinate the intertwining tasks.

The NUTS-2 level has the most extensive spatial planning responsibilities: The regional councils define natural structure visions, the main priorities and the policy for the lower levels, thus highly influencing the context of local zoning plans. These decision-making bodies have the right to formulate and implement planning contracts between the central state and the regions, in which the main objectives of spatial development are clarified. If Hungary has assimilated to the Member States of this model, then it utilizes NUTS-2 level units which have almost two million inhabitants. According to this scenario, Hungary has only five NUTS-2 regions instead of the baseline number of seven. On the other hand, there are some arguments against the servile implementation of this practice: If Hungary formulated only 5 NUTS-2 regions, these units would have to look after 18 606 km² in average, which is significantly greater than the average surface area of the NUTS-2 regions in France and the Netherlands (13 901 km²).

The NUTS-3 level is not utilized for spatial planning purposes at all. The division of this level has not been necessary to being modified in Hungary: with the average population of the units in the French model the baseline number of NUTS-3 units, 19 have been needed. The current spatial planning roles of the county level have not been devoted to the local level; instead these powers have to been distributed among the voluntarily organized inter-municipal associations on the supra-local level, optionally directed by indirectly elected assemblies. The average population and the average surface area managed by these associations varies in this model. On the lowest level, the LAU-2 units have been merged to a high extent, in order to approach the average population (21
189 inhabitants) of this model. At the end of this concentration process, there have been 471 municipalities appointed with 197.51 km² of average surface area, instead of the 3152 localities (with 29.51 km² in average) of the baseline model. It has to be noticed here that the average population density of the Member States utilizing this model is almost four times higher than in Hungary. Thus, for the sake of clear vision, it is necessary to examine a different descriptive proportion of the municipalities in this model: utilizing the organizing principle of the average surface areas of the localities of the French model (49.28 km²), 1887 municipalities have to been appointed. This latter, higher number resembles more to the characteristics of the so-called ‘Southern’ division of roles, as detailed in this work earlier on.

**Main benefits of the French scenario**

One of the greatest benefits of moving towards the 'French' scenario is the fact, that the main representatives of this model are the most influential agenda setting participators of the ESDP process. There is no professional consensus on the need for a common competence for spatial planning within the EU. At the same time scholars of this field, such as Dühr (2010, pp. 10-21.) claimed that a common policy of European Spatial Planning could have more benefits than expenses. It is not the purpose of this document to take a commitment in this discourse. At the same time it is obvious that employers of the ‘French’ spatial planning model, France and the Netherlands, promise to be the main actors of formulating that prospective common policy. Approaching this direction foreshadows the possibility of the minimum number of conflicts in terms of compatibility implementing a future set of territorial cohesion objectives of the Union.

The French scenario has proven as the best in balancing territorial disparities even at the highest scales of planning: During the period of 1994 to 2000, the nations using this model have been decreasing the territorial imbalances of productivity and activity rates activity rates. Among the assessed spatial planning models, the Member States using the French model have proven to be the second most effective group in working off inequalities among the NUTS-2 levels. France and the Netherlands ascertained to be moderately effective in eliminating regional disparities of GDP per capita, GDP per worker, and unemployment rates indicators. Hungary had better results in terms of the average travelling time to the closest urban centre than any other assessed Member State. Therefore one might suppose that the size of the country in question influences the results of this analysis. On the other hand, not just the similarly small Netherlands, but France has performed conspicuously well in this aspect. Thus one might hypothesize that this model has affinity to lay emphasis on this factor of regional development for the most.
The Anglo-Saxon scenario

According to the Anglo-Saxon scenario, Hungary has developed strong horizontal coordination besides the existing, mainly vertically hard-wired structure of government. At the same time, the vertical cooperation and the partnerships have been developed far beyond the conventional hierarchical command structure of government. Thus these features are formulating a system, in which the lower- and middle-level units perfectly utilize their legal rights of authority and are able to represent their interests on higher levels. The real power remains in the central state and only a formal devolution to the regions has been conducted. The negotiations and bargains among the national and regional levels take place in this model, but arrangements for carrying out national-regional and the interregional planning objectives have not been formed.

The co-operation between development agencies, departments and authorities has come into focal place in the working dynamics. However, the Anglo-Saxon 'script' does not provide a recipe on how to tackle the frictions, tensions and the conflicts among the groups of interests efficiently. Utilizing this model, Hungary has had to examine the extensive experiences of the Anglo-Saxon nations and thus has been creating a framework with the highest affinity for entering into Public–Private cooperation in economic initiatives, Public–Public cooperation and interactions between the central state and the representatives of the civil society, such as the NGOs. According to the Anglo-Saxon scenario, the Hungarian regions have medium level of control scope of authorities on the planning system and the planning competences of the NUTS-3 counties are significantly more extensive than the rights of the NUTS-2 regions.

With the application of this model, the extent of financial dependence of local governments on central government has been significantly decreased. The volume of the local revenues is fairly limited, given the also low proportion of local expenditure compared to the total budgetary balance of the state, and the high number of standard services provided by the central state. At the same time, the freely disposable amount of funds on local level is relatively high. The formulation of local development- or planning agreements and frameworks is promoted highly, but the inter-municipal planning arrangements are not typical.

According to the Anglo-Saxon scenario, the development of a spatial planning system, in which three levels exist, has been necessary. The formulation of a National Territorial Chamber or National Territorial Senate, which does not represent regions, but the overarching national objectives and interests, has also been indispensable. In this system, the NUTS-2 regional councils are powerless, similar to the Hungarian baseline features. At the same time, the democratic representation in the spatial planning system is granted for an uncommon extent through the directly elected assemblies at supra-local or sub-regional level. The devolution to sub-regions within the
regions has been realized in the structure outlined in the matrix of the Anglo-Saxon model. Employing these attributes, the formulation of city networks and co-operation between cities has been conducted and the establishment of regional-metropolitan authorities also has a high priority in this model.

The level of the NUTS-2 regions has weak planning competences, preparing mainly regional planning guidelines, which is highly in line with the recent direction of transformations in the Hungarian spatial planning system. Similar to the attributes described in the French scenario, the five NUTS-2 units have nearly 2 million people of average population. This would eventuate in the re-appointment of five NUTS-2 regions. If one decides to use a different organizing principle than population, these regions will have smaller surface areas: In this case Hungary would have 6 NUTS-2 regions with 166 367 inhabitants and 15 505 km² area in average.

The spatial planning role of the NUTS-3 level counties is to approve structure plans which set the framework for the local plans of the lowest tier. This distribution of roles is very similar to what is functioning in Hungary at the moment. Taking the average population (632 859 inhabitants) of the NUTS-3 units within the Anglo-Saxon model as a starting point, Hungary has 16 counties instead of the baseline number of 19, and 23 towns with rights of a county.

According to the Anglo-Saxon scenario, the lowest level of territorial governance currently used, the LAU-2 units, have been replaced by LAU-1 level units, encompassing about 130 000 inhabitants on average. The autonomous roles of the 3152 localities have been transmitted to 77 LAU-2 units, which supervise an average surface of 1208.18 km². This change is obviously an extremely radical one, if one considers that the currently interpreted objective for lowest autonomous units of Hungary is set at 2000 inhabitants as minimum, and the fact, that the local governments had experience in managing 29.51 km² of area in average so far.

**Advantages of the Anglo-Saxon Scenario**

Both the Adjusted Territorial Gini coefficients aggregating national level results and the NUTS-2 indicators show that the nations using this model have performed less efficiently in terms of abolishing territorial imbalances, compared to the states that utilize another major spatial planning model. At the same time, it is very important to emphasise that the success level in bringing about territorial balance among the regions in the Member States using the Anglo-Saxon spatial planning model is still better than the performance of the system in Hungary. While the aggregated Adjusted Territorial Gini coefficients of National Territorial disparities in average productivity and in activity rates were worse than the values in Hungary (0.078 and 0.100, compared with 0.052 and 0.053); the average changes in inequalities among regions in terms of GDP per capita and GDP per worker
were more positive than in Hungary, even if the inequalities have risen in every analysed state (+0.0178 and +0.02 compared with +0.08592 +0.03).

Moreover, there is one aspect, in which the Anglo-Saxon model performs extremely well: it is the average change in the Gini indices of regional unemployment rates. In the examined period of 1999 to 2009, the model in question was capable to decrease the regional disparities of unemployment rates measured with Gini coefficients from the average value of 0.155 to 0.09, which is an extraordinary efficient performance – even if one considers the fact that overcoming on generally high levels of differences might be easier than paring down the very small differences of a basically balanced system. Another positive feature of the Anglo-Saxon scenario is its slightly surprising coincidence of interpretation of the regional roles of planning with the currently functioning spatial planning model of Hungary – thus the adaptation costs of this scenario might be favourable than in the case of the other scenarios.
Concluding remarks

Hungary has been a Member State of the European Union since 2004. The last decade of transformation has been influenced the general understanding on the role of the country in the European context. However, it seems that there still are shortcomings in the pragmatic interpretation of roles and rights within the Community. The Single European Act has laid the foundations of the Europe of the equality, at the same time the 'level playing field' offers successes only for players, who know the rules. The ones who are not able, or not willing to play according to the rules are falling out of the game, or are at least not going to 'score'. Hungary has had almost a decade to examine governance patterns of other Member States as an equal partner; however, the proper structure of territorial administration seems still to be lacking.

Whatever important it would be to develop a spatial development system, which suits to the regulatory and supportive framework and is at the same time is in line with the common values of the EU, basic steps of this process have been missing. This paper has intended to support the public administrative transmissions and its considerations of spatial planning in a comprehensive analytical framework of the European context. The author has tried doing so with the utilization of descriptive specificities of other Member states with similar forms of government.

With the background analysis conducted, several shortcomings of the Hungarian spatial planning system have come to the surface. As the ‘Key Spatial Planning Challenges’ chapter revealed and the growing Gini-coefficients of territorial disparities have also proven, the current organizational structure can be considered as highly inefficient. One of the most plausible reasons for this is the mixed and not clarified functions within the spatial planning system. The parallelisms and overlaps in terms of tasks and responsibilities among the different levels are making the system overly complex with the lack of transparency. It is obvious that an example of a 'chemically pure' example of adaptation of one or the other model can not be found. Some unitary Member States are experimenting in order to find the most effective combination of instruments, division of labour and resource allocation, which fits their purpose the most. Hungary has been performing this procedure as well; however the practical experiments went in rather different directions during the past decade, without following a straightforward or even seemingly conscious track. The different professional understandings and the influence of politics eventuate in a highly inefficient system of unclear relations, since all the outcomes of practical experimenting have remained in the research area. It is a widely known fact, that the re-utilization of once used and thus contaminated lab equipment can not result reliable outcomes, since the former experiments distort the current results.
as well. Now it seems that there are simply too many different chemicals mixed in the test tubes of Hungarian spatial planning.

In order to understand the political conflicts leading the squiggling series of decisions regarding the efficient form of spatial planning system, one should review the past two and a half decades of history of the nation. In 1990, the second year of the systematic change, which aimed to rebuild the democratic framework after the communist occupancy, the political leaders granted high level of legal authorities to the localities, in the well-intentioned spirit to avoid the restoration of a centralized state form once and for all. However, this fairly enlightened process of decentralization has not been accompanied by the devolution of sufficient financial powers to the lowest level. Partly due to this reason, the pragmatic incapability of tackling spatial planning tasks on the lowest level has primed the experts to implement the level of micro-regions in the mid-1990s. The introduction of this sub-system was also a modernistic act, since this level resembled to the NUTS-4 level of statistical framework of the European Union to a high extent. These units mainly served for statistical purposes at first, but the repeated attempts of the profession to apply a supra-local level for planning purposes, in this form or in another has been testifying about the will to adopt a level of planning, which has been proven as successful means for tackling the challenges of the localities by international examples. The introduction of the NUTS-2 level, before the EU-accession in 2004 was partly a constraint. However, it also shed light on questions of effectiveness of the mid-level public administrative system, which has been using 19 counties for 93 030 km² of area and less than 10 million inhabitants. Even though the rationalization would have suggested that the structural planning should have been taking place at the same level as the distribution of Structural Funds, the spatial planning powers have not been thoroughly allocated to these levels since the radical impairment of the historically powerful level of counties would have been violating too many interests. Similarly, the derogation of local responsibilities has continuously been averted by the subsidiarity agenda although without the essential revenues and planning capacity. Thus the real and just devolution of powers has never been realized at the local level. This power struggle has remained until the year 2010, when the recently elected government decided to cut the responsibilities of the localities and to nationalize many of the basic services of the localities, with referring to efficiency and the agenda of 'good government', which in this case means recentralization to a certain extent. This political platform has also ceased the utilization of the NUTS-2 level and its councils have been subordinated to the counties, a process, which has been justified mainly with historical reasons. As this short historical overlook has been demonstrated, the continuously changed political views on a suitable system of governance and the conflicting interests resulted in a spatial planning system of highly opaque responsibilities.

The analyses conducted in this work have also proven, that one has a grounded right to form a fairly
critical view on the extent of fulfilment of good governance objectives within the spatial planning system of the nation in question. The overlaps and parallelisms of tasks and the lack of transparency in responsibilities resulted in a planning system which was highly inefficient to overcome the challenges of territorial imbalances. Some characteristics of the current system of Hungarian spatial planning are obviously contrary to the guiding principles of 'good governance' and 'Multi-level governance', which are getting more and more emphasised values of the recent agenda of the European Union. It is advisable to refer here, for instance, to the core concepts of the 2020 Territorial Agenda as it amongst other things, recommends using Multi-level governance as the main tool to put territorial cohesion into practice.

At the same time, a main conclusion can be drawn in the case of Hungary: the problematic efficiency of the current system can not be explained with the lack of professional overview or the unknown standards of EU. Regionalization, decentralization or devolution, subsidiarity and proportionality are well known standards of governance and their role are emphasised in several documents, such as the National Development Policy Concept. As the main shortcoming, the lack of conceptual continuity in the process of implementation can be identified, which is exacerbated by absence of a clear political vision on the role of territorial cohesion. Several steps has been taken in the direction of regionalization and decentralization in the past decade, but later on, as the political will has been changing continuously, other understandings started to insert different characteristics into the existing system. As the structural features of all the different practical experimenting remained within the system, the organization of spatial planning has become overly complex and the different elements of the mixture have started to produce antagonistic effects. Parts from the systems of the past have been carried on as a burden, excluding the possibility of unfolding a new approach – regardless to the fact whether those parts were formerly successful or not. Therefore the time has come to give up 'make do and mend' solutions and to rethink the spatial planning system of Hungary from the basics.

The main task in this incipient process was then to find a scenario to follow. The context, which grants the additional actuality of these examinations, is the ongoing public administrative reforms in Hungary. Although a real debate has not even started yet, it seems that some decisions have already been made even before the clarification in terms of the available scenarios has happened. This paper delivered evidence that there are several questions, in which the theoretical analyses of the viable paths were not conducted before the attempt to implement one or other concept into practice. For instance, in the case of the recently introduced level of districts, while some of their administrative roles have been clarified, there are others in which the clear vision is hard to find.

There is a bulk of considerable topics, in connection to which a series of questions have been
arising during the current public administration reform procedure. For example, it is still not clarified, what roles the level of the recently introduced districts will fulfil. It is impossible to identify now, whether this level is going to provide only administrative services at the middle-tier, or is this going to be the missing link, the layer, which corrects the structural differences among the fairly unbalanced level of localities, and therefore an excellently useful level of spatial planning. Moreover, as it been stressed before, the prospective future system of Hungarian spatial planning has not only has to tally with the objectives of the nation, but also has to suit into the regulative framework of the EU aspects as well. The question is now open: can the districts substitute the currently existing Statistical micro-regions at the LAU1 level, or will they only act as another overlapping administrative level with limited purposes?

Another open question is, to what extent will the responsibilities of the local governments be further eroded in the near future, and for how long we can talk about 'strong' localities. Although the representatives of the spatial planning profession are tend to agree that local governments are the basic units of the self-government structure, and the supra-local level is rather considered as an optimal organizational framework of public administrative-, public service-, local and spatial development duties (LRMI, 2008), the nationalization of certain responsibilities and some properties of the localities might outline a process that has just started.

Also questionable so far is how the repeatedly stressed need for empowering the middle-level will be conducted. It seems that this any sort of regionalization processes would need an effective devolution, in which the central tasks and responsibilities are getting decentralized (LRMI, 2008, p. 6). However, the latest public administrative reform, spearheaded with the MP11.0 programme, seems to designate an opposite direction. The strengthening of the middle-level is inconceivable without the formulating a solid financial background for this level. Therefore these questions regarding stabilizing the financial position of the units on the middle-level have to been answered in the near future as well. Would it be rational to provide tax collecting rights to the NUTS-3 or NUTS-2 regions, or would it be more reasonable to redistribute centrally collected taxes on the middle level, based on development-indicators of the local level, as has been suggested in the Final Report of the LRMI (2008)?

The last, but not least crucial open question is connected to the issues of the highest levels of planning. What are the arguments for and against 'channelling' the Structural Funds with merely economic planning instruments on NUTS-2 level and the redistribute those at a level lower? This process and the seemingly high number of NUTS-3 level counties might not foster the efficiency level of the spatial development system. At the same time, the current NUTS-2 levels merged from NUTS-3 units seem to be ineffective in bringing about territorial balance. It is enough to refer here
to the case of lagging localities of the Central-Hungarian region, which are deprived from the special subsidies because of the misleading statistical effect of the economic power of the capital city. 

Besides the open questions above, which have to be answered during the debate of the future, there are cases in which this work can serve with results already. There is no other unitary Member State among the analysed ones, which has more than four levels of spatial planning. Moreover, in some Nordic countries the number of thoroughly utilized layers is only two. Therefore the five layers of Hungarian planning can be considered as too many. It can be also treated as proviso that the territorial governance system has to be developed through an effective and just process of devolution and at least the voluntary co-operations among the actors has to be allowed and supported. As has also been stated in the National Development Policy Concept of Hungary as well, the prospective system has to represent a decentralized policy of development, in which all actors have to use the new approach of territorial thinking. Regarding this document, one should consider regions as the key actors of spatial development. The regionalization is the cornerstone of spatial planning in the European Union, since the Member States have to be able to absorb the different types of funds; thus the importance of functioning NUTS-2 regions is out of question.

In order to provide opportunity to answer the not yet answered questions later on, this paper aimed to complement the available knowledge by formulating three different scenarios, which are incorporating the main features of the three dominant models of spatial planning functioning in unitary state structures of Europe. For the sake of clarity of vision, these models have been separated from each other by their distinctive characteristics. The first 'Nordic model' utilizes strong and caring state with weak and weightless regions and large and powerful, independent municipalities. Following this scenario, the number of the localities has been decreased to 151-346, with an average population of 28.800 - 66.000 inhabitants. The 'Anglo-Saxon' model combines the strong and overarching state with weak regions and powerless, fragmented municipalities. According to this scenario, the number of the Hungarian counties has been decreased to 16 from 19; the 3152 localities have been transmitted to 77 LAU-2 units, which supervise an excessively large average surface area of 1208.18 km². In the 'French' spatial planning model, the state has extensive powers in terms of spatial planning and able to influence the moderately strong level of regions, while the relatively weak, but independent municipalities are arranged into associations. According to this scenario, the spatial planning responsibilities of the NUTS-2 level have been extended and the number of the units has been decreased to 5 from 7. The number of the NUTS-3 region remains unchanged, while the number of the LAU-2 units has been reduced to a number between 471-1887 from 3152.
The paper did not set the aim of deciding on which model the professionals should utilize or to argue for or against one or another approach. However, it gives a better and clearer overview on the characteristics of the applicable scenarios and contributes to the debate and decision-making process of developing a model that fits for all the accountable Hungarian requirements the most. This work thus hopefully serve as a solid ground for employing more aspects, which needs to be decided on, such as financing and resource allocation. The assessment of the difficulties and costs of following one or another scenario has not made in this work. This analysis might be the main objective of a prospective work, which aims to continue the supporting of this debate on the suitable forms of spatial development in Hungary.

It has to be stressed once again, that the organization of spatial planning has to been treated as a holistic approach, thus there is no opportunity to modify only one sub-system, such as resource allocation or division of labour without taking other closely intertwined considerations into account. The experiments of the past, which were lacking an overarching systematic approach, have been powering the fears of adapting dominant features of the spatial planning system of other states. Naturally, it would be easy to provide examples in which it seemed that adapting one or another sub-systematic part of a different spatial planning simply failed to lead to any positive result. These features in question are often the outcomes of a longer historical development process in a certain geophysical-cultural specific context. For instance, the initiative to encourage localities to consort in multi-purpose micro-regional associations, a notion, which had a rather clear intention to develop a sub-system similar to what can be found in France, might be considered as an epic failure in Hungary. However, it is important to emphasize that almost everything depends on the way of proper implementation. In the previous example, it seems obvious that the failure of multi-purpose associations was the outcome of not taking the cultural background differences of lower tier initiatives into consideration. Moreover, what was obviously lacking was the development of sufficiently effective channels of multilateral communication among the actors. These findings suggest that the debate of future regarding this topic should have been expanded to this significantly more aspects than one would first think.

It is an open question of forthcoming work that to what extent is the society of the nation 'mature' to apply a more bottom-up approach, in which more responsibility is been delegated to the citizens and on their capacity of setting in initiatives. One of the future aims as the extension of this study might be the assessment and selection of a governance structure which is in line with this capability. Moreover it seems fairly fruitful to conduct a cross-complimentary procedure of the developing a spatial planning system with the good governance indicators, which will be set by the Committee of Regions toolbox later on, aimed at examining the existence of conditions of implementing Multi-
level Governance principles into territorial cohesion policies.

It promises to be a long road, before the recommendations of the Multi-level governance concept, which claimed to be promising at the moment by the leading policy formulating expert groups of the European Union will be implemented into the practice of spatial planning in Hungary. Sooner or later this process has to been carried out. As the matrices created during this work has demonstrated, the current system has significant disadvantages in reducing territorial disparities. I hope the scenarios outlined in this work might serve as a solid basis for an extensive debate of the spatial planning system of the future in Hungary and this framework will be proven as suitable to guide the discussion to a fruitful direction.
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Annexes 1. Movement within the EU-15 between the Styles of spatial planning and the characterisation of the New Member States. Source: ESPON 2.3.2. (2006)
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<td>19. Netherlands</td>
<td>Reg/on – LAS</td>
<td>Decentr. Unit.</td>
</tr>
<tr>
<td>20. Norway</td>
<td>Reg/on – LAS</td>
<td>Decentr. Unit.</td>
</tr>
<tr>
<td>21. Poland</td>
<td>Reg Decentr/on</td>
<td>New EU memb.</td>
</tr>
<tr>
<td>22. Portugal</td>
<td>Admin. Reg/on</td>
<td>Centr. Unit.</td>
</tr>
<tr>
<td>23. Romania</td>
<td>Admin. Reg/on</td>
<td>New EU memb.</td>
</tr>
<tr>
<td>24. Slovakia</td>
<td>Reg Decentr/on</td>
<td>New EU memb.</td>
</tr>
<tr>
<td>25. Slovenia</td>
<td>Admin. Reg/on</td>
<td>New EU memb.</td>
</tr>
<tr>
<td>26. Spain</td>
<td>Reg. autonomy</td>
<td>Reg/incl Unit.</td>
</tr>
<tr>
<td>27. Sweden</td>
<td>Reg Decentr/on</td>
<td>Decentr. Unit.</td>
</tr>
<tr>
<td>29. UK</td>
<td>Reg Decentr/on</td>
<td>Reg/incl Unit.</td>
</tr>
</tbody>
</table>

Annex 2. Classification of characteristics determining style of planning

Abbreviations in the Annex 2.:
Column A: Typology of regionalization
Admin. Reg/on: Administrative Regionalization
Reg. Decentr/on: Regional Decentralization
Reg/on – LAS: Regionalization through the existing Local Authorities
Reg. autonomy: Regional autonomy (Political Regionalization)
Reg/on – Federal: Regionalization through the Federate Authorities

Column B: Typology of state structures
Fed. State: Federal States
Reg/ined Unit.: Regionalized Unitary States
Decentr. Unit.: Decentralized Unitary States
Centr. Unit.: Centralized Unitary States
New EU memb.: New EU Member-States and candidate countries

Column C: Devolution of spatial planning powers to regions
Unit. / +CS: Unitary state (real power in central state)
Unit. / +Reg.: Unitary state (real power in regions)
Unit. / Central.: Unitary state (centralization / Dominant central state)
Fed./+CS,+Reg.: Federal state (strong central state and regions)
Fed./-CS,+Reg.: Federal state (weak central state and regions)
Fed./-CS,-Reg.: Federal state (weak central state, strong regions)

Column D: Spatial planning powers: Strong local – municipal level
+CS: Powerful local – municipal level (with equally strong central state)
-CS: Powerful local – municipal level (with relatively weak central state)

Column E: Regional spatial planning through inter-municipal cooperation

Column F: National – regional interactive, negotiative and / or contractual approaches to spatial planning
<table>
<thead>
<tr>
<th>Nations</th>
<th>Governmental municipalitie s</th>
<th>Governmental districts</th>
<th>Public administrative districts</th>
<th>Districts for development</th>
<th>Statistical districts</th>
<th>Average population of districts, approx. (capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern-Central-Europe, South-Eastern-Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>(Comuna (2860))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(8.000)</td>
</tr>
<tr>
<td>Croatia</td>
<td>(Općina, grad (556))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(8.000)</td>
</tr>
<tr>
<td>Latvia</td>
<td>Pašvaldības (119)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20.000</td>
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<tr>
<td>Macedonia</td>
<td>Opštini (84)</td>
<td></td>
<td></td>
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<td>25.000</td>
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<tr>
<td>Montenegro</td>
<td>Opština (21)</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Bulgaria</td>
<td>Obstina (263)</td>
<td></td>
<td></td>
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<tr>
<td>Serbia</td>
<td>Opština, gradovi (190)</td>
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<tr>
<td>Lithuania</td>
<td>Savivaldybės (60)</td>
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<td>55.000</td>
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<tr>
<td>Poland</td>
<td>(Gmina (2478))</td>
<td>Powiat (379)</td>
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<td></td>
<td></td>
<td>100.000</td>
</tr>
<tr>
<td>Slovenia</td>
<td>(Občina (210))</td>
<td>Upravne enote (58)</td>
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<td></td>
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<td>35.000 (10.000)</td>
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<tr>
<td>Ukraine</td>
<td>Rajon (669)</td>
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<td>70.000</td>
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<td>Estonia</td>
<td>Maakond (15)</td>
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<td></td>
<td></td>
<td></td>
<td>90.000</td>
</tr>
<tr>
<td>Republic of Slovakia</td>
<td>Okres (79)</td>
<td>Obvod (50)</td>
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<td></td>
<td></td>
<td>70.000 (110.000)</td>
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<tr>
<td>Czech Republic</td>
<td>Okres (77)</td>
<td>ORP (205)</td>
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<td>135.000</td>
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<td>West-Europe, Western-Central-Europe, South-Europe, North-Europe</td>
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<td>Italy</td>
<td>(Comune (8101))</td>
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<td>(7.000)</td>
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<tr>
<td>Belgium</td>
<td>Gemeenten/ Communes (589)</td>
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<tr>
<td>Sweden</td>
<td>Kommun (290)</td>
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<td>30.000</td>
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<tr>
<td>The Netherlands</td>
<td>Gemeente (443)</td>
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<tr>
<td>Greece</td>
<td>Dimoi (325)</td>
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<td>35.000</td>
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<tr>
<td>Denmark</td>
<td>Kommune (98)</td>
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<tr>
<td>Ireland</td>
<td>County (34)</td>
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<tr>
<td>Portugal</td>
<td>Concelhos (308)</td>
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<td></td>
<td>35.000</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Districts or individual unitary authorities; Individual unitary authorities or LECs; Districts (443)</td>
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</tr>
<tr>
<td>Switzerland</td>
<td>Bezirk/ District</td>
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<td></td>
<td></td>
<td></td>
<td>45.000</td>
</tr>
<tr>
<td>Country</td>
<td>District Level</td>
<td>Number</td>
<td>Population</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>----------------</td>
<td>--------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Austria</td>
<td>Politische Bezirke (99)</td>
<td>etc. (166)</td>
<td>85,000</td>
<td></td>
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<tr>
<td>Cyprus</td>
<td>Eparchies (6)</td>
<td></td>
<td>135,000</td>
<td></td>
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<tr>
<td>France</td>
<td>Arrondissement (342)</td>
<td></td>
<td>(190,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Kreis (429)</td>
<td></td>
<td>(190,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iceland</td>
<td>Sýslumaður (26)</td>
<td>Landsvæði (8)</td>
<td>12,000 (40,000)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Norway</td>
<td></td>
<td>Økonomisk region (89)</td>
<td>50,000</td>
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<tr>
<td>Finland</td>
<td></td>
<td>Seutukunnat (70)</td>
<td>75,000</td>
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<td>Liechtenstein</td>
<td></td>
<td>Landschaf ten (2)</td>
<td>16,000</td>
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<tr>
<td>Luxemburg</td>
<td></td>
<td>Canton (12)</td>
<td>40,000</td>
<td></td>
<td></td>
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<tr>
<td>Malta</td>
<td></td>
<td>Distretti (6)</td>
<td>70,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td>(Comarca)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Annex 3. Experiment of district level categorization in Europe*

*Source: Districts: International Outlook (2011).*
On the following page:

Annex 4.

The Matrix of the Features of Governance in the Unitary Member States
<table>
<thead>
<tr>
<th>Good Governance Indicators (Parnesio Farm, 6-18)</th>
<th>Governance in urban and territorial policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veto and Accountability</td>
<td>Official acceptance of governance concepts</td>
</tr>
<tr>
<td>Political Society</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Government Management</td>
<td>Indirect acceptance and/or neutralization</td>
</tr>
<tr>
<td>Regulatory control</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Rule of Law</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Borrowing Capacity</td>
<td>Indirect acceptance and/or neutralization</td>
</tr>
<tr>
<td>Good Governance Indicators (Parnesio Farm, 6-18)</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Governance</td>
<td>Official acceptance of governance concepts</td>
</tr>
<tr>
<td>Transparency</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Participation</td>
<td>Indirect acceptance and/or neutralization</td>
</tr>
<tr>
<td>Decision making</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Vertical accountability</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Horizontal accountability</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Ex post</td>
<td>Indirect acceptance and/or neutralization</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Control of corruption</td>
<td>Official acceptance of governance concepts</td>
</tr>
<tr>
<td>Experience in participation processes</td>
<td>Active and explicit acceptance and implementation</td>
</tr>
<tr>
<td>Experience in the functioning of partnerships</td>
<td>Indirect acceptance and/or neutralization</td>
</tr>
</tbody>
</table>

**Political stability and absence of violence** measures the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism.

**Government effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

**Regulatory quality** captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

**Rule of law** captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

**Control of corruption** captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "captured" by the state of elites and private interests.

**Sources:** The World Bank - Worldwide Governance Indicators Project; Final Report of the ESMF 2.3.2 project, Annex B: National overviews.
On the following page:

Annex 5.

The Matrix of the Aggregated Features of Governance in the Main Unitary Spatial Planning Models
<table>
<thead>
<tr>
<th>Good Governance Indicators (Percentile Rank, 0-100)</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice and Accountability</td>
<td>92,2</td>
<td>92,7</td>
<td>98,3</td>
<td>74,9</td>
</tr>
<tr>
<td>Political Stability</td>
<td>70,5</td>
<td>75,3</td>
<td>90,1</td>
<td>71,2</td>
</tr>
<tr>
<td>Government Effectiveness</td>
<td>89,9</td>
<td>89,5</td>
<td>92,2</td>
<td>71,8</td>
</tr>
<tr>
<td>Regulatory Quality</td>
<td>95,9</td>
<td>92,6</td>
<td>97</td>
<td>81,8</td>
</tr>
<tr>
<td>Rule of Law</td>
<td>94,6</td>
<td>93,9</td>
<td>99</td>
<td>73</td>
</tr>
<tr>
<td>Control of Corruption</td>
<td>91,4</td>
<td>93,3</td>
<td>98,6</td>
<td>66,5</td>
</tr>
<tr>
<td>Average of Good Governance Indicators (Percentile Rank, 0-100)</td>
<td>89,1</td>
<td>89,6</td>
<td>95,9</td>
<td>73,2</td>
</tr>
<tr>
<td>Practice of Governance</td>
<td>Active and explicit acceptance and implementation, Extensive experience in participation processes, Extensive experience in functioning of partnerships, Varying practice of utilizing OMC in spatial planning</td>
<td>Active and explicit acceptance and implementation, Extensive experience in participation processes, Extensive experience in functioning of partnerships, Varying practice of utilizing OMC in spatial planning</td>
<td>Active acceptance or neutral position, Extensive experience in participation processes, Extensive experience in functioning of partnerships, Utilizing OMC in spatial planning is unspecific</td>
<td>Low degree of acceptance, Limited experience in participation processes and in functioning of partnerships, Utilizing OMC in spatial planning is unspecific</td>
</tr>
<tr>
<td>General Characterization of Spatial Planning Power Allocation</td>
<td>Moderately powerful national level, weak or no regional level, strong local level</td>
<td>Strong national level, relatively weak middle tiers, powerful local level</td>
<td>Relatively weak national level, typically powerless regions, excessively strong local level</td>
<td>Strong national level, relatively weak middle layers, legally powerful local level</td>
</tr>
</tbody>
</table>
On the following page:

Annex 6.

The Matrix of the Features of Multi-level Structure in the Unitary Member States
<table>
<thead>
<tr>
<th>Characteristics of the National level</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Territorial Chamber or Senate</td>
<td>Does not exist, but does not represent regions</td>
<td>Does not exist, but does not represent regions</td>
<td>Does not exist, but does not represent regions</td>
<td>Does not exist, but does not represent regions</td>
</tr>
<tr>
<td>National agencies/authorities for spatial development</td>
<td>Does not exist</td>
<td>Does not exist</td>
<td>Does not exist</td>
<td>Does not exist</td>
</tr>
<tr>
<td>Adjusted Territorial Gini coefficients of territorial disparity or average productivity (1990-2090)</td>
<td>0.68</td>
<td>0.62</td>
<td>0.60</td>
<td>0.50</td>
</tr>
<tr>
<td>Adjusted Territorial Gini coefficients</td>
<td>0.84</td>
<td>0.82</td>
<td>0.80</td>
<td>0.78</td>
</tr>
<tr>
<td>Constitutional guarantee for regional level</td>
<td>Does not exist</td>
<td>Does not exist</td>
<td>Does not exist</td>
<td>Does not exist</td>
</tr>
<tr>
<td>Typology of regionalization</td>
<td>Regionalization through the existing Local Authorities (administrative regionalization)</td>
<td>Regional Decentralization</td>
<td>Regionalization through the existing Local Authorities</td>
<td>Regional Decentralization</td>
</tr>
<tr>
<td>Devolution to regions</td>
<td>Powers Regional authorities</td>
<td>Expect to devolve substantial powers</td>
<td>Substantial powers have been allocated to the regions</td>
<td>Varietal correlations – Substantial powers have been re-allocated to the NUTS-3 regions at the expense of the NUTS-2 level</td>
</tr>
<tr>
<td>Innovation planning organizations at supra-local/regional level</td>
<td>Unspecified framework of planning</td>
<td>Unspecified instrument of planning</td>
<td>Unspecified instrument of planning</td>
<td>Unspecified instrument of planning</td>
</tr>
<tr>
<td>Devolution to sub-regions within regions</td>
<td>Not typical</td>
<td>Typical attitude</td>
<td>Not typical</td>
<td>Typical attitude</td>
</tr>
<tr>
<td>Regional planning through inter-municipal cooperation</td>
<td>Unspecified framework of planning</td>
<td>Unspecified framework of planning</td>
<td>Unspecified framework of planning</td>
<td>Unspecified framework of planning</td>
</tr>
<tr>
<td>Regional – metropolitan authorities</td>
<td>Not exist</td>
<td>Not exist</td>
<td>Not exist</td>
<td>Not exist</td>
</tr>
<tr>
<td>City and suburban authorities between the city and the suburbs</td>
<td>Not exist</td>
<td>Not exist</td>
<td>Not exist</td>
<td>Not exist</td>
</tr>
<tr>
<td>Characteristics of the NUTS-2 Regions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of cities</td>
<td>24,270,053</td>
<td>50,000,44</td>
<td>23,228,75</td>
<td>348,159,62</td>
</tr>
<tr>
<td>Average population</td>
<td>2,033,297</td>
<td>1,178,413</td>
<td>2,486,201</td>
<td>1,001,960</td>
</tr>
<tr>
<td>Inequality of GDP per capita, 1990</td>
<td>0.0291</td>
<td>0.0316</td>
<td>0.0774</td>
<td>0.0044</td>
</tr>
<tr>
<td>Income inequality of GDP per capita, 2005</td>
<td>0.1158</td>
<td>0.0954</td>
<td>0.0071</td>
<td>0.0033</td>
</tr>
<tr>
<td>Gender index of regional GDP per worker, 1990</td>
<td>0.6</td>
<td>0.06</td>
<td>0.07</td>
<td>0.05</td>
</tr>
<tr>
<td>Gender index of regional GDP per worker, 2005</td>
<td>0.01</td>
<td>0.08</td>
<td>0.07</td>
<td>0.05</td>
</tr>
<tr>
<td>Gender index of regional unemployment rates, 1990</td>
<td>0.15</td>
<td>0.16</td>
<td>0.22</td>
<td>0.20</td>
</tr>
<tr>
<td>Gender index of regional unemployment rates, 2005</td>
<td>0.06</td>
<td>0.10</td>
<td>0.13</td>
<td>0.10</td>
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<tr>
<td>Characteristics of the NUTS-3 Regions</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of cities</td>
<td>21,705</td>
<td>700</td>
<td>550</td>
<td>41</td>
</tr>
<tr>
<td>Average population</td>
<td>2,033,297</td>
<td>46</td>
<td>246,062</td>
<td>522,717</td>
</tr>
<tr>
<td>Inequality of GDP per capita, 1990</td>
<td>0.3541</td>
<td>0.5332</td>
<td>0.4349</td>
<td>0.3481</td>
</tr>
<tr>
<td>Income inequality of GDP per capita, 2005</td>
<td>0.4132</td>
<td>0.0565</td>
<td>0.0565</td>
<td>0.0565</td>
</tr>
<tr>
<td>Voluntary multi-purpose associations</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Average population</td>
<td>2,033,297</td>
<td>21,705</td>
<td>700</td>
<td>550</td>
</tr>
<tr>
<td>Characteristics of the Sub-national level</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Role as planning level</td>
<td>Region</td>
<td>Region</td>
<td>Region</td>
<td>Region</td>
</tr>
<tr>
<td>Characteristics of the lowest autonomous (local) level of administrations</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Devolution to local authorities</td>
<td>Does not exist</td>
<td>Does not exist</td>
<td>Does not exist</td>
<td>Does not exist</td>
</tr>
</tbody>
</table>

On the following page:

Annex 7.

The Matrix of the Aggregated Features of Multi-level Structure in the Main Unitary Spatial Planning Models
<table>
<thead>
<tr>
<th>Characteristics of the National level</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of spatial planning layers</td>
<td>3</td>
<td>3</td>
<td>3.5</td>
<td>5</td>
</tr>
<tr>
<td>National Territorial Chamber or Senate exist, but does not represent regions National agencies/councils/committees for spatial development do not exist</td>
<td>National Territorial Chamber exist National agencies/councils/committees for spatial development exist</td>
<td>National Territorial Chamber or Senate does not exist National agencies/councils/committees for spatial development do not exist</td>
<td>National Territorial Chamber or Senate does not exist National agencies/councils/committees for spatial development do not exist</td>
<td>National Territorial Chamber or Senate does not exist National agencies/councils/committees for spatial development do not exist</td>
</tr>
</tbody>
</table>

Characteristics of the Middle tier

<table>
<thead>
<tr>
<th>General descriptive characteristics of the Middle tier</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutional guarantee for the regions does not exist</td>
<td>Constitutional guarantee for the regions exist Substantial powers have been allocated to the regions</td>
<td>Constitutional guarantee for the regions exist Substantial powers have been allocated to the regions</td>
<td>Constitutional guarantee for the regions does not exist</td>
<td>Constitutional guarantee for the regions does not exist</td>
</tr>
<tr>
<td>The regional authorities are powerless Directly elected Assemblies might exist Devolution to sub-regions within regions might have been realized Regional planning through inter-municipal co-operation is unspecified Regional-Metropolitan authorities might exist City networks and co-operation between cities are typical</td>
<td>Constitutions guarantee for the regions exist Substantial powers have been allocated to the regions Indirectly elected Assemblies might exist Devolution to sub-regions within regions is unspecified Regional planning might have been realized through inter-municipal co-operation Regional-Metropolitan authorities are typical City networks and co-operation between cities might exist</td>
<td>Constitutional guarantee for the regions does not exist Rather weak powers have been allocated to the regions Elected Planning Assemblies do not exist Devolution to sub-regions within regions is unspecified Regional planning through inter-municipal co-operation is a typical attribute of this model Regional-Metropolitan authorities might exist City networks and co-operation between cities might exist</td>
<td>Constitutional guarantee for the regions does not exist Substantial powers have been re-allocated to the NUTS-3 regions at the expense of the NUTS-2 level Elected Planning Assemblies do not exist at this level Ongoing devolution to sub-regions within regions, not clarified roles regarding the spatial planning responsibilities Regional planning through inter-municipal co-operation is an unspecified framework of planning Regional-Metropolitan authorities not exist City networks and co-operation between cities do not exist</td>
<td>Constitutional guarantee for the regions does not exist Substantial powers have been re-allocated to the NUTS-3 regions at the expense of the NUTS-2 level Elected Planning Assemblies do not exist at this level Ongoing devolution to sub-regions within regions, not clarified roles regarding the spatial planning responsibilities Regional planning through inter-municipal co-operation is an unspecified framework of planning Regional-Metropolitan authorities not exist City networks and co-operation between cities do not exist</td>
</tr>
</tbody>
</table>

Characteristics of the NUTS-2 Regions

<table>
<thead>
<tr>
<th>Characteristics of the NUTS-2 Regions</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average population: 1 954 855 inhabitants Average surface area 14 644 km²</td>
<td>Average population: 1 934 746 inhabitants Average surface area 13 901 km²</td>
<td>Average population: 537 338 inhabitants Average Gini index of travelling time to the closest urban centre: 0.3956</td>
<td>Average Gini index of travelling time to the closest urban centre: 0.448</td>
<td>NUTS-2 level is not utilized for spatial planning</td>
</tr>
</tbody>
</table>

Characteristics of the NUTS-3 Regions

<table>
<thead>
<tr>
<th>Characteristics of the NUTS-3 Regions</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average population: 632 895 inhabitants Gini index of travelling time to the closest urban centre: 0.448</td>
<td>Average population: 537 338 inhabitants Gini index of travelling time to the closest urban centre: 0.3956</td>
<td>Average population: 370 932 inhabitants Gini index of travelling time to the closest urban centre: 0.4491</td>
<td>Average population: 499 100 inhabitants Gini index of travelling time to the closest urban centre: 0.2728</td>
<td>NUTS-3 level is not utilized for spatial planning</td>
</tr>
<tr>
<td>NUTS-3 level is not utilized for spatial planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excessively different roles might have been allocated on NUTS-3 level Might be a flexible collaborative framework for the co-operation of counties in order to bring about regional and state level strategies; voluntary-made regional planning body appointed by central government which involves the municipalities to develop a basically sectoral planning-based physical plan; or regional councils might prepare binding regional land use plans, besides the regional plans and regional development strategies and EU programmes</td>
<td>The importance of this level has been gradually growing during the past years. The country councils became more powerful than the ones of the regions. Land-use plans have been made, which set a strict framework for the localities.</td>
<td>Three type of supra-local level organizations: LAU-1 Micro-regions / Voluntary multi-purpose associations / LAU-1 Districts for spatial development might exist</td>
<td>Three type of supra-local level organizations: LAU-1 Micro-regions / Voluntary multi-purpose associations / LAU-1 Districts for spatial development might exist</td>
<td></td>
</tr>
</tbody>
</table>

Characteristics of the supra-local level |

<table>
<thead>
<tr>
<th>Characteristics of the supra-local level</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supra-local level is not utilized for spatial planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary inter-municipal associations might perform spatial planning functions</td>
<td>Average population is varying Average surface area is varying</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average population: 66 018 Average surface area: 457 169 km²</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Characteristics of the lowest autonomous (local) level of administrations

<table>
<thead>
<tr>
<th>Characteristics of the lowest autonomous (local) level of administrations</th>
<th>'Anglo-Saxon' spatial planning model</th>
<th>'French' spatial planning model</th>
<th>'Nordic' spatial planning model</th>
<th>Hungarian spatial planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>No constitutional guarantee for local level exist Substantial powers have been allocated to local authorities</td>
<td>No constitutional guarantee for local level exist Substantial powers have been allocated to local authorities</td>
<td>Constitutional guarantee for local level exist Substantial powers have been allocated to local authorities</td>
<td>Constitutional guarantee for local level exist Substantial powers have been allocated to local authorities</td>
<td>Constitutional guarantee for local level exist Substantial powers have been allocated to local authorities</td>
</tr>
<tr>
<td>Type: LAU-1 level units Average surface area: 1 021.58 km² Average population: 28 830 inhabitants</td>
<td>Type: LAU-2 level units Average surface area: 29.51 km² Average population: 3 177 inhabitants</td>
<td>Type: LAU-2 level units Average surface area: 553.75 km² Average population: 28 830 inhabitants</td>
<td>Type: LAU-2 level units Average surface area: 29.51 km² Average population: 3 177 inhabitants</td>
<td>Type: LAU-2 level units Average surface area: 553.75 km² Average population: 28 830 inhabitants</td>
</tr>
</tbody>
</table>
Annex 8.
The Matrix of the Features of Multi-level Relations in the Unitary Member States
<table>
<thead>
<tr>
<th>National level</th>
<th>Weak</th>
<th>Strong</th>
<th>Strong</th>
<th>Strong</th>
<th>Weak</th>
<th>Strong</th>
<th>Weak</th>
<th>Weak</th>
<th>Strong</th>
<th>Strong</th>
<th>Strong</th>
<th>Weak</th>
<th>Strong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional level</td>
<td>Weak</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Weak</td>
<td>Strong</td>
<td>Weak</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
</tr>
<tr>
<td>Local level</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
</tr>
</tbody>
</table>

**Description characteristics**

- **Co-ordination on spatial planning**
  - Strong vertical and horizontal coordination.
  - Manly horizontal coordination at all levels or those with strong planning competencies and weak or no vertical coordination.

- **Co-operations between agencies, departments and authorities**
  - Does not exist.
  - Co-ordination exist between different levels, but the relationships are problematic.

- **Approaches for vertical co-operation and coordination**
  - Positive attitude, progress towards vertical co-operation.
  - Weak attitude, progress towards vertical co-operation.

- **Vertical co-operation and partnerships**
  - Beyond the conventional hierarchical command structure of government.

**Characteristics of the National level**

- **Powers of the central state**
  - Dominant central state.
  - Real power in central state is devolved to regions (except from Scotland).

- **Nations – regional interactions and negotiations**
  - Routine government practice.

- **National – regional and international planning arrangements**
  - Unspecific instrument of planning.

- **Control mechanisms from middle levels of planning system**
  - Medium level of control.

<table>
<thead>
<tr>
<th>'Anglo-Saxon' spatial planning model</th>
<th>‘French’ spatial planning model</th>
<th>‘Nordic’ spatial planning model</th>
<th>Hungarian Spatial Planning model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>The United Kingdom</td>
<td>France</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Denmark</td>
<td>Finland</td>
<td>Norway</td>
<td>Sweden</td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Quantifiable characteristics**
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue structure by level of government, 2000</td>
<td></td>
</tr>
<tr>
<td>Central government</td>
<td>70.0</td>
</tr>
<tr>
<td>Local government</td>
<td>5.88</td>
</tr>
<tr>
<td>Social security</td>
<td>13.22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proportion of Central / Local Revenues (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>82 / 16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures by level of government, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government</td>
</tr>
<tr>
<td>Local government</td>
</tr>
<tr>
<td>Social security</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proportion of Central / Local Expenditures (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>82 / 16</td>
</tr>
</tbody>
</table>

Sources: ESPON project 2.3.2: Final Report; FLUREL Deliverable Report 2.2.1; OECD: Government at a Glance (2011)
On the following page:

Annex 9.

The Matrix of the Aggregated Features of Multi-level Relations in the Main Unitary Spatial Planning Models
<table>
<thead>
<tr>
<th>Aggregated Results for the Spatial Planning Models - Multi-level relations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anglo-Saxon’ spatial planning model</strong></td>
</tr>
<tr>
<td>* Strong vertical and horizontal coordination</td>
</tr>
<tr>
<td>* Co-operations between agencies, departments and authorities might exist</td>
</tr>
<tr>
<td>* Priority emphasis on vertical coordination objective, partnerships are beyond the conventional hierarchical command structure of government - advanced progress towards vertical cooperation and partnerships</td>
</tr>
<tr>
<td>* Extensive practice of Public – Private cooperation in economic initiatives</td>
</tr>
<tr>
<td>* Extensive practice of State – Civil society (NGOs, public) co-operations</td>
</tr>
<tr>
<td>* Real power is in the central state with significant extent of devolution to regions</td>
</tr>
<tr>
<td>* National – regional negotiations and bargains are dominant feature of the governance National – regional and interregional planning arrangements are typical</td>
</tr>
<tr>
<td>* Voluntary inter-municipal associations might exist in varying number and with medium level of control mechanisms on the planning system</td>
</tr>
<tr>
<td>* Low extent of financial dependence of local governments on central government</td>
</tr>
<tr>
<td>* Local development or planning agreements, frameworks are typical * Inter-municipal planning arrangements do exist</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Descriptive characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of Central / Local Revenues : 89 / 11%</td>
</tr>
<tr>
<td>Proportion of Central / Local Expenditures: 77 / 23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantifiable characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of Central / Local Revenues : 75 / 26%</td>
</tr>
<tr>
<td>Proportion of Central / Local Expenditures: 55 / 45%</td>
</tr>
</tbody>
</table>

| Proportion of Central / Local Revenues : 69 / 31% |
| Proportion of Central / Local Expenditures: 47 / 53% |

| Proportion of Central / Local Revenues : 86 / 14% |
| Proportion of Central / Local Expenditures: 67 / 33% |