

Hungary

Recent policy developments

- The new Constitution, which came into force in January 2012, states that sectoral laws may force municipalities to merge or co-operate. The Cardinal Act of December 2011 sets a threshold of 2 000 inhabitants for local administration. Local authorities under 2 000 inhabitants have to regroup their administrative services.
- A recentralisation of many of the responsibilities of counties and municipalities (e.g. in connection with education, health care, disaster recovery and public administration) has been put into effect. Moreover, counties take over the responsibilities of the regions set for managing European funding (seven regions for “statistical purposes”).
- Cohesion Policy investments for the 2007-13 period totalled nearly EUR 600 million for R&D; EUR 192 million to promote entrepreneurship and SMEs; over EUR 300 million to help adjust to demographic change; and created more inclusive labour markets.

Government structure	Municipal-level governments	Intermediate-level governments	Regional or state-level governments
Unitary	3 177	20*	0

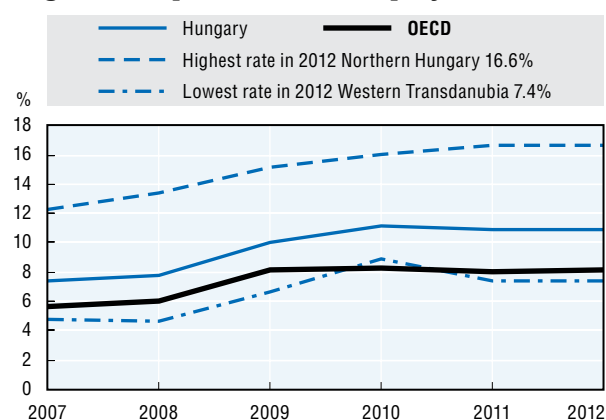
* Nineteen county-level governments and an intermediate-level municipality for the capital city, Budapest.

Regional development policy	
Lead ministry(ies) or committees	Ministry of National Economy
Regional development framework	Act on Territorial Development and Spatial Planning (XXI/1996); National Development 2030 – National Development and Territorial Development Concept (adopted in December 2013)

Urban development policy	
Lead ministry(ies) or committees	Prime Minister's Office
Urban policy framework or strategy	National guidelines on sustainable and integrated urban development have been drawn up, but no single national urban policy document exists. However, the general principles governing policy have been integrated into the National Development Concept 2030.

Rural development policy	
Lead ministry(ies) or committees	Prime Minister's Office
Rural policy framework or strategy	The Hungary Rural Development Programme and the Darányi Ignác Plan serve to implement the National Rural Development Strategy, with a focus on population retention, employment and an improved quality of rural life.

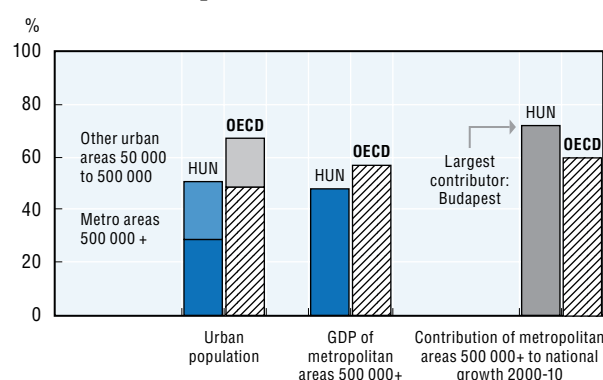
Regional disparities in unemployment trends



In recent years, the unemployment rate has increased in Hungarian regions such as Northern Hungary (16.6%), where the youth unemployment rate reached almost 39% in 2012.

StatLink <http://dx.doi.org/10.1787/888933107921>

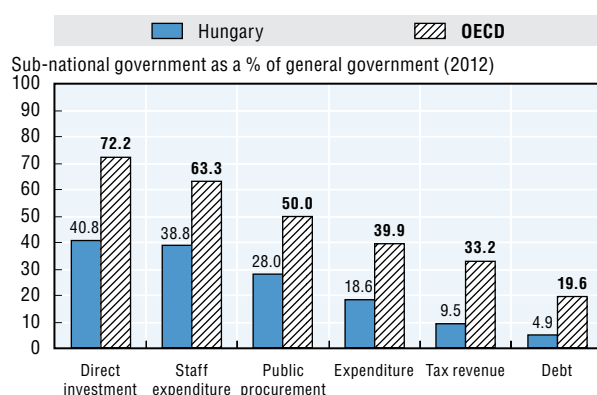
The importance of urban areas



In Hungary, 50% of the population lives in cities of different sizes. The share of population in the metropolitan area of Budapest (the only urban area with more than 500 000 inhabitants) is 28%, compared to 49% in the OECD area.

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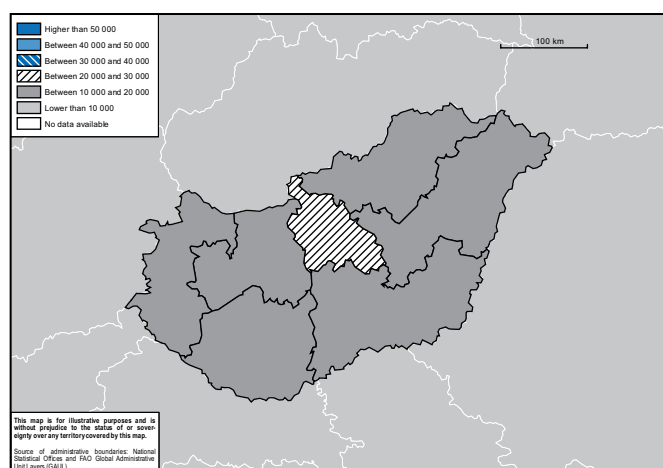
The role of sub-national governments in public finance



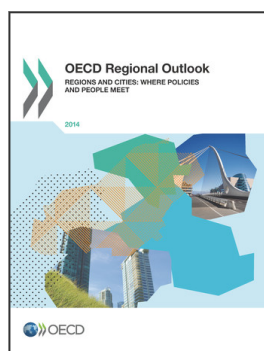
Education and general public services are the two largest spending items for SNGs in Hungary: together they represent 45% of sub-national expenditure, compared to 41% in the OECD area.

StatLink <http://dx.doi.org/10.1787/888933107959>

Regional differences in GDP per capita levels



Hungary had the 16th largest regional disparities in GDP per capita in OECD countries in 2010. In the previous decade, regional growth varied from +3.4% annually in Central Hungary to +0.3% in the Southern Great Plain.



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