

**Public transparency at the local level in Hungary – A consolidated approach**  
**Research and advocacy project**  
**2017-2019**

**Context - Low level of local transparency and openness, though hope for improvement**

Transparency and openness are among the most important indices that are capable of representing the integrity and law-abiding nature of local authorities. What a transparent and well-functioning government puts on its website says a lot about the quality and the efficiency of its operations. If local governments function well then every important piece of information will be published on its website. Transparency helps to reduce the risk of corruption and the social costs of mal-functioning, but also it is an important attribute for effective public government.

Results of our earlier studies show that there is a chance to improve the transparency of local authorities and companies in Hungary. In 2015, on the Hungarian municipal websites, there was more statutory information than in 2013 – the Hungarian cities achieved a higher score (45 out of 100) at the Hungarian Municipality Openness Index of CRCB, than in 2013. With regard to the municipality-owned enterprises based on research results of Budapest Institute we lack a nation-wide screening and ranking, but there is evidence for a similar pattern of compliance with disclosure obligations among companies owned by the central government (mid-rank average score in Obey the Law Index and significant variation within the national sample). All in all, research and advocacy evidence shows that there is, however, a great potential in helping local actors in the public sector to learn about the benefits of public transparency.

**Project objectives and activities**

This project aims at contributing to better governance and improved accountability as well as at promoting public-private collaboration at the local level.

The project follows three specific goals:

- i. Mapping transparency and openness at the local level and thereby stimulating yardstick competition among municipalities
- ii. Facilitating exchange of good local practices
- iii. Advocating benefits of public disclosure and big data approach at the local level.

The main target groups of our activities will be: local decision makers and CEOs, high-level managers of municipality-owned enterprises, and civil society organizations, media actors from the local level.

With this project we will address governance particularism by combining data mining and research on local transparency with local activism *via* capacity building. First, we analyze the public disclosure practices of cca. 400 local governments. Our website analysis is based on structured coding instructions. The sample of municipality websites includes the districts of Budapest, county towns, cities and other larger settlements. The results of the municipality-level screening will be comparable with results of earlier studies from 2013 and 2015 made by the CRCB, since we use the same assessment methods and indexes (see, the Hungarian Municipality Openness Index and the Obey the Law Index).

Second, we select a sub-sample of municipality-owned enterprises (MOE) based on the transparency ranking of the municipalities and explore more deeply the drivers and barriers at work at local level. We will cluster the municipalities in line with their ranking performance and focus on the best and second best-performing group and select 8-10 municipalities for further investigation. In this sub-sample of municipalities, we would like to analyze the website of the municipality-owned enterprises, again based

on structured coding instructions and we will also rank the selected companies based on their compliance with disclosure obligations (cf. Compliance Index). Interviews with local stakeholders will help us to evaluate those tools and actor-level strategies, which influence the level of local transparency.

In addition to the research activities we will organize two workshops with the invitation the local stakeholders from cities representing our municipality-sample. These events will aim at demonstrating the ranking results as well as facilitating exchange on challenges, good practices, thereby supporting peer learning.

Finally, we launch a small-scale pilot project in collaboration with three municipalities interested in tailor-made expert support. Our plan is to help them improving their disclosure practices and start mapping local information and data owned by the municipality and potentially apt for (commercial) re-use. The public service data available at the local level creates business opportunities and may definitely change the local public-private interactions. Digging into locally available datasets may stimulate business activities not foreseen *a priori*.

### **Project timeline, communication and dissemination**

The expected results (comprehensive transparency rankings, local data maps) will be disseminated through national partners (associations of local governments in Hungary) and via online publications on popular online platforms. The project starts in October 2017 and will close by March 2019.

### **Project partners:**

- Budapest Institute (BI, [www.budapestinstitute.eu](http://www.budapestinstitute.eu))
- Corruption Research Center Budapest (CRCB, [www.crcb.eu](http://www.crcb.eu))
- Association of Hungarian Local Governments (MÖSZ, [www.moszlapp.hu](http://www.moszlapp.hu))
- National Association of Local Governments (TÖOSZ, [www.toosz.hu](http://www.toosz.hu))

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### **Relevant, previous studies, projects**

BI 2017a. Transparency of Municipality-owned Enterprises in the Visegrad Countries. <http://bit.ly/2mEEh1F>

BI 2017b. Public disclosure practices of MOE in Szeged – An Update. 2017 April *Mimeo*

BI-TI 2016. Public disclosure practices of MOE in Szeged. 2016 January. <http://bit.ly/2mHOjkb>

CRCB 2016a. Hungarian Municipalities Abide By The Law? Analysis Of Urban Municipalities' Websites In Hungary – 2013-2015. <http://www.crcb.eu/?p=1041>

CRCB 2016b. Transparency and responsibility. Content Analysis of Town Websites from Four European Countries – 2015. <http://www.crcb.eu/?p=1029>

CRCB 2014. Hungarian Municipalities Abide By The Law? <http://www.crcb.eu/?p=635>

CRCB-TI 2014. Transparency of the Hungarian state-owned enterprises, compliance of disclosure requirements and integrity. (in Hungarian: A magyar állami vállalatok átláthatósága, közzétételi követelményeknek történő megfelelése és integritása. Kutatási jelentés 2014. március.) <http://bit.ly/2nzfCe7>

BI 2013. Budget transparency project by the Budapest Institute (in Hungarian: A Mi Pénzünk!). [www.amipenzunk.hu](http://www.amipenzunk.hu)  
Government Transparency Project 2009-2011. (in Hungarian: Átlátható Állam). <http://www.atlathatoallam.hu/>