

SI Committee on Local Authorities, Budapest, Hungary, 24-25 October 2000

The SI Committee on Local Authorities met in Budapest, on 24-25 October, hosted by the Hungarian Socialist Party, MSzP.

The meeting, chaired by Hermes Binner (Mayor of Rosario, Argentina, PSP), Chair of the Committee, took as its main theme 'Democracy and Local Government'. Participants also addressed the issues of 'Local authorities and the organisations of civil society' and 'The political and financial dimension of local government in a modern state'. The Committee declared that cities were a vital force for collective efforts, capable of integrating people, providing political orientation to achieve social justice and the full participation of citizens in the political process.

It supported the old principle of "thinking globally and acting locally" and the relatively new principle of subsidiarity. Both were strongly supported. The efficient application of these principles in practice can ensure that decisions about citizens are taken at the most adequate corresponding level. The application of the principle of subsidiarity obliges central government to respect the channels of consultations with local authorities; it involves increased consultation between the local, regional and international levels. The efficient practice of subsidiarity also provides a chance to combat all forms of centralisation and bureaucratisation, which lead to political apathy among the citizens.

We should also not forget that by improving local democracy there must be a balance between the work for democratic rights and freedoms on the one hand, and the permanent fight for social causes on the other. Both are aimed at defending human rights, but with an ever stronger emphasis on the fight against unemployment, economic crisis, corruption, violence, drugs, or different forms of discrimination. In this context we are constantly analysing the effects of new phenomena such as the changes in the world economy, in the role of the state in society, the boom in communication and information technology, or the transformation of cultural and human values.

We are convinced, that answers to these challenges - among them the strengthening of local democracy, participation of citizens in decision-making, decentralisation of power and solidarity with the handicapped members of society - give an efficient framework for local authorities to realise their main goal, which is to serve the people.

Local authorities should stimulate the development of civil society by organising training, clubs, forums for citizens, giving political and financial support for setting up new initiatives and organisations, groups or associations. They must lend their support in order to create the correct and democratic legal and financial background for the functioning of these organisations. They have to react positively and flexibly on the positive and new actions of civil organisations, be it in the field of environmental issues, health, housing, helping the homeless, helping the disabled, looking after orphans, fighting criminality, drugs, representing interests of women, ethnic minorities, immigrants or others. Strong civil society means strong democracy and strong democracy means strong local self-government.

The participants exchanged views on the different practices of local financing. The machinery for financial redistribution must, they agreed, implement the principles of solidarity and fairness between rich and poor local authorities. We must do our utmost against the unequal distribution of potential sources of finance by strengthening procedures which guarantee the financial autonomy of the local authorities and their basic freedom to exercise policy discretion within their own jurisdiction. On the other hand, transparency and effective public control in local finances is essential.

The Socialist International, the Committee declared, should initiate the elaboration and adoption of an International Charter on Local Authorities. This document would collect the principles respected by the International all over the world in this field, and would also register the minimum criteria of rights and responsibilities of local authorities in a democratic society of the 21st century.

The Committee's discussions and conclusions were summarised in the [Budapest Declaration](#).

[Full list of participants](#)

BUDAPEST DECLARATION

Cities, by virtue of their closeness to citizens, remain the core units of democracy and the place where all the changes needed by civilian society can be made.

For social democrats and this Committee, cities are a vital force for collective efforts, capable of integrating people, providing political orientation to achieve social justice and the full participation of citizens in the political process.

This was the basic approach of the Budapest meeting of the Socialist International Committee on Local Authorities dedicated to the theme 'Democracy and Local Government'. Under this theme the participants discussed issues on the different concepts of democracy and local autonomy in the world, the similarities and particularities of the role of local authorities in strengthening democracy and the position of socialists and social democrats in this regard. The participants of the dialogue devoted special attention to the relationship between the local authorities and civil society organisations as well as to the financial independence of

local authorities as a precondition for real decentralisation of power.

The meeting pointed out that local authorities are one of the most important pillars of democracy. Increased citizen participation, in all forms, remains the model of representative democracy and, along with decentralisation of power, these are two genuine principles of social democracy worldwide. These two principles should be guaranteed by democratic electoral procedures. At the same time, it was stressed that for socialists and social democrats democracy is not limited to voting in elections. It is more than that. It is a process of learning about democratic life, particularly for young people, and large-scale information campaigns ahead of decision-making. It is to identify genuine opportunities for action, dialogue and the integration of citizens. It is free access to local offices, guaranteed for all citizens, with genuine equality between men and women in the exercise of power. All in all, it means openness and transparency of local authorities and participation of citizens in the decision-making process.

Meanwhile, the process of decision-making is permanently changing all over the world. The appearance of and interrelation between local, regional, international and even transnational levels in many spheres of our life is posing difficulties to those citizens who wish to have a stronger voice in political decisions that affect their environment. The traditional and simplest way of organising a referendum or plebiscite on the increasingly complicated questions is satisfying democratic needs less and less. Often it becomes nothing more than putting the responsibility of politicians on the shoulders of citizens who are not prepared enough to take stock of the problems. This is particularly relevant in the case of integration in international organisations - like the European Union — where the complex decision-making process and the participation of citizens is a pressing dilemma for the member states. A solution to this dilemma can be the strengthening of the old principle of "thinking globally and acting locally" and the relatively new principle of subsidiarity. Both are strongly supported by us. The efficient application of these principles in practice can ensure that decisions about citizens are taken at the most adequate corresponding level. The application of the principle of subsidiarity obliges central government to respect the channels of consultations with local authorities, it involves increased consultation between the local, regional and international levels. It helps to divide, clarify and guarantee the rights and responsibilities between the different levels of decision-making and indicates the best place and from where and how solidarity can be used. The efficient practice of subsidiarity also provides a chance to combat all forms of centralisation and bureaucratisation, which lead to political apathy among the citizens.

On the other hand, these principles can be applied efficiently if citizens are prepared to make the best of their opportunities, that is, using their rights and defending their interests. It raises the question of renewing the education system by taking into account the new requirements of globalisation, the issue of accessibility to the commonly used communication systems in the world as well as the growing importance of the flow of information at local, regional and international levels. The widening gap in these fields among different parts of the world is one of the main reasons for the division of humanity into rich and poor, developed and underdeveloped, integrated and backward, winners and losers of globalisation. Local authorities can do much to diminish this gap by preparing their citizens to find their scope of activity in this area. Entering the 21st century there is a pressing need to find new ways of implementing local democracy. The new challenges of our world call for new ways of providing answers.

We should also not forget that by improving local democracy there must be a balance between the work for democratic rights and freedoms on the one hand, and the permanent fight for social causes on the other. Both are aimed at defending human rights, but with an ever stronger emphasis on the fight against unemployment, economic crisis, corruption, violence, drugs, or different forms of discrimination. In this context we are constantly analysing the effects of new phenomena such as the changes in the world economy, in the role of the state in society, the boom in communication and information technology, or the transformation of cultural and human values. We are convinced, that answers to these challenges — among them the strengthening of local democracy, participation of citizens in decision-making, decentralisation of power and solidarity with the handicapped members of society — give an efficient framework for local authorities to realise their main goal, which is to serve the people.

The development of a culture of dialogue between policy-makers and administrators on the one hand and citizens, social groups, associations and representatives of the economic world as well as other players in civil society on the other, must be essential. The promotion of building a broad and strong civil society is a precondition for the efficient participation of citizens in the life of local authorities and it gives more opportunities to represent and defend the interests of the people faced with the institutions of power. It can be also a tool for constructing a new alternative to the contradiction between state and market, an active mediator in finding consensus in common matters, a promoter of the sometimes forgotten social cohesion. Civil society organisations in local authorities can build bridges between individuals and those in power, diminish the gap between politics and society. Civil society can control the public sector, thus ensuring the transparency and openness of local authorities.

The main challenge in recognising the important role of the "third sector" is its diversity, the different level of preparedness, the sometimes divergent way of functioning, acting or thinking. At the same time it cannot be an obstacle to cooperation with the civil society. On the contrary, in our opinion the local authorities can profit a great deal from this diversity, they need the control of civil society and they need its significant contribution to the improvement of local life. That is why, in our understanding, the local authorities should stimulate the development of civil society by organising training, clubs, forums for citizens, giving political and financial support for setting up new initiatives and organisations, groups or associations. They must lend their support in order to create the correct and democratic legal and financial background for the functioning of these organisations. They have to react positively and flexibly on the positive and new actions of civil organisations, be it in the field of environmental issues, health, housing, helping the homeless, helping the disabled, looking after orphans, fighting criminality, drugs, representing interests of women, ethnic minorities, immigrants or others. Strong civil society means strong democracy and strong democracy means strong local self-government.

The participants at the meeting exchanged views on the different practices of local financing. They stated that different historical traditions concerning local self-government and the relations between local authorities and the central power are reflected in the fiscal systems. At the same time they stated some common principles and guidelines to be respected in this field. In their opinion local authorities should be entitled, within national economic policy, to adequate financial resources of their own, which they may dispose of freely within the framework of their powers. These resources should correspond to the responsibilities provided by the constitution and law. The machinery for financial redistribution must implement the principles of solidarity and fairness between rich

and poor local authorities.

Local democracy can be limited in various ways. The method most commonly used by central governments in different parts of the world is the financial restriction and/or the distribution of resources based on party-political considerations. The participants underlined that the principle of local self-government is based on long-term objectives, involving people organising their own lives and serving the people to give them the best services for their taxes and other contributions. It means that the political discrimination in financing local governments is nothing more than a policy of power, which is contradictory to this principle. We must do our utmost against the unequal distribution of potential sources of finance by strengthening procedures and measures which guarantee the financial autonomy of the local authorities and their basic freedom to exercise policy discretion within their own jurisdiction. On the other hand, transparency and effective public control in local finances is essential. Without the implementation of these principles the democratic functioning of local authorities remains only an eternal aim.

As a conclusion of the meeting it was a common understanding of the participants that the Socialist International should initiate the elaboration and adoption of an International Charter on Local Authorities. This document would collect the principles respected by the International all over the world in this field, and would also register the minimum criteria of rights and responsibilities of local authorities in a democratic society of the 21st century.

During the meeting the 10th anniversary of the setting up of new Hungarian local authorities was celebrated in a special session. Speakers of this session gave an overview of the last ten years, pointing out the successes and difficulties in the development of the idea and practice of self-government in the host country. Showing the concrete example of the economic and political transformation into a democratic system by the concrete case of Hungary, they stressed the important role of local authorities in this process. They also underlined that Hungarian socialists actively opposed the centralisation trend launched by the present government which is limiting not only the sphere of activity of the local authorities, but the prosperous development of a new democracy in the Central and Eastern European region.