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**FISCAL DECENTRALISATION OR CENTRALISATION
IN HUNGARY LOCAL GOVERNMENT**

The public administration and local government reforms in Europe over the last decades are basically focused on the often conflicting questions of the redefinition of the role of the state and the economy of public services.

In my paper I try to show how the economic crisis and the governmental centralised reform can influence the fiscal position of local government system. Whether the more centralised state can be a solution for saving the local governments' economic situation is close to bankruptcy? The presentation demonstrates which solution was applied by the state to avoid the wave of bankruptcies of Local Governments and therefore the introduced reform what kinds of local autonomy model was created.