



**Sociology Doctoral
School**

THESIS

by

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Tendering Activity of Local Governments

Key information actors in the development and tendering of Hungarian local governments

Ph.D. dissertation

Supervisors:

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Institute of Sociology and Social Policy

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I. Background and rationale

„The whole financing system is alpha and omega to the development of local governments”

(T4 Mayor, the interview was made by Bodor-Eranus Eliza, on March 17, 2010.)

The financing mechanisms and the resource gaining methods of local governments have changed during the past few years. After Hungary joined the European Union it became possible for the country to benefit from the Structural Funds, and this modified the financing system.

Although the local and the European efforts intend to provide equal opportunity for various regions, experience has shown that Hungarian local governments gained financial resources from tenders in dissimilar proportions. The difference between governments can be observed even if we examine settlements with same facilities. The difference is noticeable even if we look at the time and the method of joining the financing system or at the amount of the sum awarded.

That is why we can say that settlements or local governments have diverse so-called tendering activity. Some settlements tender with full efforts, receiving as much as possible from competitive resources, while other settlements marginalize, tendering with uncertainty and concerns.

Researches coordinated by Professor György Lengyel are the antecedents of this dissertation. During my PhD studies I had the opportunity to attend those researches which also dealt with local government tendering. Here I realized the difficulties of the tendering activity of small settlements. I met these issues first in 2003-2004, during an analysis of computer knowledge diffusion in a tiny village (Cserénfa) placed in Kaposvár micro-region. Those interviews made it clear for me how hard are for small villages to join the tendering system, mainly because of the lack of qualified human resources.

However, it is controversial, that while small settlements with the same facilities face the same difficulties, some of them still can obtain significant amount of resources. By these observations, I was motivated to investigate similar settlements with different development tendencies.

Taking into consideration the preliminary experience, the aim of this research is to explain the different tendering activity of local governments. The dissertation's main topic is why the tendering activity is different in Hungarian local governments.

The dissertation's results are important because if the central government knows which factors motivate the local governments in their tendering participation, then it can improve local government financing system and by this enhance local and regional development.

I.1. Approaches and theoretical background

The research uses an interdisciplinary approach, and sets four basic pillars for the explanation of local government's tendering activity.

The first pillar refers to the *properties of financing system* based on international (for example Evans 2000, Orenstein and Schmitz 2006, Fung and Wright 2003, Bruszt and Vedres 2010), and Hungarian (for example Somlyódyne 2006, Pálné 2008) researches. It also includes the presentation of financing system's institutional background (Pálné 2008, and information given by National Development Agency). The theoretical background referring to the financing system contains analysis from economic (Voszka 2006, Perger 2009), sociological (Kovács 2007) and regional development (Pálné 2009, Kovács 2008) approaches.

The researches in organization sociology of local governments (for instance Crozier 1964, Lőrincz-Nagy-Szamel 1976) also play an important role in understanding the financing system. The local community studies (for instance Dahl 1958, Polsby 1959), the urban regime school (for instance Stone 1998 or Stoker 1998), or the governance literature (for instance Rhodes 2000, Kooiman 2000, Jessop 2003) also helps the understanding of the role of local governments in regional development.

The second pillar takes in account those *objective factors*, which influence the tendering activity of a local government, and it is based on Hungarian scientific literature (for example Hutkai 2009, Balogh 2009). In this case, the focus is on the settlement's basic statistical data, for instance the dimension of the settlement, the demography, the infrastructure etc.

The third pillar takes in account the *subjective factors*, which have an influence on the local government tendering activity (for instance Trigilia 2001, Bódi 2001). In this case, the scientific literature connected to the social capital and embeddedness comes into view (for instance Granovetter 1973, Coleman 1990, Putnam 1995).

The fourth - and the most accented - pillar is based on *social network approach*. It examines how networks between actors and organizations can influence the tendering activity of local

governments. This approach takes into consideration that the organizations are embedded in social and professional relations. Contrary, in the economist approach organizations are considered atomistic actors (Gulati, Nohria és Zaheer 2000). Thus, due to their social embeddedness (Granovetter 1973) and social capital (Coleman 1990), local governments are probably characterized by informational advantage and this may help them in their tendering activities.

During the social network analysis of local governments, this research proposes the use two theoretical levels. First, when we conclude from inter-personal relations to inter-organizational relations (micro-macro level, based on Granovetter 1973, Coleman 1999, Burt 1999). Second, when we conclude from territorial or regional relations to inter-organizational relations (macro-macro level, based on Sabel 1989, Saxenian 1994). Ebers (1997), who analyzed the different types of inter-organizational relations based on the scientific literature, inspired these two aspects.

II. Methodology

II.1. Data

II.1.1. Quantitative data

The quantitative data comes from the EU database of National Development Agency (NFÜ). This database (EU database 30.08.2009.) contains the number, status, and sum of the tender applications handed in until 30.08.2009, for the planning period between 2007 and 2013. The cases are formed by tender applications.

For the examination of the local government's tendering activity, the database had to be transformed into one, where local governments form the cases. For this reason, I cumulated the EU database by settlements. Then to prepare the analysis, I aggregated the tender indicators of settlements with two more databases from Hungarian Central Statistical Office (KSH). In this way, beside the tendering data of the settlements, data related to the settlement's dimension, population, demography, infrastructure, education, public-education, and economic units were available.

Since the database contains only EU tenders of the settlements, and since the dissertation focuses on the small settlements with few EU tender applications, to understand the tendering activity it was essential to obtain qualitative data in order to examine the governments' tendering practices.

II.1.2. Qualitative data

The qualitative data comes from field works during the years of 2010 and 2011. The units of the empirical investigation were the local governments: I made half-structured interviews with mayors and notaries. The boundaries of the examined area were given by Kaposvár micro-region. In every notarial district of the micro-region one interview was made with a mayor or a notary. At the end of the fieldwork and data collection, I had 21 interviews related to representatives of local government. Because of the request of the interviewees, interviews quoted during the data analysis were coded.

To help the interpretation and the conclusion of the local government data, I made further interviews with other organizations which were taking part in the financing system. Interviews were made with the representatives of the South Transdanubian Regional Development Agency (DDRFÜ), with the employees of the NFÜ, with the leader and the vice president of the Multi-Purpose Association of the Kaposvár micro-region, with the president of the Zselica Association, with the president of the Lamps of Zselic, with a professor from Kaposvár University, and with some other local and Budapest located tendering companies. Although not in a systematic way, some interviews were made with mayors and notaries of bigger towns, like the mayor of Szob, or the notary of Vác. Their opinions helped me to identify the problems, and the tendering difficulties of settlements with different size. Overall, around fifty interviews were made related to the topic.

The qualitative data collection contained a tendering record for Kaposvár micro-region, which included the tenders in progress mentioned by the interviewees, for the years 2009 and 2010. As for the tender types I examined all types of tenders mentioned by the governments: thus not only EU tenders, but foundational, domestic, and normative tenders as well were examined. This extended tendering record was made for two reasons: firstly getting to know the complete tendering structure, secondly the EU financing forms rarely occur at small settlements (tiny-villages, dwarf-villages).

II.1.3. Network data

During the fieldwork in 2010 and 2011, I gave special attention to map the tendering cooperation networks between the local governments, and between local governments and other organizations. This data outlined the nature of the cooperation networks related to the micro-region tenders.

II.2. Hypotheses and methods

II.2.1. The properties of financing system and the tendering activity

During the examination of the **system features** that corresponds to the first pillar, this research tried to consider the factors, which determine the tendering scope of action and the tendering practice of local governments.

Research question: If a local government meets the financing aims and the conditions of a tendering call, which are the factors that motivate the local government to hand in the tendering application? When does a settlement decide to tender?

In this case, I examined the particular features of the tendering system, like the deductible, the post-financing or the evaluation of the tendering aims. During the analysis, I used the qualitative data processing (content analysis of the interviews).

II.2.2. The objective factors and the tendering activity

As for the objective factors that correspond to the second pillar the research examined which features of the settlements have a higher explanatory power.

Hypothesis 1. *Tendering activity influenced by the function.* Since the apparatus of the local government matches the features of the settlement, the correlation is high between the features of the settlement and the number of the applied tenders of the local government. The settlement's function (status of notarial district) presumably has a significant influence on the local government's tendering activity. In other words, the local governmental organizations with a higher function, are more embedded, and are going to be more active in the tendering system as well.

Several factors may have an important role during the local governmental tenders. For example, the dimension, the population, the area of the settlement, the notarial status (function), the length of the road developed, the number of pensioners, the number of job-seekers, the number of educational institutions, the number of the public institutions, the communicational infrastructure, the commercial or catering establishments, the number of the accommodations, and the regional and economical organizations can all influence the tendering activity of a local government.

During the examination, I used mainly quantitative data analysis, and while interpreting the results I used the relevant interview parts. First, I made descriptive statistics (cross-cells), which could describe the tendering properties of the settlement types. In this case, the main indicators were the total number of the tenders applied, the number of the supported tenders, the number of not supported tenders, the demanded amount, and the demanded amount per person, the supported amount and the supported amount per person. After that, I tested with a multivariable regression which settlement feature influence the local government's tendering activity.

II.2.3. The subjective factors and the tendering activity

As for the subjective factors that corresponds the third pillar the research examined how the attitude and the relations of the local government's human resources, and especially the leaders, influence the number of the tender applications handed in.

Hypothesis 2: *Tendering activity influenced by the leaders of the local government.* The leadership of the local government presumably has a significant influence on the local government's tendering activity.

In this case, I examined the attitude of the delegates, and the relational factors, based on the qualitative data. The main method was the content analysis of the interviews.

II.2.4. The network structure and the tendering activity

As for the social network factors that correspond the fourth pillar the research examined the role of the social connections in the tender activity of the local governments.

Hypothesis 3: *Tendering activity influenced by the structure of the social network.* The structural holes of the social network have presumably an influence on the local government's tendering activity.

The social network analyses of the relations between the local governments were examined on two levels: on the level of the local governments' cooperation network (micro-macro level), and on the level of the territorial cooperation network (macro-macro level). Duly to the examinational levels, I formulated two sub-hypotheses for the hypotheses of the social network's structure: a sub-hypothesis

for the key informational actors (requires a micro-macro approach), and a sub-hypothesis for the territorial networks (requires a macro-macro approach).

Based on the micro-macro approach, the starting point was that the social network of people representing the local government has an influence on the connections between the organizations. (Coleman 1990, Burt 1992 etc.). Taking into account that the social network structures keep their properties independently from examinational units (for instance we see the same properties at Burt [1999], Powell [1990], Gulati [1995], etc.) the question arises, whether the social network key actors have similar network properties in case of individuals and in the case of organizations?

Opinion leaders (e.g. Lazarsfeld et al 1944, Katz 1957) and brokers (e.g. Fernandez and Gould 1994), known from the scientific literature, can be classified as the key actors of the social network. Burt (1999) says that opinion leaders can have broker roles; this is why he named the brokers opinion brokers. In the case of local governments, the terms opinion leader and opinion broker did not completely cover the informational key actors inside group or between groups. Despite of the fact, that in the case of local governments the opinion can be often observed, it is hard to determine, whose opinion had an influence. That is the reason, why I had to introduce new terms during the research. I called the social network key actor, who has a sociometric star position, informational leader, because of his informational and influential power. The actor, who is providing the information flow between two groups with a close relationship, and thereby is having a „bridge” role, was called informational broker.

Hypothesis 3.1. *The key informational actors.* The position of the informational leader and the informational broker differs in the cooperation network of local governments.

Due to the macro-macro approach, the starting point was that not only the connections between local governments can be relevant, but also the relations between local governments and other types of organizations. This approach takes into consideration, that inter-organizational social networks of local governments have some certain features, when we talk about gaining of tender resources.

Hypothesis 3.2. *Thematic network vs. territorial network.* Information about tenders doesn't spread between local governments; however local governments having experience in cooperation have also a close cooperative network for tenders. Thus, the territorial connections have a greater influence on the local government's tendering cooperation.

To examine the social network, I used social network data, based on my own data collection. First, I mapped the cooperation networks between governments, then between governments and other organizations. The results were analyzed using the UCINET social network analyzing software.

III. Results

III.1. Description of tendering activity of the settlements

During the fieldwork in the settlements of the Kaposvár micro-region, I experienced that even settlements with similar features (population, geographical location) have different attitude to tenders. Some local governmental delegates thought they had no chance to participate in the tendering system, while some courageously went ahead developing up to their potential. Should the local governments choose either this or that manner, it seemed to me, they committed themselves to some kind of tendering strategy. In the description of the strategy types, I used mainly the qualitative data survey, but data coming from the EU database also confirmed this kind of participation. The governmental tendering strategies can be categorized the following way.

Only operation, no development. The local government is writing the tendering applications on its own. It searches only tenders which are supporting the operational resources, and prefers the normative type of tenders for settlements with operational difficulties (ÖNHIKI), or the domestic normative tenders (like CÉDE, TEKI). These local governments do not contact external tender writing companies or consulting firms, do not ask for external support for their tenders (like bank credits), do not read the informational resources about tenders, and do not develop anything in the settlement.

Few developments. Besides the operation, the local government has some developments. Even if they have a small amount of deductible, they search mainly for domestic tenders (OM, FVM) besides the normative tenders. They have the opportunity to set up a local village-bus (every village had the opportunity to establish a local small bus, for helping people to get the town's infrastructure), to develop the local library, or to repair the settlement's bridge. As in the previous case, they also do not prefer bank credits; they try to manage on their own. They rarely undertake bigger developments. To reach the EU resources they need to employ consulting companies, because of the lack of competency and free human resources capacity. They typically employ not only one consulting firm, because the main aspect is not to pay for their work before the positive result of the tender.

Lot of developments. Local governments having a bigger amount of deductible use this strategy. Even if a call for a tender has no actuality, they think they have to take advantage of every opportunity. They subject everything to this approach; therefore, they employ a well-trying tender writing or consulting company. Since they have some bad experiences, they beware of tender writers contacting with direct marketing, or without local knowledge. They try to find a permanent tender writer through personal acquaintances, or excellent references.

Local governmental consortiums. In the interests of the increased number of developments, local governmental consortiums are established. It is specific for this kind of cooperation to have a common tender writer or consulting company, who hands in as many tender applications as possible. This tender manager keeps an eye on the tenders, writes the tender applications, supervises and monitors the progress. This type is based on the social network considerations, the cooperation between local governments.

This typology can be valid for cities as well, even if the tendering activity of cities is a lot bigger than the one of small settlements. However, the typology was set up for the small settlements in the Kaposvár micro-region.

III.2. The properties of financing system and the tendering activity

Due to the tendering system, and the organizational and operational conditions of local governments, the tendering scope of local governments is rather small: a local government can apply only for those calls for proposals, where the requirements of the tender perfectly suit the local government. The scope of local governments is even smaller because of the structure of the government as an institution. Governments do not act like market players, because the mayor cannot always enforce his or her decision, it has to go through more decision-making stages. Moreover, the body of representatives can support or inhibit the mayor's objectives.

While trying to answer the research question, *which are the factors that motivate the local government in competing a tender application (Research question)*, the qualitative data survey drew my attention that local governments were searching differently for the calls for proposals and tendering opportunities. The possible tender participation is significantly influenced by the settlement's dimension, infrastructure, financial and wealth status. That is why small settlements seek the calls for proposals and tendering specifications different way, like bigger ones. While bigger cities already had a city development strategy prepared, and had a bigger amount of

deductible, practically they could pick and choose between the tender requirements available. Smaller settlements first had to consider the financial part of the tender i.e. the required deductible, then they had to examine the tender's reliability, and at last they had to compare the tender with their development strategy. Sometimes the strategy must change in order to get the financial support. This kind of attitude of small settlements towards tenders may be explained by the lack of human resources (Enyedi 2001, Perger 2009).

III.3. The objective factors and the tendering activity

Taking into consideration the Hungarian settlement structure, and the settlement financing method before 1990, there is a significant difference in region development between towns and small settlements. The „small fish” namely the small settlements are satisfied with „small bites”, because the settlement can be financed with a smaller amount of money. It might however seem to us, that „bigger fish” namely the towns, have an extra capacity to get the „small bites” together with „big bites” Despite of this we can find examples where the „small fish” can obtain a remarkably „big bite”.

The tender information of the EU database also supports the advantage of bigger settlements. Not only the average tendering intensity (the number of the tender applications handed in), but the number of the supported tenders is a lot higher for the big settlements compared to the smaller ones. The quantitative data of small settlements also prove this tendency. The descriptive statistics gave me reasons to examine the impact of small settlement's function on the local governmental tendering activity. I used multivariable regression models for my examinations.

In case of *tendering activity influenced by the function (Hypothesis 1)*, I found that the notarial district status of the settlement does not clearly influence the tendering activity. Nevertheless, we cannot say either, that the tendering activity is completely independent from the settlement's function. We should rather say, that the function of the settlement, besides of other objective factors, fairly well (80% in a sample of the whole country, 50% in a sample of a micro-regional country) explains the tendering activity of a settlement.

III.4. The subjective factors and the tendering activity

The leadership of the local government can influence the tendering activity of the settlement in more (subjective) ways. Mostly we think of the political affiliation of the mayor: if the government of the country is right-winged, then the right-winged mayors, if the government of the country is left-winged, then the left-winged mayors get more tendering support. Just like the examinations of Balogh (2009), during my research in the Kaposvár micro-region, I found, that the political affiliation does not relevantly influence the tendering activity of the settlement. More of the interviewees emphasized that the tendering activity and the success of the tendering applications depend only on the attitude to the tender (the fact that they want to tender), and on the professionalism (the documentation is precise, the tendering application is well reasoned, and exactly matches the tender's requirements), and has nothing to do with the political affiliation and the social capital.

To sum up the content analysis of the interviews we can say about the *tendering activity influenced by leadership of the settlement (Hypothesis 2)*, that it has a very important role in the forming of the settlement's tendering activity. The personality of the mayor, the relationship between the mayor and the body of representatives, the connections of the mayor (inside and outside the settlement), and the right-hand men of the mayor all have an influence on the settlement's tendering activity. However, we cannot draw the conclusion that the tendering activity depends only on these factors. For a declining settlement and for a settlement joining too late the tendering system, the influence of the leadership's is much bigger. At the same time, in the case of a settlement where the tenders have traditions, and the internal division of tasks is properly solved (or it is hired an external tender writer), it is not so important to have a mayor or city council with competence and active tendering knowledge.

III.5. The network structure and the tendering activity

The tendering cooperation between local governments showed up a network with structural holes (Burt 1999). This means that the tendering cooperation between local governments was quite rare.

During the social network analysis, it was important to differentiate the *type* and the *direction* of the cooperation. Based on the fieldwork, the tendering cooperation between local governments can be distinguished in four ways: formal, quasi-formal, informal and quasi-informal relations. The *formal connections* cover for instance the notarial district-connections. The *quasi-formal connections* cover

for instance those connections, where there is some possibility to change the partners, like in the case of school integration tenders. In the case of the *quasi informal* connections other players, for instance tender writing companies can also connect to the local government's tendering cooperation network. Finally, in the last case, the *informal connections* cover the relations based on sympathy, friendship or acquaintance between the local governmental delegates.

The *direction* of the local government's tendering cooperation is also an important factor of social network with structural holes. In the case of the *cooperation between local governments* (typically governments belonging to one notarial district or micro-region) the decision about the question “what kind of tendering aims should be applied by whom” is made together, and is based on the informational channels between local governments. These tenders are generally the normative resources with small amounts, and the local governments write and manage their tender applications themselves. The *local governments having an advantage because of their central role* are settlements with a central role in the micro-region, or whose mayor is the member of more organizations (for instance having a leader position in the association of the micro-region). In these cases, the leader has an overall knowledge about the tendering structure, and the tender-writing companies, and usually has good connections „upwards”, with the ministry departments as well. The number of *local governments maneuvering in the information dumping* generated by the tender-writing and consulting companies is higher than the previous two. The cooperation practically depends on the strategy of the tender writing company. In the *local governmental consortium*, cooperating local governments hire a tender writer together. In this case, the tender writer informs the local governments about every potential tender opportunity, and after the mayor's confirmation, he tenders and accounts the finances.

Keeping in mind the governmental cooperation types and directions, the question arises: how the structural holes of the cooperation network between local governments influence the tendering activity. How do the key informational actors and the territorial network influence the cooperation between local governments?

III.5.1. Key informational actors (micro-macro approach)

During the field works in the Kaposvár micro-region, I could differentiate two types of key informational players. The first key player, the *informational leader* is the local government in the position of the opinion leader or the sociometric star. The other key player is the *informational broker*, playing a role of a broker, and providing the flow of information between groups.

The examination of the key informational players (Hypothesis 3.1.) shows that while in personal networks (Burt 1999) there was no difference between opinion leaders and opinion brokers, in case of inter-governmental networks these two actors in some cases could be clearly separated. The opinion leader or informational leader has usually a bigger function, while and the opinion broker or informational broker in more cases has the role of market player (like tender writing or consulting companies). If the research would be limited to one single organizational form namely the local governments, we would probably found out, like Burt, that the informational leader and the informational broker do not differ. In the formal and quasi-formal social network of local governments, the micro-regional centers can be considered also as informational leaders, and informational brokers. Nevertheless, if we introduce in the network the tender-writing companies as well, we can see a phenomenon similar to the one described by Becze (2010): the micro-regions act as „diffusion bubbles”, because of the dense cooperation of the micro regional or the notarial district settlements. The spread of information between the micro-regions or notarial districts (the diffusion bubbles) in most cases is granted by another organizational form, the tender writing or consulting companies, who have the role of the informational broker.

It is typical to the information leader to have many formal connections, like micro-regional and regional membership, school-integrating cooperation agreements, family supporting and social supporting agreements. During the social network analysis two types of information brokers could be distinguished. The coordination broker brings together more settlements, and practically coordinates the tendering tasks. The consulting broker helps two local governments belonging practically to one group in the tender application writing.

The embeddedness of the market players in the Hungarian tendering system can be explained in two ways. Firstly, the tender's consideration mechanism seems to be an important factor. According to the interviewees, the tendering applications written by tender writers received extra points. It might seem to us, that the tendering system has doubts about local governments being able to write the tendering application on their own. Secondly it might be also an important consideration, that the structural holes of the social network allows several lobbying activities, hoping to acquire extra support from it. It is imaginable, that the lobby can be more successful in a social network with more structural holes than in a dense one.

III.5.2. Territorial network (macro-macro approach)

Other types of organizations (not only consulting or tender writing companies) take part in the financing system, and encourage the cooperation between local governments. As for the local governments, the territorial organizations had only a slight influence on the local government's tendering activity. The Kaposvár Micro-Region Multipurpose Association (KTKT), and the tender writing office in its authority possessed those informational leader and broker features, which helped the local governments to write their tendering applications. That is why KTKT is the most embedded key informational actor in the local governmental tendering cooperation. However taking into account the frequency of request for assistance mentioned in the interviews, the tender writers had the most important role besides the KTKT.

Despite of the many formal connections of local governments, it did not encourage inter-governmental tendering cooperation. It might seem to us, that the complex formal connections are reserved by local governments for quick information acquisition not related to tendering.

During the testing of the *Thematic Network vs. Territorial Network* hypothesis (*Hypothesis 3.2.*) we could see that local governments may become visible in the tendering system, in other words they can and may emphasize their interests (if they want to), or they can get information about the tendering conditions from the competent institutions. But from these institutions local governments (especially of small settlements) do not receive the practical help when they need it most: in the tender application stage. Thus tender writers get into the network not only because of the structural holes, but also because small settlements do not have the physical capacity to cope with the tendering administration. Of course, we must not ignore the fact that social networks keep changing continuously, the cooperating partners, mainly for tendering companies, are not permanent. However, we can say that local governments prefer those tender writing companies with whom they have personal connections: they have a contact working in the company, or it was recommended by someone.

Based on the *Tendering activity influenced by the structure of the social network* hypothesis (*Hypothesis 3*) we can say, that the structural holes of the local governments' social network is originated from the fact that local governments don't cooperate with each other when they are tendering. In these networks, actors like informational brokers have an easy job, because they can maintain their connections with the two parties, taking advantage from the fact that the parties do not know each other.

III.6. Summary of the hypotheses, and the main questions of the research

Code	Hypothesis	Explanatory variables	Dependent variable	Result
Research question	System properties	Deductible, post-financing, tendering aims	Number of tendering applications handed in	The Hungarian system of institutions and financing mechanism forms the tendering activity of the local governments.
Hypothesis 1.	Tendering activity influenced by the function	1. Area of the settlement 2. Population 3. Notarial status (function) 4. General availability of public utilities 5. Roads built by the government 6. Number of the inhabitants getting a pension-like provision 7. Number of the educational institutions 8. Number of the public institutions 9. Communal infrastructure 10. Number of job seekers 11. Number of the commercial and catering establishments 12. Number of available accommodations 13. Regional and economical organizations.	Number of tendering applications handed in	The composition and the features of the settlement are correlate with the number of tender applications handed in, but the function of the settlement is not so explanatory as the population for example.
Hypothesis 2.	Tendering activity influenced by the leaders of the local government.	The attitude of the mayor and the city council	Number of tendering applications handed in	A settlement with disadvantageous facilities might also have a positive tendering activity, when the mayor and the city council is interested in it.
Hypothesis 3.	Tendering activity influenced by the structure of the social network.	The structural holes of the social network (Freeman degree)	Number of tendering applications handed in	The structural holes helps the local government's tendering activity (the number of tenders handed in), but it do not favor the (otherwise poor) cooperation between local governments.
Hypothesis 3.1.	Key information actors.	Key information actors of social networks	Key information actors of tendering networks between local governments	In the tendering social network of local governments the informational leader is functionally separated from the informational broker.
Hypothesis 3.2.	Thematic network vs. Territorial network	Territorial social networks	Tendering networks between local governments	Formal connections of local governments are very important in the territorial networks, but these latter can significantly influence the tendering activity.

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V. Main publications and conference presentations

Hungarian articles

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