

PARADIGM SHIFT IN PUBLIC ADMINISTRATION IN HUNGARY. THE MAGYARY ZOLTÁN PUBLIC POLICY PROGRAMME²

Abstract

In 2010, the Hungarian government started the public sector reform programme with the aim of modernising its public administration and improve access, responsiveness and quality of public services. In order to transform the „Good State” concept into practice, in 2011 the government launched the Magyary Zoltán Public Administration Development Programme (MP 11.0).

The aim of the paper is to highlight the main characteristics of the recent Hungarian public administration reform from a public policy point of view. It provides an evidence-based evaluation of the institutional and administrative reorganisation, based on review and analysis of the author’s recent academic research, government documents and key findings from the research.

KEY WORDS: state, public policy, good government, public administration

INTRODUCTION

In 2010 the Hungarian government set the aim to reorganise the Hungarian public administration and Hungarian state, along with the establishment of a transparent and efficient state structure. The present paper examines the most significant structural changes affecting state administration, and the most important changes influencing the operation and internal procedures of central state administration manifested in public-policy reform programmes.

The state reform resulted in dramatic changes in the public-law, political, and organisational division of labour of the central and territorial units. The changes

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centred on the reconsideration of territorial power distribution. Decision was to be made on how many territorial administrative levels Hungary needed, what functions to task to such levels, what public-law status to couple these functions with, and what seats and geographic boundaries these territorial units should have.

The aim of this study is to approach processes in public administration between 2010 and 2017 from a public policy point of view.³ Public administration is concerned with the organisation, activities, and behaviour of administrative agencies and officials in the conduct of governance. The study examines the ongoing processes of public administration as political processes, as a process of making and accomplishing decisions and programmes that are in close connection with the characteristics of the political system. Public policy focuses on the analysis and explanation of government responses to public problems and is also concerned with the evaluation and impact of these policies on citizens.

In methodological terms, besides the traditional legal-normative approach the empirical work is based on information obtained from three sources: interviews, documentation and statistical data. The research focuses on the collection of information relating to the operation of the Hungarian public administration system.

1 CHALLENGES OF THE CONCEPT OF “GOOD STATE” IN HUNGARY

During the democratic transition in Hungary (1989-1990)⁴, liberalism was the dominant ideological trend. This was partly due to the response to the communist regime, but also because of international trends. In 2010 two processes had the most significant influence on structural government changes: the European integration (Hungary joined the EU in 2004) and the governmental philosophy of the ruling coalition of Fidesz – Hungarian Civic Alliance (Fidesz) and Christian Democratic People’s Party (KDNP), the concept of the Neo-Weberian State.

The development process of the European integration prioritises answering the question of how public administration can be understood in the European standardisation process, especially at organisational-institutional level and with regards to the activities and operations of public administration. The deepening European integration brings forward the institutional harmonisation of the governmental systems of the EU Member States, particularly from a functional and value-oriented point of view. This process is about the unification of the

³ There are some variation regarding the number of stages in a policy cycle, but most describe the identification of policy-maker aims, the formulation of policies to achieve these aims, the selection and legitimization of policy measures, implementation and evaluation. See: Cairney, Paul: *Understanding Public Policy: Theories and Issues*. Palgrave MacMillan, 2012. pp. 32-34.

⁴ Hungary has a surface area of 93 028 km² and a population of 9 985 722 inhabitants according to the last census in 2011. Hungary has been a member of the European Union since May 2004.

member states' administrative authorities and their administrative procedures (Torma, 2011). With all these taken into account a development of the European Administrative Space, as an informal entity, is a harmonized synthesis of values realized by the EU institutions and the Member States' administrative authorities through creating and applying the EU law. This effort will result in the approximation of the national administrations of the Member States, bringing closer the administrative cultures and models on national administrations. These states have to take into consideration the common values and administrative principles, such as reliability and predictability, accountability, openness and transparency, effectiveness and efficacy.

In democratic political systems the goal of a government is to protect the interests of the entire society, and to serve the common good. State tasks keep always changing and each state can decide how to intervene in social relations, what tasks it will take upon.

If the state is no longer able to carry out its undertaken duties, then the model of the state has to be reconsidered and a new reform of public administration has to be introduced through the regulation of the state. After the reform attempts to consolidate the role of the state, the neoliberal state concept and the New Public Management derived from it, the second Orbán government (2010-2014) reconsidered the role of the state in government decisions in order to make it serve the common good. A response to the distortions of public management in order to strengthen the state resulted in the introduction of the Neo-Weberian state paradigm in Hungary.

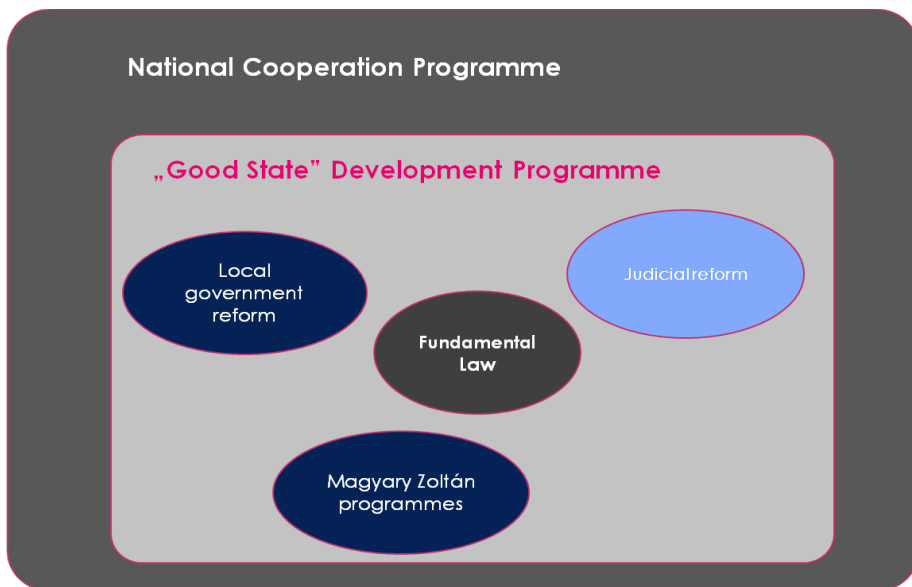
The Neo-Weberian state model gives a great role for national governmental level in providing the common good, but on the other hand it greatly affects the strengthening of various levels of representative democracy (central, regional, local) while emphasising the importance of the unity of the executive power of the state (Stumpf, 2009). The modern, public-law and public-authority attitude of state-centred governance has a serious influence on exercising local public affairs and public authority; moreover, it also affects the regulation of the renewing system of municipalities.

The beginning of this process was the adoption of the National Cooperation Programme in 2010. According to the new understanding of state in this programme “ *We must restore the demolished authority of the State, and to this end we must establish the operational conditions for the State to function in a lawful, transparent manner, and provide public services fully and reliably. The State must be rebuilt* ” (The Programme of National Cooperation. Document Number: H/47 Received: 22 May 2010. p.78.).

In order to restore the destroyed authority of the State there is a need to establish the operational conditions for the State to function in a lawful, transparent manner, and provide public services fully and reliably. For that purpose it is necessary to

improve the quality of public service, and guarantee that it can be conducive to economic and social competitiveness.

Picture 1: Strategy making process



Source: complied by the author on the basis of the MP 11.0

The goal of the government is to create a Good State. The reform incorporates a strong role of the state in steering the development of the country and a commitment to an efficient and effective public administration. The state is good if it serves the needs of individuals, communities and businesses in the interest of the common good, in the best possible way (Magyary Zoltán Public Administration Development Programme, 2011).

The Good State concept emphasised the strengthening of the role of the state in ensuring professional and high-quality services for all, extending the consultation between citizens and public administration, and in spreading a result-oriented view.

There is a need for a strong, intelligent and active state where government policy is based on constitutionalism and rule of law (Stumpf – G. Fodor, 2008). Strengthening legality and normativity, public law – with administrative law being a part of it – is still a main tool in the functioning of state and in the citizen-state relation. The state plays a role not only in creating the conditions for good governance, but it also undertakes the tasks expected of good government. (Fejes, 2012, p. 28)

With a view to creating a Good State, the government started three major administrative programmes in 2011, in line with the state's constitutional organisation: judicial and local government reform, and the Magyar Program. Since June 2010, an unprecedented number of significant laws and measures have been passed and approved, partly in preparation for carrying out the programmes in accordance with a well-founded strategy.

2 THE MAGYARY ZOLTÁN PUBLIC ADMINISTRATION DEVELOPMENT PROGRAMME (2011)

Hungary is a unitary parliamentary republic, where the government is accountable to Parliament. The government has a prominent role in shaping the work of National Parliament. With its act-preparing and act-proposing governmental activities the government greatly influences the issues to be debated at National Parliament.

The phenomenon of political presidentialisation is defined by the dynamic centralisation and coordination of the political processes at governmental level, as well as the extension of the power of the head of government. The second Orbán government strengthened the leading role of the Prime Minister at constitutional level. According to Article 18 (1) of the Fundamental Law "*The Prime Minister shall determine the government's general policy.*" The Government has a decisive role in determining the state's goals, deciding on the directions and contents of state activities, managing public service and public institutions. The act-preparing and act-proposing governmental activities of the government greatly influence the issues to be debated by Parliament. In public law sense, in accordance with Article 15 of the Fundamental Law, "*The government shall be the general body of executive power.*"

The government is the most important body of executive power, and the primary director of public administration. This means that it implements decisions made by Parliament as the legislative organ, and it pursues the realization of goals determined in the government's programme. The government shall be the general body of executive power, and its responsibilities and competences shall include all matters not expressly delegated by the Fundamental Law or other legislation to the responsibilities and competences of another body. The head of government, as the leader of the executive power, embodies government policy thus having a significant influence on the functioning of the public administration. In accordance with Article 15 of the Fundamental Law of Hungary, "*The government shall be the supreme body of public administration and may establish public administration agencies as defined by law.*"

The development of the state requires strategic planning, prevision and risk-management. The further directions of public administration development and

the medium-term operating framework of Hungarian public administration were formulated in the Magyar Zoltán Public Administration Development Programme (MP 11.0, KIM, 10th of June 2011) which is a public policy strategic document with designated intervention areas.

The key strategic goal of the Magyar Programme is to improve the efficiency of the operation of the state and the quality of administrative services: to create effective national public administration. The Magyar Programme is a strategic document, the one that keeps track of and follows up the measures taken within a fixed conceptual framework, which exists within set boundaries but with dynamic flexibility based on annual regularity, and compares the plan with the facts and sets new tasks. It is an action plan with a schedule and identifies responsibilities with the main objective to create a single, more efficient, and simpler state public administration system.

The state territorial administration reform was primarily triggered by a diagnosis of the weaknesses, inefficiencies and bottlenecks in the structure of Hungarian public administration at all levels of government. The diagnosis was shared among the political parties and public and private stakeholders. Until 2010 the territorial state administration was characterised by high geographical and administrative fragmentation, overgrown organisational structures, and low level of coordination and supervision of resource allocation and compliance with standardised procedures. As a result, the public administration lacked stability, predictability, certainty, and uniformity of process across the country and among the administrative actors involved in policy formulation, regulatory decision-making and administrative service delivery.

2.1 Establishment of the capital and county government offices (2011)

The Fundamental Law of Hungary, adopted on 25 April 2011, brought about radical changes in state administration. During the reforms, as the first initiative of the organisational renewal of the central administration in 2010, the Government redesigned the 13 existing ministries into 8 new ministries, establishing the Prime Minister's Office at the same time.⁵

As part of the reconstruction of the governmental system the core of the renewal of the public administration structure is the complete renewal of the territorial public administration. In accordance with Act CXXXVI of 2010 and government Decree 66/2015 (30 March), capital and county government offices were established.⁶ The tasks of government offices are to coordinate the implementation of government

⁵ Ministry of Interior, Ministry of Defence, Ministry of Public Administration and Justice, Ministry of Foreign Affairs, Ministry of National Development, Ministry of Human Resources, Ministry of National Development, Ministry of Rural Development.

⁶ The capital and county government offices are led by government officials whose task is to coordinate and help the implementation of governmental tasks at a territorial level.

policies at territorial level. They exercise coordinative, authority-type, proposing and consultative powers, allowing the adjustment of central decisions, policies to territorial characteristics and requirements during the planning and implementation process. The government offices are strictly controlled by the central government, and integrate a diverse set of special and general administration services (Hajnal – Kovács, 2013).

With the establishment of capital and county government offices on the 1st of January 2011 the first phase of the integration of territorial state administration was completed.

The efforts to transform public administration processes and workflows were basically bi-directional.

1. Some of the government’s intentions were aimed at streamlining and simplifying procedures and workflows within the administrative system.

The relations between the state and its citizens are largely influenced by the burden placed upon customers by the administrative procedures they encounter. Some problems occurred with customer orientation, time and cost, non-standardised service qualities, and non-interoperable operating and management systems, so as to say all administrative burdens. Customer service became unsustainable, operating in a fragmented and inefficient manner.

Graph 1: All in all how satisfied are you with the service of the Government Windows?



Source: Századvég Foundation

In January 2011, in accordance with government decree 288/2010 (21 Dec), Government Windows, an integrated network of service contact centres, were established. The Government Windows started to operate as the front offices of Government Offices. The one-stop-shops provide information and other administrative services from initiating and handling to closing a procedure to citizens in 1,540 different types of administrative cases. The extended task portfolio of the Government Windows is extremely broad but very shallow. The delegated tasks show various pictures and embrace almost all public sector services (e.g. agriculture, employment and welfare benefits, environment protection, customer protection, national register tasks, etc.)

For the general public the Government Windows represent the first stage of a customer-friendly, single-window administration system. In 2017 there are altogether 264 physical points of single contact in Hungary. These make it easier for citizens to personally administer their affairs. In 2016 a total of 10,871,958 customers visited the Government Windows.

Figure 2. shows the residential judgement of the Government Windows. High number of respondents satisfied with the administrative service of the government windows' and 30% absolutely satisfied.

2. The other direction was the efforts to streamline procedures between the state administration and customers through the personal development of the staff of territorial state administration.

The assessment of public administration services continuously deteriorated between 2006 and 2009. The overwhelming public administration system and the unclear roles of responsibilities cause not only low efficiency but are also a major source of corruption.

The tools for implementing the target system are the intervention areas. The main elements of the target system of the Magyar Programme were the successful organisational functioning, the renewal of the task system, the justification and rationalization of internal procedures, the improvement of customer relations, the personnel administration development, and the predictable public service career.

The self-developing and self-correcting nature of the Magyar Programme, however, allowed the government policy to evaluate the interim accomplishment of the goals announced in the programme. The major governmental transformations of the Magyar Programme 11.0 and their administrative interpretation were noted in the Magyar Programme 12.0, thus new development goals were set up. The weaknesses identified in the 2012 year's assessment of the situation represent a criticism of the implementation of MP 11.0. These include slow procedures; lack of efficiency feedback; slow introduction of advanced tools; overdue deadlines; task and staff-based planning are not general; reconciliation of interests is often formal; slow to draw on development resources; slowly

filling public service career; deficient measuring and statistical system.

The 2012 year version of the Magyary Programme (MP12.0) identifies some new priorities for the public administration organisation: administrative tasks, public administration procedures and the administrative staff system as areas for renewal, which are also tools for achieving strategic and public policy objectives.

The public administration system. Reform of territorial state administration in two phases: the development of the capital /county government offices and district offices.

Tasks of public administration. The reform of the task system means the Magyary Simplification Program and the identification of the tasks of the state and those of local governments.

Procedures of public administration. The key objective in the field of procedures is to speed up procedures and, in this context, to develop a network of Government Windows.

Personnel of public administration. Renewal of staff, including the introduction of the public service career and performance evaluation system.

The MP12.0 contained many of the development directions already started (e.g. integrated customer service system, Government Windows, government office integration, creation of district office system, etc.), while others (e.g. new public service career, new procedure regulations etc.) are still under development.

2.2 Establishment of administrative district offices (2013)

In the second phase of the systemic integration, on the 1st of January 2013, districts were established (Act XCIII of 2012 (VI.25) on the formation of the districts and on the necessary amendments of the related acts). The district offices comprise the lowest level territorial units of state administration.

In accordance with Act XCIII of 2012 (VI.25) and Government Decree No. 218/2012. (VIII. 13.) on the district (capital's district) offices there are 174 provincial offices and 23 in the capital. Their function is to carry out administrative tasks below county level. Responsibilities transferred to the district offices are specific state administration cases falling within the competence of the notary, or, in exceptional cases, the mayor or the administrator of the mayor's office. Some 46.6% of the decisions adopted by the authorities in state administration cases (there were more than 10 million decisions adopted by notaries in 2010⁷) were made within the sphere of responsibilities that are now being transferred to the administrative district offices⁸.

⁷ The high level of autonomy for local authorities has been compromised by the new Fundamental Law and cardinal Act CLXXXIX on Local Government of 21 December 2011. The difficult economic context is the reason to rationalise structures and to cut local public spending.

⁸ The offices will primarily take over the following tasks from local councils: clerical and registration duties; child protection and guardianship matters; social, environmental and

The Act on districts defines the district offices as dual authorities. The district office on the one hand is a branch office of the county government offices; on the other hand, it is a first-instance authority with general competence. Thus the district office is an internal organisational unit with no organizational independence, however, it exercises responsibilities *sui generis*. The district office is divided into two structural parts: the head office and the line organs administrative.

The establishment of districts is a key element for creating the Good State with an extensive public administration whose reforms serve the common good. The districts ensure the vast majority of public services for all Hungarian citizens in high quality and easy accessibility.

The goal of the Government is to create a customer-friendly administration, modern administrative districts in order to help reduce costs to society, and to operate more effectively and with more attention to the needs of the public. In order to ensure that administrative services are available to anyone, the branches of district offices operate in small municipalities and villages. In 2016 their number was 1,479. The reason for creating the branches is that out of the 3,155 municipalities in Hungary 462 municipalities have fewer than 500 inhabitants.⁹

The integration of a certain part of the tasks of notaries into the district system accomplishes the concentration of the state administration, which, without doubt, provides exceptional possibilities for the state administration of the strong state.

3 EVALUATION OF THE EFFICACY OF THE MAGYARY ZOLTÁN PROGRAMME

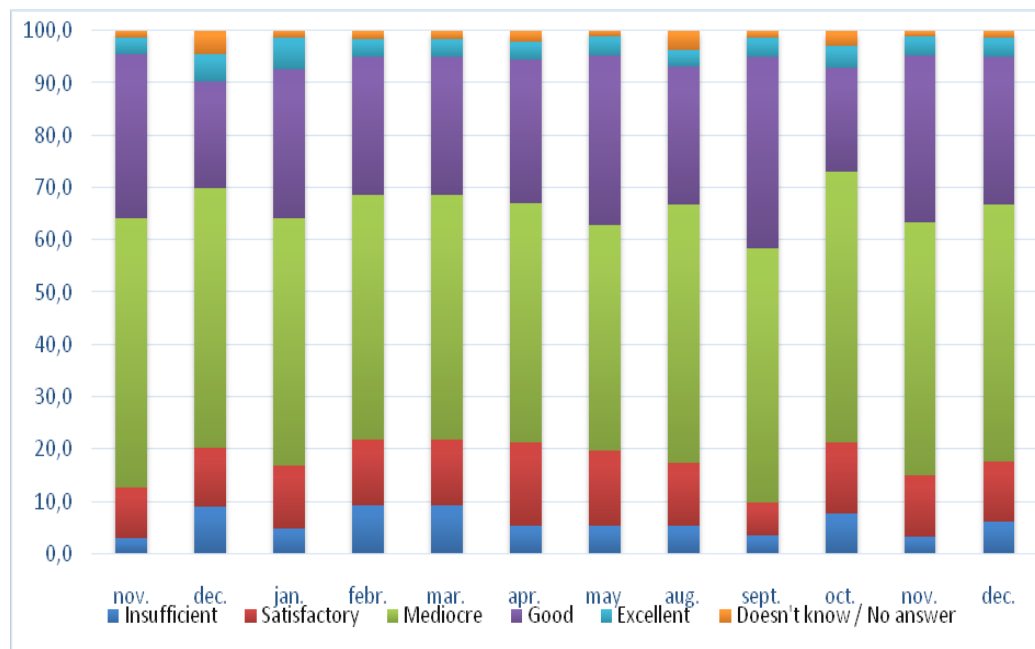
Public policy programmes are governmental activities that affect the lives of citizens. Monitoring the public policy initiations and implementations the regular surveys are critical for the implementation of reforms to accomplish. The efficiency of the Magyary Programme it is required to set up achievement evaluations and feedback mechanisms.

Communal participation and the opinion of customers are essential not only for increasing the effectiveness in administrative services but also for the public confidence placed in the government.

conservation management issues, guardianship matters, veterinary and food-related supervision, district land offices and district labour offices.

⁹ The settlement structure of Hungary is laid down in the Constitution. Settlement-level units are villages, towns and the capital, which necessarily cover the whole area of Hungary. Out of the 3155 settlements of the country 346 are towns (1 of which is the capital and 23 are towns of county rank), and 2809 are villages.

Graph 2 Evaluation of the government’s public administration policy



Source: Századvég Foundation

The residential judgement of the government’s public administration policy is under constant scrutiny. On the basis of the data of last year’s timeline, it can be observed that public administration is better appreciated by adult Hungarian citizens compared to other public policies. 25-35% of the population found the public administration policy excellent or good, almost half (47-57%) found it average, and 10-20% found the policy sufficient or insufficient.

Among those who knew of any investments in their neighbourhoods, financed from EU sources, 29% mentioned administrative service development which is remarkably positive: 77% of the respondents found the development beneficial. With this, the general administration services’ development stands out from the examined fields.

CONCLUSION

The government’s definite aim for 2020 is that Hungarian public administration should work in an organized, consistent and transparent structure, applying modern and customer-friendly procedures available for anyone, with professional, national, ethical and motivated staffs.

The anticipated trends of territorial administration development until 2020 are included in the Public Administration and Public service Development

Strategy 2014-2020 which intends to create a public administration that is highly professional, customer-centred and efficient with competitive service fees and short administrative deadlines, thus creating service-oriented state operation enjoying the confidence of the public.

The government launched the National Infocommunication Strategy (2014-2020) that seeks to build up a digital infrastructure and provide access for the citizens, enterprises and public institutions.

The Orbán government fundamentally reconstructed the central state system. The reforms launched in 2010, aiming at the central state administration, resulted in centralisation, further strengthening the role of the Prime Minister and further broadening the competence of its apparatus, organisational integration and the reduction of the number of central authorities.

After the 2010 change of government a complex public administration development programme was introduced, which is aimed at the renewal of public administration on a completely new basis. One component of the new basis is the role of a thriving state in the widely changing world.

The state territorial administrative reform triggered by the Magyary Zoltán public policy programme in the process of the administrative decentralisation resulted in a centralised territorial model of the state administration within the terms of the European Administrative Space. When building a strong, centralised state with a strong public administration it became necessary to redefine the balance between the organisational principles of centralisation and decentralisation, and in that process the EU principle „close to the citizens” must be taken into account.

Another important external condition for the effective operation of public administration is the availability of competent personnel with a supportive attitude towards the application of the law. Due to the high speed of the reform and the legislative process, there was a deficit in the course of the actual and interpretative social consultations. There is a challenge to make up for the deficit in consultation and involve the representatives of business and civil society into reconciliation to recover public confidence.

The success behind the sweeping changes in Hungarian public administration is the result of the political support and of the discipline of both governmental and public officers. These are the guarantees that the desired paradigm shift in public administration can be achieved.

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