

# CHALLENGES AND POSSIBILITIES IN THE DEVELOPMENT OF TERRITORIAL STATE ADMINISTRATION THE HUNGARIAN EXAMPLE

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## Abstract

The study focuses on the presentation and evaluation of the processes affecting territorial state administration. Although the primary aim of the work is to describe the characteristics and development in Hungary, I use an international perspective at several points in the study as well. I also pay special attention to the description of defining trends such as neo-Weberian. The study is accordingly composed of three major parts. After the description of the historical features, special attention is paid to the description of the current Hungarian regulations and the presentation of international processes.

Public administration institutions tend to periodically renew, and the various megacrises make this renewal indispensable. At the beginning of the 21st century, it is now apparent that the various economic or social tensions and the environmental or healthcare challenges cannot be overcome without an active public administration system. The Hungarian methods of reforming territorial state administration are both interesting and educational; after all, legislation managed to substantially transform several aspects of the public administration system while still remained operational in the process. I can confidently state that Hungarian territorial state administration system is following a path of development which is carved by global challenges but is also strongly formed by local circumstances.

## Keywords

Public administration, state administration, Hungary, territorial representation of Hungarian Government, neo-Weberian principle

## Introduction: The Reasons and Topicality of Researching Territorial State Administration

This study focuses on Hungarian territorial state administration, due to several professional reasons. Firstly, the ongoing research of territorial state administration is justified by the constant changes of the public administration system and its sub-systems. These changes are due to various societal, economic and ecological phenomena that constantly transform the roles of public administration, often generating conflicting impulses

(or challenges) for the system. These impulses, in my opinion, are also worthy to investigate. Secondly, the territorial level of Hungarian state administration is specifically an executive level – that is, a sub-system which has a pivotal role in enforcing the will of the central government on a territorial level.<sup>1</sup> As such, the functionality (or the lack thereof) of this sub-system has a large impact on the overall efficiency of the public administration system. Another important reason is the research of the impacts that the major world events of the past decade had on public administration. The successful management of the various global crises (such as the financial crisis of 2007, illegal migration, international terrorism or the COVID-19 pandemic) and their fallout required the radical rethinking of the roles and tools of public administration in many countries. Albeit crises management many times resulted only in measures that could be considered quick fixes only, they have still resulted in a reflection period for the development of public and state administration from the beginning of the 21st century.<sup>2</sup> Thanks to the related scientific discourse, this tendency has resulted in several public administration concepts, many of which either contradict or mutually stimulate each other. Such concepts include, among others, the idea of the networked and multi-level government; the e-Administration and m-Administration efforts; the concept of the efficient state, or the neo-Weberian approach. Despite their differences, these concepts still have one thing in common: they are all meant to offer effective solutions for the issues affecting modern states superseding the New Public Management (NPM) approach.

In the overview section of this study, I will put special emphasis on discussing the neo-Weberian (or post-NPM) approach as one of the potential future trends of public administration.<sup>3</sup> This approach calls for a benevolent, acting government that would inherit certain (proven) solutions of NPM, and would fuse them with a renewed model of the traditional Weberian system of bureaucracy.<sup>4</sup> In this philosophy, the reinforcement of the state and the recovery of legality would be guaranteed by two fundamentals: the “rediscovery” of public authority tools, and the increased activity of the public administration system. As postulated by the neo-Weberian approach, no public administration could be efficient and benevolent without these fundamentals.

Restricting the study’s scope specifically to Hungarian state administration, it could be argued that its territorial level is an especially good candidate for deeper analysis, as it saw especially widespread changes in the past three decades. The development of this administrative sub-system has been characterized by a constant series of reforms since the democratic transition, all of which culminated in an avalanche of changes in the past

1 HEADY, Ferrel: Public Administration, A comparative perspective. Taylor & Francis Group, 2001. 182.

2 BOHNE, Eberhard – GRAHAM, John D. (ed.): Public administration and the modern state. Assessing trends and impact. Houndmills, Basingstoke, Hampshire; New York, 2014. 75. and 88.

3 RANDMA-LIIV, Tiina: New Public Management versus Neo-Weberian State in Central and Eastern Europe. NISPAcee Journal of Public Administration and Policy, 2008/2009, 2, 69–82. DRECHSLER, Wolfgang: “The Re-emergence of „Weberian” Public Administration after the Fall of New Public Management: The Central and Eastern European Perspective”. Halduskultuur, 2005, 1, 98.

4 G. FODOR, Gábor – STUMPF, István: Neoweberi állam és jó kormányzás, Nemzeti Érték, 2008, 7, 5–23.

decade.<sup>5</sup> As many of these administrative changes raise just as many professional questions as the number of potential societal-economic advantages they can usher in, I found it worthy to discuss them in more detail.

As such, this study consists of the following major sections:

- Firstly, I summarize the major challenges and potential solutions for the development of the Hungarian public administration systems preceding the Democratic Transition of 1989.
- After that, I focus on the unique characteristics of post-Transition Hungarian territorial state administration. Due to the page limit of this paper, this section puts special emphasis on the key post-2010 changes of the territorial sub-system.
- Finally, I draw some general conclusions regarding the analysed changes considering both the local Hungarian peculiarities and the international tendencies as well.

## **The Antecedents, or the Place and Role of Hungarian Territorial State Administration in the History of Hungarian Public Administration**

Typically, the history of Hungarian territorial state administration is considered to have two major eras prior to the Democratic Transition of 1989–1990, by which its various historic topics are examined: the so-called bourgeois era and the council-based administration of the Soviet era. Although the state administration systems of these eras were fundamentally different, they were still dominant within their respective government, and their territorial levels have received special attention from a development perspective as well – something that did not clearly characterize post-Transition state administration. The reasons of this are summarized in the following sub-sections.

### ***The state administration of 1867–1949***

In Hungary, the turbulent expansion of deconcentrated state administration concluded in the last quarter of the 19<sup>th</sup> century, resulting in an organisationally dual territorial level by the turn of the century. This resulted in a new, strongly heterogeneous organisational conglomerate to appear on the territorial level besides the former (somewhat municipal) basic institution of territorial public administration (the so-called vármegye, or “castle county”). This new conglomerate, however, was struggling with major disproportions and notable operational and organisational deficiencies.

The preference of the territorial level is best indicated by the fact that its problems remained a topical area of research and professional discussion well up until the 1950s, mostly because of political, economic and efficiency considerations. For example, Gyula Szapáry (a later Prime Minister) called for the radical settlement of mid-level public administration a mere seven years after the Austro-Hungarian Compromise of 1867, by proposing a drastic

<sup>5</sup> By now, there have been more than half a hundred government resolutions enacted in this topic, which means that on average, the various governments have enacted roughly two such resolutions each year since the Democratic Transition. As such, it is clear that the issue has always been kept on the agenda.

reduction in the number of administrative organisations (essentially cutting their numbers in half). Although his proposal (along with many others), was not followed upon, the topic remained on the agenda for the decades to come. In 1914, the Magyar Jogász Egylet [Association of Hungarian Barristers] discussed the territorial problems of contemporary Hungarian public administration in its public administration inquest. At the onset of the First World War, numerous public administration thinkers (like István Ereky or Győző Concha)<sup>6</sup> and politicians (like István Tisza) called for reforming the lower-mid level of public administration. Although their opinions were diverse, they still followed a common pattern: most of the experts supported a bottom-up approach to reform public administration, with the emphasis on establishing the cooperation of the municipal level (specifically the cities) and their agglomerations, revising territorial assignments and exclusions, and eventually redrawing county borders as well.<sup>7</sup> In short, there clearly was no shortage in ambitions within the professional community to reinvent the middle level of public administration, along with its territorial state administration system.

It is impossible not to refer to Zoltán Magyary as well at this point. Being one of the most influential figures of Hungarian public administration, he was well aware of all the defects plaguing the bourgeois administrative system prior to 1949, and while he never focused specifically to the territorial level itself (being more interested in the global aspects of the organisation), many of his statements proved to be relevant even until nowadays regarding that level.

As such, he pointed out the following ascertainments:

- State administration is a complex system. As such, Hungarian public administration is comprised by all its organisations together, not just its various sub-systems, like state administration or the municipalities.
- Appropriate territorial assignments and regulated administrative powers are indispensable to an efficient public administration system.
- The development and rationalisation of the executive branch should not be a one-time effort. Instead, it must be a systemic, plan-driven process based on scientifically sound fundamentals.

Unfortunately, many elements of his legacy were never put into practice, as contemporary Hungarian politics did not dare undertaking a drastic transformation of the era's public administration system. Thus, even though Magyary diagnosed the issues of the system accurately, no substantial actions followed his ascertainments; his pinpointed issues were only partly resolved, due to the pressures of the contemporary world events.

Following the Second World War, the efforts to reform public (and in particular, territorial) administration were reinvigorated, and up until 1949, there was a general ambition to introduce a bottom-up delimitation of the system, primarily with the existing municipal relationships in mind. This decentralization concept was first suggested by Ferenc Erdei and István Bibó, whose so-called városmegye [city county] concept has been a topic of discussion for a long time.

<sup>6</sup> CSIZMADIA, Andor: A magyar közigazgatás fejlődése a XVIII. századtól a tanácsrendszer létrejöttéig. Budapest, 1976. 281–288.

<sup>7</sup> HAJDÚ, Zoltán: Magyarország közigazgatási földrajza. Budapest-Pécs, 2001, 161–163.

Still, the bourgeois era is best characterized by a lack of any unified development concepts; apart from the work of Magyary, Hungarian public administration (including its territorial state administration system) did not receive any permanent development centres or intellectual workshops. The narrow path of challenges and possibilities never saw any consistent whole-of-government logic walking down its trails – it was instead dominated by contemporary political goals and the pursuit of achieving permanent centralisation. More radical reform ideas could only blossom in the wake of high-impact international conflicts, like the two world wars.

### ***The main characteristics of territorial state administration between 1949–1989/90***

The chartered constitution of the Hungarian People's Republic came into effect in 1949, and immediately broke with the preceding administrative structure of the bourgeois era. The so-called tanács [soviet council] appeared as the fundamental institution of socialist state-building efforts, while also being an integral part of the political apparatus striving for the achievements of the Soviet system under the same constellation. It was a completely monolithic administrative structure, one that was closely channelled into the political sphere on every level. The new political system also meant a new set of possibilities and developmental goals: namely, scrapping the principle of the separation of powers, and striving for democratic centralism and the unification of state administration. As such, all administrative development efforts were characterised by organisational fusion, and the increasing duties of mid-level public administration.<sup>8</sup> Considering the power relations within the system itself, this essentially resulted in the increased influence of the county- and capital-level of state administration.<sup>9</sup>

As the Soviet administrative system was adapted to the Hungarian administrative environment in a rather mechanical fashion, it did not take long to reconsider its actual implementation. Just two years after the Second Act on the Councils (Act X of 1954) was passed, the need for mid-level territorial rearrangement already arose. This reform, however, proposed a completely opposite logic compared to the concepts that characterized the interbellum: redrawing the counties took precedence over rearranging the lower levels of the administrative system.<sup>10</sup> Both of these aspirations pointed towards integration, meaning a reduced number of expanded organisational units. However, these aspirations never came to fruition due to the Hungarian Revolution of 1956.

The 1970s saw clear efforts to reinforce the independence and municipal characteristics of the soviet councils. Almost 20 years after 1956, as part of the careful dissolution of centralisation, the concept of territorial administration saw a rebirth in the work of István Bibó, based on his earlier 'city county' concept. However, to maintain the framework

8 It is worthy to mention though that the differentiation in the roles of the various councils started already in the 1950s. By the 1980s, this resulted in the substantial differentiation of the territorial level, as several deconcentrated organisations and specialised institutions have been founded there besides the various councils. Cf. FEITL, István: Tanácsrendszer, tanácsigazgatás, településfejlesztés 1956 után. in: Megértő történelem. Tanulmányok a hatvanéves Gyarmati György tiszteletére, BARÁTH Magdolna - BÁNKUTI Gábor - RAINER M. János (eds.), Budapest, 2011, 371.

9 Ibidem, 376.

10 HAJDÚ, Zoltán: Magyarország közigazgatási földrajza. Budapest-Pécs, 2001, 201.

of the system, contemporary politics was not interested in the radical rework of the territorial level (that is, the county-level apparatus of state administration). The first pieces of comprehensive criticism on Soviet-era Hungarian state administration were eventually published only in the 1980s, mainly by experts such as György Szoboszlai, György Wiener, Gábor Vági, Pál Bánlaky or Pál Beluszky.<sup>11</sup> However, these criticisms could not trigger any profound changes – instead, it was eventually the Democratic Transition of 1989 that fundamentally changed the public administration system.

## The Effects of the Democratic Transition on Territorial State Administration and the Major Developments of the 2010s

### *The inception of disintegrated territorial state administration*

The end of the 1980s saw the inception of a significant will to sort out the pressing issues of both territorial state administration and the Hungarian public administration system as a whole. This aspiration rooted in the negative connotations toward the former dominance of state administration and mid-level public administration in the executive branch: thus, during the Democratic Transition, most decision makers considered them an unwanted administrative-historical legacy of the previous era. To break away from said Soviet legacy, parts of the former administrative system were consciously counterbalanced, eventually favouring the municipalities over state administration and the municipal level over the territorial level. Because of this, Hungarian public administration (itself being both a goal and a prerequisite of a successful democratic transition) got not just renewed, but also disintegrated by the 1990s.

The above contrarian tendencies resulted in several fundamental issues: the organisational proportions in mid-level public administration turned upside down, while the disappearance of the former county councils left behind a vacuum of duties and responsibilities. This latter vacuum was started to be filled out with the various specialised administrative agencies formed out of the former councils – however, this was done without any real whole-of-government logic, eventually resulting in a unique organisational proliferation within territorial state administration, and an irregular organisational conglomeration of its system. And although the aspirations and the professional concepts were always there for the comprehensive settlement of this administrative sector, the various transformation attempts always failed, either due to political or economic reasons. However, in 2010, the situation fundamentally changed.

<sup>11</sup> See the studies of the MSZMP KB Társadalomtudományi Intézet [MSzMP Central Committee, Institute of Social Studies].

### ***(Re)integration steps in territorial state administration between 2010–2015***

Following the change of government in 2010, the new political forces coming to power started to rethink the role of the state by the neo-Weberian principles.<sup>12</sup> One of the most important elements of this process was the renewal of state administration, and specifically, the increased integration of the centralised and hierarchized state administration under government control – both in an operational and organisational sense.<sup>13</sup> The main goal was to operate a national public administration system that meets contemporary challenges: one that is not just faster and more efficient in handling the increased number of responsibilities, but is also cheaper to operate. As such, most of the changes affecting public administration were of integrational and correctional nature, aiming to reinforce the role of the state in the public administration system and improving its efficiency.

The emerging public administration reform differed from earlier attempts in that it was based on strong political support and a strict approach of governmental execution. Its main goal was to remedy the various dysfunctions of the executive branch (and in particular that of territorial state administration), based on the rationale that the new state must have more influence on the various socio-economical tendencies that can be best realised through the public administration system.<sup>14</sup> It is because of this aspiration that Hungarian territorial state administration has been in a constant state of transformation for 10 years. The most notable effects of this transformation are as follows:

- To ensure the coordinated operation of the various public administration bodies and to control its related fields more efficiently, the government established the so-called “top ministries”.
- The government reinforced its territorial representation in mid-level public administration.<sup>15</sup>
- Municipal legislation saw substantial modifications.<sup>16</sup>
- Regulations related to public administration officials also saw a multi-stage change.<sup>17</sup>
- Electronic administration (e-Administration) became more widespread.
- The járási rendszer [district system] was reintroduced after 29 years as the lowest level of state administration.
- The stipulations of administrative procedural law and justice related to the various administrative authorities were recodified.<sup>18</sup>

12 [http://revcurentjur.ro/old/arhiva/attachments\\_201201/recjurid121\\_6F.pdf](http://revcurentjur.ro/old/arhiva/attachments_201201/recjurid121_6F.pdf) (Download date: 2019. 07. 10.).

13 OECD (2015), Hungary: Reforming the State Territorial Administration, OECD Public Governance Reviews, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264232921-en> (Download date: 2021. 05. 15.).

14 BALÁZS, István: A közigazgatás változásairól Magyarországon és Európában a rendszerváltástól napjainkig, Debrecen, 2011.

15 KOVÁCS, Éva – HAJNAL, György: A magyar központi államigazgatás változásai a rendszerváltástól 2015-ig. In: JAKAB, András – GAJDUSCHEK, György (ed.): A magyar jogrendszer állapota. MTA Társadalomtudományi Kutatóközpont JTI, Budapest, 2016.

NAGY, Marianna–HOFFMANN, István (ed.): A Magyarország helyi önkormányzatairól szóló törvény magyarázata, Budapest, 2014.

16 NAGY, Marianna–HOFFMANN, István (ed.): A Magyarország helyi önkormányzatairól szóló törvény magyarázata, Budapest, 2014.

17 See Act CXCV of 2011 on the Public Service Officials and Act LII of 2016 on State Officials. Also see ÁRVA, Zsuzsanna – BALÁZS, István – BARTA, Attila – VESZPRÉMI, Bernadett: Közigazgatás-elmélet, Debrecen, 2017.

18 BALÁZS, István: A közigazgatás változásairól Magyarországon és Európában a rendszerváltástól napjainkig, Debrecen, 2016.

Clearly, the transformation going on since 2010 has affected most elements of public administration (including its duties, organisation, personnel and operation as well).<sup>19</sup> However, analysing all these aspects in detail goes beyond the scope of this study, therefore I focus only on the major milestones of the developments in territorial state administration from this point on. I consider this level especially important – after all, most citizens interact predominantly with the territorial/municipal level of public administration, and as such, this is the level where the effects of the ongoing reform are the most immediate.

One of the most prevalent effects of the current reform is that (similarly to earlier historical examples)<sup>20</sup> the central government started transforming and representing its own will on the lower levels of public administration through various institutions founded specifically for this purpose. This approach is not a novel one – many states in continental Europe have long-standing traditions in this regard. The French *Préfet* system or the Swedish governmental institution (*Landshövding*) grew out of such efforts, just like the Austrian *Landeshauptmann* or the Polish *Voivode*.<sup>21</sup> In contemporary Hungary, the prime territorial articulator of the government's will proved to be 20 so-called *Fővárosi, Megyei Kormányhivatal* ("capital and county government office"; hereafter: government office) and their leaders, the so-called *Kormány megbízott* ("governmental commissioner"; hereafter: KMB).

While the history of government offices is brief, it has already proven to be surprisingly eventful.<sup>22</sup> They were founded on January 1, 2011 from the fusion of 15 deconcentrated state administration bodies (while the other 11 so-called 'candidate territorial state administration bodies' kept their organisational independence, but continued operating under strong operational integration control). The KMBs of these government offices received prominent authorities to coordinate high-priority projects in terms of national economic interests. The network of government offices also saw a large expansion on January 1, 2013, when 175 district offices and 23 capital district offices were also moved under their umbrella. Through the government offices (which became the only set of deconcentrated administrative bodies to be specified in The Fundamental Law of Hungary),<sup>23</sup> the government primarily aimed to increase its presence in the middle level of public administration, complemented by a set of integrated client centres (whose number has risen close to 300 throughout the years).<sup>24</sup>

19 For more details, see BARTA, Attila: The Next Generation of Capital and County Government Offices. Developments in Hungarian Middle-Level State Administration Since 2011. Public Governance, Administration and Finances Law Review in the European Union and Central and Eastern Europe 2016, 1. [http://real.mtak.hu/123855/1/PGAF2016\\_02\\_1\\_Barta.pdf](http://real.mtak.hu/123855/1/PGAF2016_02_1_Barta.pdf) (Download date: 2021. 03. 19.).

20 GLADDEN, Edgar Normann: A History of Public Administration. From earliest times to the eleventh century. Volume I-II. London, 1972.

21 TEMESI, István: Az állam területi képviselete Európában. *Pro Publico Bono – Magyar Közigazgatás*, 2016, 3, 106–137.

22 BARTA, Attila: A területi államigazgatást érintő 2015. évi integrációs folyamatok. *Új Magyar Közigazgatás* 2015, 3, 14–20.

23 Article 17., Paragraph (3) of The Fundamental Law of Hungary specifies the capital and county government offices as the "organs of the Government with general territorial state administration competence".

24 See Act XCIII of 2012 on Forming Districts and the Amendment of Certain Related Acts of Parliament.



The government offices saw substantial growth a couple years after their foundation already, which is best illustrated with the headcount changes of the Government Office of Hajdú-Bihar County (hereafter HBMKH).<sup>25</sup> In January 2013, the HBMKH already had a staff of 1762, making it a mid-range office when it comes to its workforce: the largest headcount was present at the capital government office with 4433 employees, while the Government Office of Nógrád County had the smallest staff of 849. On a side note, the 1762 people working for the HBMKH was almost double the staff employed by the former Ministry for National Economy back then, and approximately one and a half times more than the workforce of the former Ministry of Public Administration and Justice.<sup>26</sup> The 20 territorial government offices of that time had a combined staff of approximately 36,000, which amounted to one-third of the entire Hungarian public administration personnel.

Like other government offices, the HBMKH also had a dual structure consisting of a district level and a county level, the latter of which employing 821 officials (most of them working for either the pension insurance or the public health departments), while the 10 district offices of the former level employing 941 officials at the beginning of 2013. This comprised more than half of the entire workforce of the government office, with the largest district office being the one situated in the county seat. It is important to note here that the amount of district offices was different for each government office – their numbers typically ranged from 10 to 14 in a given county (except Budapest, which had 23, corresponding to the number of districts in the capital).

The government offices have also been substantial budgetary units from the get go. In 2012, the basic budget of the government office in Debrecen was almost 6 billion HUF for the incomes and expenses for that year. However, in 2013, the central budget saw an increase in the available funds, resulting in an annual budget of 124 billion HUF for the entire government office network (including all its capital-, county- and district-level offices). To put it into perspective, this value was more than a quarter of the annual operating costs of the entire territorial state administration apparatus.<sup>27</sup>

Due to their extensive sphere of jurisdiction and responsibilities, government offices solved approximately 19 million cases in 2015 (in comparison, Hungary had a population of 9.8 million that year).<sup>28</sup> However, this number (along with all other reference numbers listed above) changed substantially later, as legislation merged additional organisations into the government offices on April 1, 2015, followed by another decision to re-delegate additional duties and personnel to them at the turn of 2016/2017.

25 As described in KIM Order 3/2013. (I. 18.) on the Organisational and Operational Regulations of Capital and County Government Offices.

26 Cf. Gov. Decree 1166/2010. (VIII. 4.) on the number of employees in the Prime Minister's Office, ministries, and the administrative bodies or bodies performing administrative activities of central budgetary institutions.

27 Act CCIV of 2012 on the 2013 Central Budget of Hungary.

28 [https://www.ksh.hu/docs/hun/eurostat\\_tablak/tabl/tps00001.html](https://www.ksh.hu/docs/hun/eurostat_tablak/tabl/tps00001.html) (Download date: 2017. 02. 21.).

***Reinforcing the district office system from 2016***

Over the course of 2016 and 2017, the government made several changes in the territorial state administration system that primarily aimed to reinforce the capital and countryside district offices. The process started with the transformation and abolition of the central administration offices and the support organisations of the ministries, and then spiralled onto the middle level of public administration as well, where legislation assigned the duties and authorities of the aforesaid bodies first to the capital and county government offices, and then to their district offices. The volume of these administrative changes is best illustrated with the fact that approximately 1000 administrative duties were transferred from higher-level administration (mostly from the county-level government offices) to the districts.<sup>29</sup>

Filling the corpus of the district level as such inevitably resulted in a differentiation of duties among the various district offices, and although the situation has changed since then, it is still worthy to take a closer look at how this differentiation looked like. Essentially, the various duties and responsibilities were classified into three different sets as follows:

- A stable set of duties were generally available for administration in every district office. Such duties included, for example, judicial and consumer protection tasks.
- A set of “priority” duties was also designated, which was delegated to certain district offices with a jurisdiction over 2–3 districts for these cases. Such duties included, for example, pension insurance.
- Finally, there was also a distinct set of duties that could only be administered by county seat district offices. Such restricted duties included, for example, forestry or environment protection cases.

The increasing number of responsibilities assigned to the lower-mid level of territorial administration necessitated structural and personnel changes as well during 2015. Thus, approximately 25,000 officials<sup>30</sup> (70% of the entire staff of the government office system) were transferred from the county level to the district level.<sup>31</sup> After that, in 2016, their legal status also changed: as per the stipulations of Act LII of 2016 on State Officials, they became a separate group of officials, whose members had, inter alia, a different promotion and remuneration system from the previous staff regulations. They also had to comply with special training requirements and, if necessary, specific employment rules. However, legislation aimed to extend this legal state to additional personnel as well: following the staff of the district offices, efforts were made to reclassify the workforce of the county government offices and central state administration offices as state officials, too. This aspiration, however, could not be achieved eventually – instead, a different solution came to effect.

The aforesaid duty, organisational and personnel changes were all in line with the goals of the Közigazgatás- és Köszolgáltatás-fejlesztési Stratégia [Public Administration

<sup>29</sup> <http://jarasinfo.gov.hu/jarasokrol> (Download date: 2020. 05. 05.).

<sup>30</sup> Based on MvM Order 5/2018. (II. 6.) and the staff of the various offices.

<sup>31</sup> The changes in the number of officials can be easily tracked with the spreadsheet of the following website as well: <http://kozepszintuallamig.blogspot.hu/2017/05/tisztviselok-letszama.html> (Download date: 2020. 04. 29.).

and Public Service Development Strategy], calling for a multi-functional role set for the district offices.<sup>32</sup> However, the new organisation did not remain untouched for long, the reasons of which will be provided in the next section.

### ***A shift of emphasis within the government offices***

One of the important milestones of the public administration reform in progress since 2010 has been Act CXXV of 2018 on the Governmental Administration (hereafter: Kit.) which proved to be especially decisive from a personnel and organisational perspective. The major legislative rationale behind the act was to:

- Improve the competitiveness of the public administration system.
- Decrease bureaucracy and increase administrative efficiency.
- Improve the material appreciation of the public administration staff.
- Reward and support government officials who raise children or are starting a family.

The contents of the Kit. are complex, addressing both institutional and personnel-related matters and essentially regulating the entire state administration system (that is, both its central and territorial levels). The Kit. also merged in most of the stipulations of the preceding act that had previously regulated the legal state of the government offices, and by extension, (being their departments with sovereign powers) the district offices as well. Finally, it also superseded the above-mentioned 2016 stipulations that had been specifically regulating the special state official legal state of district office employees. Due to these changes, the Kit. has become the backbone of the organisational and personnel legislation pertaining to state administration by now. However, the process of transformation did not stop here.

This is because 2019 and 2020 saw several important legislative changes in Hungary regarding the government offices and their districts, mostly due to their shifting duties, the ongoing changes in procedural law, and because of the challenges of the COVID-19 pandemic. Some of these corrections were stipulated by acts, while others via the government decrees issued under the national state of emergency declared in 2020. In general, while these corrections also played an important role in the history of territorial state administration, their directions were somewhat the opposite of the former development tendencies.

For the steps of the latest reform, legislation set up several key deadlines (namely, January 1, 2020; March 1, 2020; and July 1, 2020) to schedule their execution. Out of these, the most important changes were as follows:

- Some former permitting procedures were reclassified as notifiable procedures (such as the operational authorization of family service departments, or medical expert activities).
- Due to the changes in the system of legal remedies, some corrections overturned certain earlier regulations (for example, in the acts on consumer protection and the registration tax).
- Building and construction-related administrative duties that were previously delegated to the head of the administration of the local self-governments have been reassigned to the government offices.

32 Public Administration and Public Service Development Strategy, 51.

- At the same time, some responsibilities have been re-delegated from the government offices and their district offices to other public administration organisations. For example, the utilization of caves and cave sections became a jurisdiction of the Minister of Nature Conservation. At the same time, the governance of private entrepreneurs (including their reportings and declarations of changes) has been moved to the National Tax and Customs Administration.
- In some cases, certain responsibilities were assigned to organisations outside of the public administration system. For example, the duty of issuing gas-fitter licences was assigned to the Hungarian Chamber of Engineers, while the specification of the use rights for district heating provider thermal centres has been moved from the district offices to the courts, as per the changes in the act on district heating.
- Some deregulation changes were also passed. For example, the stipulations on the head of the administration of the local self-governments' powers in regulating building and construction matters have been removed from Act XX of 1991 on the Tasks and Scope of Authority of the Local Governments and their Organs, of the Commissioners of the Republic, and of Certain Centrally Governed Organs.
- Finally, additional clarifications were passed for several specialties. For example, in the act on social administration and benefits, the entitlement to personal public health care services was raised from two years to four years, while the entitlement to normative health care services was raised from one year to two years.

In my opinion, the latest reforms described above point to an entirely different development direction from the perspective of the government offices and their district offices, compared to the developments in progress since 2010. With these recent changes, the government did not aim to increase internal or external integration, but rather focused on reassigning certain duties and responsibilities from the district offices to the county level, or from the government offices to other administrative bodies. In light of the earlier developments, it is not difficult to see that the most recent changes of 2020 somewhat reverted the legal standing of the district offices to the state it was back in 2015/2016. This, however, inevitably raises the question of whether the capital and county government offices actually reached the limits of their growth?

## Final considerations

At the beginning of the 21<sup>st</sup> century, it is now apparent that the various economic or social tensions and the environmental or healthcare challenges cannot be overcome without an active public administration system. However, in my opinion, by now the question is not what approach should drive the ongoing developments of the public administration system (that is, the classic Weberian theory, the revised neo-Weberian approach, the original New Public Management, or rather its reincarnated variant).<sup>33</sup> The reason of this is that neither NPM, nor the increasingly dominant neo-Weberian approach is a panacea for successful public administration reforms by itself. While both of these theories have their own advantages, none of them are universal absolutes that would work well for any administration system.<sup>34</sup>

Although the constraints on the length of this study prevented a detailed overview of the above topic, I am confident that my analysis still summarized its most important aspects – including the fact that Hungarian public administration mainly utilised the neo-Weberian approach. In my opinion, the Hungarian methods of reforming territorial state administration are both interesting and educational; after all, legislation managed to substantially transform several aspects of the public administration system while still remained operational in the process. Of course some disruptions in day-to-day administration tasks were inevitable, but thanks to the committed staff of civil servants, most of these problems could be bridged during the transformation process.

It is also undoubtable that the recoding of the administration system should be done with care to prevent the various changes (employed for increased efficiency) reverse in effect, at the expense of the democratic needs. In my professional opinion, the avalanche of reforms concerning Hungarian public administration were driven not just by the various contemporary megacrises, but were also due to the need to clarify the role of the state in this sector – something that failed to happen earlier. Thanks to the extension of political control, public administration became easier to oversee, and the various reforms (such as the latest top-down modernisation initiative) were also executed swiftly and successfully. In my opinion, the recentralization of public administration and the reinforcement of deconcentrated state administration within territorial state administration were the surface manifestations of the efforts in reinforcing the role of the state and increasing its integrity within public administration.

In this context, organisational and operational integration is important not just because of efficiency, but also because it reduces the number of participants and the potential conflicts in the system, (typically) increasing the speed of decision making due to the reduced

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33 DRECHSLER, 102, 104. According to the author, the public administration developments of the 2000s are mostly driven by an approach based on the Weberian traditions and certain elements of the NPM. However, this approach is more than just a mere mixture of classic public administration and NPM. It should be emphasized though that a concurrent theory argues for the continuation of NPM. See DAN, Sorin – POLLITT, Christopher: NPM Can Work. An Optimistic Review of the Impact of New Public Management Reforms in Central and Eastern Europe. *Public Management Review*, 2014. <http://www.tandfonline.com/doi/full/10.1080/14719037.2014.908662#.U1-Oj6LyRol> (Download date: 2021.02.07.).

34 Haynes, Paul: The Return of New Public Management? (September 30, 2011). Available at SSRN: <http://ssrn.com/abstract=1935909> or <http://dx.doi.org/10.2139/ssrn.1935909> (Download date: 2021. 04. 04.).

number of actors. Although some path dependency is obviously present, I still think that the only acceptable solution is a balanced and pragmatic approach of development. Every country should choose a development direction that would focus on realizing their own unique public administration needs, and moves along the lines of their own possibilities.

Public administration institutions tend to periodically renew, and the various megacrisis make this renewal indispensable.<sup>35</sup> And although the problems that the various public administration systems must tackle during times of depression are similar to that of those megacrisis, various international examples show that there are no universal administrative solutions to said problems. Albeit contemporary administrative structures all bear their national characteristics, large public administration systems operate essentially independently (within their reasonable limits, at least).<sup>36</sup>

Overall, when defining the development trends of the coming years, privatisation of the public administration system is just as viable as the continuing efforts to increase efficiency and general administrative performance. The increasing aspirations for partnership and cooperation, or the expansion of e-Administration are also among the general goals of transformation. This latter aspiration is important not just for the citizens, but also for increasing the efficiency of the system as well: based on the related statistics, such efforts in Hungarian public administration have saved approximately up to 12 billion HUF so far. The development of the special-duty administrative systems, on the other hand, is getting important because recent transformations have resulted in organisations that are larger and more complex than ever before – with their duties and responsibilities increasing often on a weekly basis. Clearly, the public administration system of the information society should utilize not just traditional solutions, but also contemporary tools as well – otherwise, it would become unsuitable to solve contemporary challenges.

The Hungarian government had a comprehensive plan for public administration development up until 2020, and the government offices remained a pivotal part of that plan. The main aspiration was to establish such basic service provider units within mid-level public administration that would allow the management of most public proceedings. Developing client contact points is an indispensable part of this effort, which would strive to achieve one-stop shop client care as much as possible. Besides extending the network of said client contact points as much as possible, there are also ideas about providing additional services at these one-stop shops besides the administration of public proceedings (such as postal services, stock sales, or maintaining customer care services for public service providers).

Based on the above analysis, I can confidently state that Hungarian public administration (and its territorial state administration system) is following a path of development which is carved by global challenges but is also strongly formed by local circumstances. However, to correctly rethink the place and role of all components of our public administration, we must consider not just the accomplishments of previous reforms, but also the currently outstanding shortcomings as well. Only by considering both of these factors will we be able to set the right course for further developments and choose adequate tools for upcoming reforms.

35 RANDMA-Liiv, Tiina – SAVI, Riin: Introduction to the Special Issue: The Impact of the Fiscal Crisis on Public Administration. *Administrative Culture* 2014, 1, 4–9.

36 PETERS, B. Guy – PIERRE, Jon (ed.): *The SAGE Handbook of Public Administration*, 2012. 508.

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78	ARTICLES Attila BARTA	Challenges and possibilities in the development of territorial state administration the hungarian example	
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