



Hungary: deep-reaching government administration reform

On 6 April next, Hungary's citizens will vote in the country's parliamentary elections. A more compact national assembly of 199 members instead of 386 at present will be formed after a redrawing of the constituencies. This trimming comes as part of a proactive political programme led by the coalition government in place since April 2010 and backed by the Prime Minister, Viktor Orbán.

The incumbent legislature introduced substantial changes for the country. A new Constitution¹, the first among Central and Eastern European countries to incorporate societal values, came into force on 1 January 2012. On 31 August of the same year, the government's "Public Administration Development Programme for the Salvation of the Nation and in the Service of the Public"² was adopted. Also named the Magyary Programme after Zoltán Magyary, the first director of the International Institute of Administrative Sciences of Budapest, aspirations one year after its implementation are for it to become a reference in government administrative reform at European level and beyond³.

A complete institutional overhaul

Hungary was long held up as a role model after the fall of the Berlin Wall. The modernisation of its political and economic structures served as a reference for its neighbours. Its integration into the European Union was imperative. In fact, one of the architects of its successful transition to a democracy, a market economy and a member of the EU was its current prime minister. However, the progress it seemed to make in relation to other Soviet Bloc countries in the 1990s has now slipped. In fact, Hungary has not undergone the deep reforms that other Central European countries have implemented. Its realisation of this when neighbouring Slovakia joined the euro zone in 2008 sparked feelings of a "confiscated revolution": the enthusiasm of 1990 translated neither into political nor economic life. It was probably with this frame of mind that the government elected in 2010, twenty years after the change of regime, sought to establish a new way forward.

With a two-thirds majority in Parliament, as soon as it took power the government embarked on deep-reaching transformation of its administrative and territorial organisation, in terms of both the number and structure of local authorities and their relations with central government. With 3,177 communes grouped into 19 *comitats*, the system had remained almost unchanged since 1990. The new local government act⁴ came into force on 1 January 2013, officially to generate savings by reducing the number of local administrative structures and by grouping expertise. In essence, it turned out to be an opportunity for the State to increase its control over functions that had previously been a key responsibility of the communes.

Streamlining is the common thread

¹ http://www.kormany.hu/download/3/ab/30000/Alapt%C3%B6rv%C3%A9ny_franciaja.pdf

² http://magyaryprogram.kormany.hu/admin/download/a/15/50000/Magyary_kozig_fejlesztési_program_2012_A4_eng_%283%29.pdf

³ <http://www.kormany.hu/en/ministry-of-public-administration-and-justice/news/hungarian-public-administration-reform-can-be-an-international-reference-work>

⁴ https://publicpolicy.ceu.hu/sites/default/files/field_attachment/page/node-28388/official-summary-2011-hu-local-govt-act-in-english-by-bm.pdf

Marcell Biró, State Secretary for the Ministry of Public Administration and Justice, specified that "after 1990 all governments (of the former Eastern Bloc countries) had to deal with a poorly functioning public administration, but despite various projects and attempts, no lasting or efficient solution has been found until now. The Magyary Programme is an attempt to remedy this and moreover to offer a global, flexible solution that can be understood by all, and facilitate good governance". The programme hinges on four fundamental factors: organisation, task, procedure and staff, which are inseparable, and each of which entails a methodology and precise objectives.

With regard to organisation, the government's main aim was to streamline the Administration by halving the number of administrative bodies (beginning with the ministries) and offering users a more accessible and attentive public service. The areas of expertise taken from the communes (education and health) were transferred to the 175 districts (*járás*), the new decentralised level of governance. To complete this format, 300 inter-administration drop-in centres were set up across the country. To revive citizens' confidence in the public service, a massive civil servant training plan was rolled out to improve ethics⁵ and user relations.

From 2010, the ministry departments began the first general review of all devolved State tasks. 30,000 were counted. Based on this work, allocated resources (budgetary and personnel) could now be adapted continuously, and work on two other priority projects included in the Magyary Programme could begin, i.e. simplification of procedures and reduction of red tape. Deputy prime minister, Tibor Navracsics, announced with regard to the latter that a reduction of 25% was achieved in one year⁶.

This brings us to the most sensitive branch of the reform, the staff. "Hungarian citizens are very critical of the work performed by civil servants, and as a result, according to Marcell Biró, there has been a steady fall in motivation among the latter, producing a negative impact on their behaviour towards users". To compensate for recurrent problem of this type, civil servant conditions were overhauled⁷ to include an evaluation system and compulsory training. A national public service university⁸ was created and a united staff representative body was established.

Confidence at national and international level

In its last report dated January 2014⁹, the OECD noted that the perceived quality and effectiveness of political and legal institutions in Hungary is weak and that it performs poorly on its civic engagement and governance indicator. Certain provisions in the country's constitution have prompted severe criticism about the balance of power (systematic use of organic laws that in various areas can only be amended with a two-thirds majority, reduction of the powers of the constitutional court, merging of financial regulatory authority with the central bank) and have led to requests for explanations or compliance by international organisations of which Hungary is a member (European Union and Council of Europe).

With only a few weeks to go before the elections, the government is making great strides to demonstrate it is pursuing its objective of putting the public finances in order (a maximum public debt of 50% of GDP is now written into the constitution, above which a budget may not be adopted or borrowings taken out to finance debt), and that it wants to contribute to public debate. It recently produced a draft law¹⁰ that, according to parliament member Gergely Gulyás, will "facilitate the parliament's legislative work and strengthen the control exercised by future opposition parties".

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⁵ <http://www.kormany.hu/en/ministry-of-public-administration-and-justice/news/govt-launches-2-year-anti-graft-programme>

⁶ <http://www.kormany.hu/en/ministry-of-public-administration-and-justice/news/simplification-process-of-the-government-reduced-administration-by-a-quarter>

⁷ <http://www.oecd.org/gov/pem/OECD%20HRM%20Profile%20-%20Hungary.pdf>

⁸ <http://www.comphee.de/en/the-project-partners/national-university-of-public-service-nups>

⁹ <http://www.oecd.org/fr/economie/etude-economique-hongrie.htm>

¹⁰ <http://www.budapester.hu/2013/12/06/bes%c2%adsere-kontrollmechanismen/>