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Modernization in the Globalized Environment The Case of Administrative Modernization in Hungarian Local Governments

Modernization of public administrative structures is a tendency of globalization. It seems to be strange, because globalization is mainly an economic and world trade phenomenon. It means more than world trade, since world trade took shape a long time ago. Globalization also implies the liberalized free movement of goods and capital, furthermore the forming and functioning of the institutional system aiming to secure that free movement.¹ It is the international and “supranational” factors and also the adjusted structural elements of individual states and societies that enable the uniform operation of the basic market economy. Beyond that, globalization is a context of relations and in various senses. It is a relationship between developed and developing countries and also countries undergoing political transition inasmuch as they export the economic and social conditions of Western countries. On the other hand they spread market relations to other areas of human life, like the natural environment and community life.

It is exactly the relations nature of the phenomenon which results in conflicts. International integration organizations regarded to be the disciples of globalization have long been criticized for their homogenizing schematizing philosophy, which is insensitive to national, historical and environmental characteristics and tries to enforce the same patterns in all parts of the world in an aggressive way, regardless the damaging, sometimes specifically destructive impacts of their ‘magic spells’.² It would, nevertheless be mistaken to blame solely the World Bank and the International Monetary Fund for this policy. In fact it is an ideology,³ which deeply penetrates the thinking and interests of the

¹ Grzegorz W. KOŁODKO, *Globalizáció és a volt szocialista országok fejlődési tendenciái* [Globalisation and the development tendencies of former socialist countries], Budapest, Kossuth Kiadó, 2002, 21.

² Joseph E. STIGLITZ, *A globalizáció és visszásságai* [Globalisation and its absurdity], Budapest, Napvilág Kiadó, 2003

³ Mark RUPERT, *Ideologies of Globalization: Contenting Visions of a New World Order*, London, Routledge, 2000.

developed world, whose roots reach as far back as Marx, Gramsci, and which culminates in neo-liberalism in the modern age. The ideological and attached aspirations have led both to achievements and failure. As far as our study is concerned, it is less the philosophical context than this ideology's impact on economics which is worthy of our attention.

Governmental issues of globalization related to certain themes of public administration have been brought to the forefront of attention,⁴ on the one hand, in the context of clearly defined overall conflicts, such as in world trade, security policy, the warming of the atmosphere, etc., on the other, almost all administration areas are facing globalization problems, and the set of instruments required for managing them are in the process of development as for instance in the military, telecommunication, cultural and environment management sectors. Conflicts may arise between the individual areas as well, even in an acrimonious manner. An example of this is the developing of comprehensive system requirements for environmental sustainability which ever increasingly counters world trade globalization.

1. The first stage: institution-building and taking part in transformation

1.1. Transformation process

Globalization is an issue in the context of the public administration reform as well. According to a survey involving 123 countries, the following main topical fields were determined as common goals in reforms:⁵

- decentralization
- privatization
- decreasing the further expansion of the public sector
- public sector reform
- information technology
- the reform of financial and budgetary management.

And from here it is only one step further to integrate into the scope of globalization a large part of the movements targeted at thoroughly transforming the New Public Management (NPM), administration organizational and governmental activities. This philosophy should clearly be distinguished from the more widely spread one, recognizing common features

⁴ *Governance is a Globalizing World*, eds. Joseph S. NYE, John D. DONAHUE, Washington, D. C., Brookings, 2000.

⁵ Elaine Ciulla KAMARCK = *Governance is a Globalizing World*, eds. Joseph S. NYE, John D. DONAHUE, Washington, D. C., Brookings, 2000, 229-252.

solely in Western development.⁶ Even though the common features and circumstances meant to be spread are of remarkable similarity, the domains of interpretation are significantly diverse.

The extrapolation of the process of new management, governance, of becoming more European, and of other related tendencies to the world may appear a little exaggerated. Anyhow, there should be awareness of the fact that the shaping and conduct of trade policy is an integral part or even condition of trade transformation. This is substantially supported by the IMF's loan policy, which obviously not accidentally favoured governmental reforms, especially in the form of transferring political support, which cannot be measured by financial means. Why so? An explanation is provided by a basic statement concerning governance as defined in the literature on globalization, interpreting good governance as an element of sound economic development induced by economic competition,⁷ which in turn has been induced by global economic competition. However, no parallel should necessarily be drawn between the two phenomena: between economic transition and the shaping of the whole of governmental policy. The counter-example of modern China illustrates that the economic effects of globalization within a huge market, and also regarding their outside influences are enormous – whereas a government reform applying the western pattern was not to be implemented simply due to the lack of political reform. No chronological order or determination can be presumed either. The pattern based development of a given country is not necessarily initiated by economic, but by political changes. And when economic changes have become prevalent, political transition will not take the same course, or may even be blocked. The socially interpreted territorial context of global economy can be of various types, and let us face it, not necessarily political democracy.

Civic state organizational reforms, and within that, civic self-government development itself form an integral part of the West-European social context and are closely tied to it. Even though unified models do not exist, main historical ways of decentralization cannot make difference in some of the basic key elements and directions of development. The question can be raised whether the results and values taking shape there can be turned into a basic

⁶ *Local Government in Europe: Trends and Developments*, eds. Richard BAILEY, Gerry STOKER, Houndmills, Macmillan, 1991; *Local Government in the 1990s*, eds. John STEWART, Gerry STOKER, Houndmills, Macmillan, 1995; Stig MONTIN, *A Conceptual Framework = Towards a New Concept of Local Self-government? Recent Local Government Legislation in Comparative Perspective*, eds. Erik AMNA, Stig MONTIN, Bergen, Fagbokforlaget, 2000; Peter JOHN, *Local Governance in Western Europe*, London, SAGE, 2001. and others.

⁷ KAMARCK, *op. cit.*, 233.

demand for other regions.⁸ Local government reforms especially in countries undergoing political transition form a part of governmental globalisation.

1.2 Characteristics of Central-Eastern European countries joining into the EU

In the acceding (in 2004) CEE countries certain similarity of the routes of the political transition undertaken is their massive commitment to the western development model. A proof of this commitment is their EU membership. In the development process of the 90s various intergovernmental and international programs underpinning public administration (Phare, US AID, British Know How Fund, WB programs, Soros Foundations OSI, the SIPA and SAPARD support programs of the EU) tried to emphasize the conditions and potentials of pattern pursuance. In order to be able to roughly interpret the overall outcome, we will have to examine the time gap in which local self-government changes took place in relation to the political transition. The year of declaring independence is also of considerable importance, for six of the eight countries were fully newly constructed. Municipal elections can be interpreted this time closely linked to the constitutional structure taking shape. Another basis of comparison for studying local self-government reorganisation can be the lowest point of economic recession, since transitional countries underwent a substantial transformation of the economic structures, and also severe production crises owing to social changes. These crises surpassed, even in their slightest form, the shock of the Great Economic Depression in 1929, as far as the drop in GDP is concerned. The transformational decline, also had external causes at the same time.⁹

⁸ This statement is widened on different civilizations in HORVÁTH M. Tamás, *Humpty Dumpty: Globalization Issues Illustrated by Local Self-government Development*, International Journal of Public Administration, 2 (2007).

⁹ Significant one of these were the collapse of the Soviet Union and later the monetary crisis in Russia (1998-99); the changes in the prices of raw materials all throughout this time, and the various regional wars. KOI.ODKO, *op. cit.*, 57.

Table 1

The basic circumstances of creating local self-government systems in countries of the former Eastern block, acceding to the EU in 2004

Country	Time of political transition	Time of obtaining independence	Local government system's		Time of the lowest level of economic recession year: (GDP*, 1989=100 %)
			formal change	first** genuine change	
1. Czech Rep.	1989-90	Jan. 1st. 1993	the same→	Sept. 1990	1992 (86,9);1993 (86,9)
Estonia	1990	Aug. 1991	Nov. 1989	June 1993	1994 (63,7)
Poland	1989-90	-	the same→	March 1990	1991 (82,2)
Latvia	1990	May 1991	Febr. 1990	1991-92	1995 (54,1)
Lithuania	1990	Feb. 1991	Febr. 1990	1993-94	1994 (54,3)
Hungary	1989-90	-	the same→	August 1990	1993 (81,9)
Slovakia	1989-90	Jan.1st 1993	the same→	Sept. 1990	1993 (75,1)
Slovenia	1990	June 1991	1991	1993	1992 (79,1)

Source: Based on *Decentralization: Experiments and Reforms: Local Governments in Central and Eastern Europe*, Volume 1., ed. HORVÁTH M. Tamás (2000) Budapest: Local Government and Public Service Reform Initiative, Open Society Institute, 2000; GDP-figures: *Economic Survey of Europe*, No. 2. New York, United Nations, 2003, 112; ÁGH Attila, *The Politics of Central Europe*, London, SAGE, 1998; *Local Finance In the Countries Joining the European Union in 2004*, Paris, Dexia Editions, 2003.

* Real GDP/NMP (gross domestic product/national revenue), at an unaltered price, in percentage.

** Generally, comprehensive genuine changes occur in several phases; the only exception in this respect was Hungary. The second phase concerned basically the regional level and mergers and also the functional settlement. Other comprehensive reforms came into effect in the Czech Republic, 2000, Estonia, 1995, Poland, 2004, Latvia, 2003-04, Litvania, 2001, Slovakia, 2002.

In the table we used separate boxes for the “formal” and “genuine” changes of national local self-government systems. The former applies to the adoption of new laws for municipalities and to the declaration of the new system replacing the Soviet type councils. Compared to this “genuine” change is the legislation that results in deep-going changes in the institutional system. In Central-Eastern-European countries these two points of time were mostly the same, or were at least very close to each other. This means that the political transition processes was more or less uniform. The social and governmental processes of the transition reached the local context at more or less the same time. The integral relationship is well illustrated by how it was related to the economic crisis. The lowest level of the recession was always preceded by the political transition, inclusive the real starting point of the establishing process of self-governments. Hence, the political transition is supposedly linked to economic reforms, not separable from them, its effects being beyond questioning. This scenario was absolutely different from that process took place either in Balkan states and the states of the former Soviet Union.¹

Naturally, all countries are different even is group of CEE countries. For instance, in certain cases one leap was enough for genuine change (Poland, Hungary, that time existing Czechoslovakia) in others several ones were needed. The Hungarian act of 1990 illustrates the one-phase radical change, while in other cases bargaining took longer. By now, even the memory of the “big leap” in Hungary has worn out considerably. It is no longer so highly valued, knowing that the corrections required have not been implemented. The numbers and dates may even provide cause for justifiable further argument. As a basis for establishing an assessment we provide a description of the forming of the systems,² which we have tried to check upon from various sources.

Consequently, we conclude that in this group of countries the political transition was fairly compact. Their own economic development could not serve as the basis for change, since the transformation of the institutional system was in the process of changing. The question of how to overcome the crisis was still a matter of daily importance. Finding a connection between following the western pattern, as for the adoption of institutions of market economies and democracies, and the maturing phase of this adaptation, regarding the economy and the political institutional system seems to be justified. Political changes, local self-government changes inclusive, did become implemented despite the confusing turns in the maturing process of the new

¹ HORVÁTH, *Humpty Dumpty...*, *op. cit.*

² *Decentralization: Experiments and Reforms*, *op. cit.*

system, which is a good sign, even though it does not guarantee immunity against faltering.

2. The second stage: efforts on further development in institution building

2.1. The decentralization process in Hungary

The two existing sub-national government tiers (municipalities and counties) were maintained after 1989, although the hierarchical link between them was abolished. The decentralisation process had three milestones.

i) The restoration of the autonomy of sub-national governments (1989-1995): several laws were passed in 1990 to turn sub-national governments into elected bodies with specific responsibilities and funding means (LXV Local Government Act, LXIV Act on the election of mayors and municipal councillors, C Act on Local Taxes). The existing State administrative bodies at sub-national level, the “Commissioners of the Republic” were replaced in 1994 by “public administrative offices”.

ii) Stabilisation of sub-national governments (1996): to improve the financial situation of sub-national governments, a lot of them facing deficit because of a lack of resources, a “stabilisation programme” was set up to simplify the “normative” grant system and to ensure that sub-national governments did not find themselves with excessive debt. Three Acts were passed in 1996 setting a ceiling on debt servicing, an adjustment of municipal debt and the conditions for governing bond issues. The same year, seven statistical planning regions were created. The transformation of statistical planning regions into sub-national governments elected by direct universal suffrage had been discussed for years. A governmental decision was taken in this direction in 1999 but was not implemented. Such a transformation would imply a modification of the Constitution and of all acts concerning sub-national governments.

iii) Establishment of micro-regional multi-purpose associations covering all the territory of the country from 2003. Municipalities were persuaded by strong financial incentives to join one of the districts which were defined by legal rules. This was a final point of a long policy process generated from an intention to integrate anyhow, at least at a minimum level many small local governmental units. The Hungarian system is a disintegrated one: even the smallest settlement, village has autonomy, commune like in France. Nevertheless forms of integration were underdeveloped, because municipalities did not want to cooperate anyhow. Although national governments tried to

support intention for cooperation established legal framework and proposed several policies for municipalities, especially small ones. After the long era of deprivation the new autonomy was too nice for local societies to get rid of it so suddenly.

There was a crucial obstacle in front of the further or more strategic changes in the system. The modification of the local government act should be based on two third majority voting in the Parliament. At first, in 1990 it was intended to get wider consensus in political parties. However, it became an unexpected pitfall, because it was impossible to develop the system at all, lacking the high majority or trust between ruling and oppositional political powers.

On the other hand the whole process is important not only from structural point of view. It should be better to focus on functional effects.

2.2. Sub-national public service management

Management of public services is not based necessarily on municipal units.

i) Because of the large number of municipalities, the central government encourages inter-municipal groupings on a voluntary basis, especially among the smallest municipalities. In 1997, the Act on the Associations and Cooperation of Local Governments was passed to stimulate cooperation between municipalities in order to cut management costs and provide better quality local public services via a pooling of resources.

Several forms of cooperation are allowed, including since 2004 the multi-purpose association at the micro-regional level. Set up by the Act on Micro-Regional Multi-Purpose Associations adopted in 2003, this new form of association (which has the form of a legal person) can be used for common providing of public services and to participate in the coordinated development of the territory of the micro-region. It is a particularly useful form when it comes to obtaining and managing EU structural funds.

In 2005, there were 2,590 inter-municipal cooperation structures in Hungary. 60% were associations for maintaining institutions, 25% notary districts (common mayor's office), 9% associations for administrative purpose, and 7% micro-regional multi-purpose associations. However, the latter ones became units of overall national policy and regulation. Financial resources of these associations are generally based on the contribution of member municipalities. Notary districts and multi-purpose associations are supported by grants from central budget. Multipurpose associations do have functions of

public service delivery. None of the types of associations have the right to levy taxes.

ii) All municipalities, not only small ones can opt for one of several modes to run their public services, including:

- *Local internal bodies*, called “budgetary institutions”. Their resources come mainly from grants allocated by the municipality, from which most of them coming from state grants, with the remainder generated by their own revenue (like room rentals in schools outside school hours, for example). These “budgetary institutions” are mainly used to manage educational, health, cultural, sports and social services facilities. Roughly one third of the entities responsible for running local public services are budgetary institutions.

- *Local public companies*, with a commercial statute. They are either totally owned by the municipality or partially so besides other municipalities and/or private companies. They collect their own revenue, spend funds and make staff decisions independently, within the framework of existing legal constraints. Their accounts are not consolidated in the overall municipal budget. Their revenue comes mainly from the tariffs and fees charged for the services they provide. They propose the tariffs and the council sets them. Possible deficits are covered by a grant from the municipal budget. They are not subject to credit ceilings and can borrow as they see fit, with the municipality often providing them with credit guarantees. They generally managed services such as provision of drinking water, sewerage and household waste collection.

- *Contracting to a private company*, generally used for services such as waste processing, upkeep of public areas and roads, snow clearing and parking meter collection.³ In the field of infrastructural services this method of management became general. At the same time this element of changes made the most crucial differences among policies, strategies and practices of municipalities. Quite a lot of new legal instruments were established, like public procurement, forms of financial control, guarantee of public accountability, etc. However, many conflicts arose. Corruption and bias of it seems to become general in public.

Many of the areas of provision of local public functions were shifted to the field of market. Local governments had to get additional sources to delivery of communal services. Instead of or near the public providers investors and undertakers emerged. Simultaneously, consumer fees and charges were increasing. The public had to face two-way process. Most of the urban

³ *Navigation to the Market: Regulation and Competition in Local Utilities in Central and Eastern Europe*, eds. PÉTERI G., HORVÁTH M. T., Budapest, OSI LGI, 2001.

services cannot be provided without any public influence even in the new circumstances. It is obvious, because many of local public functions are typically areas of market failures. However, although new forms of regulation, working in market environment have been emerged, that was a much longer process than expected by theorists and policy-makers. Additionally, regulating functions of local government should be operated in different way, than its former owner's position. If the non-dominate regulator is not strong enough, market failures will not be influenced in a satisfactory way. In general, monopolies are not restricted so precisely, than it would be necessary. Local consumers and many times municipalities as such become defenceless against influential providers. Because of these public failures, traditional market failures failed to be compensated. In the monopolized market competition is very limited in many cases. Consumers have to face a very defenceless situation. Therefore, local transformation failures consist of market failures and government failures at the same time.

This complexity of conflicts can be called transformation failures consisting of remaining state and early market failures in provision of local public (utility) services. They might strengthen each other.

3. The third stage: improvement of management capacities

The Weberian Bureaucracy Model has been supplemented and shifted with management focus to the model of customer oriented style in public administration and public service provision in European countries for decades.⁴ In the meantime, in East European countries the transition period from former communist regimes to democratic governance took over under special circumstances. At first they focus on building democratic institutions and different levels of governments directed by elected representative bodies. Not so much later on their interest turned to institutional reforms to effectiveness and efficiency of public functions.

Revival of 'Rechtsstaat' tradition had to be established at the same time while new management methods were being introduced. These phases of development followed each others almost directly. There was not enough time to deepen the Weberian tradition again in public administration however countries in this region had to face challenges of new management methods.

⁴ *Modernizing Government in Europe*, ed. H. HILL, Baden-Baden, Nomos, 2007, 14; O. E. HUGHES, *Public Administration and Management*, Basingstoke, Palgrave Macmillan, 2003; C. Pollitt, G. Bouckaert, *Public Management Reform: A Comparative Analysis*, New York, Oxford University Press, 2000.

According to some comparative descriptions⁵ and analyses⁶ of the area, the Hungarian case is realized as typical case. Either at the central and local level the very first phase of development was an institution-building period of democratic state. In a relatively short period this stage was followed and intertwined by experiments in order to introduce and disseminate a few new methods of public management.

These changes are based on adaptation of mainstream methods of modern management at the end of the 20th century, like New Public Management, Reinventing Government, Total Quality Management, etc.⁷ The challenge to improve management capacities in the public sector derives from outside for Eastern countries, especially East-Central European ones. Own structures of these countries were relatively underdeveloped after the long history of socialism. Even by the middle of 1990-ies new institutions worked very initially, without too many operational experiences from democratic systems. That is why conflicts emerged from missing tradition of guarantees, the new type of ethics, etc.

However international donors and especially the European Union made quite a lot of incentives in order to develop administrative systems to the direction of recent paradigm of provision of public functions. Initiatives of traditional reforms and new managerial reforms are mixed gradually. In this step-by-step process management efforts began to strengthen. This process can be measured in two ways in this paper. Firstly, content of government resolutions on reform is overviewed. Secondly, measures of local governments are good to characterize in the administrative practice. In the case of Hungary a speciality is that traditional institutional reforms must be passed by the Parliament only with two-third majority. Because lack of this consensus in most of the electoral terms national governments tried to compensate themselves with managerial changes in the field of operational reforms.

⁵ HORVÁTH, *Decentralization: Experiments and Reforms, op. cit.; Stabilization of Local Governments. Local Governments in Central and Eastern Europe. Volume 2.*, ed. Emilia KANDEVA, Budapest, Local Government and Public Service Reform Initiative, Open Society Institute, 2001; (2001) *Developing New Rules in the Old Environment. Local Governments in Eastern Europe, in the Caucasus and Central Asia. Volume 3.*, Igor MUNTEANU, Victor POPA, Budapest, Local Government and Public Service Reform Initiative, Open Society Institute, 2001.

⁶ M. LAVIGNE, *The Economics of Transition: From Socialist Economy to Market Economy*, Basingstoke, Palgrave Macmillan 1999; ÁGH A., FERENCZ A., MOCSÁRI, J., *Public Policy-Making in the EU after Enlargement*, Budapest, 'together for Europe Research Centre and Foundation', 2007.

⁷ Agnieszka PAWLOWSKA, Katarzyna RADZIK, *Institutional Models of Local Leadership – Comparative Analysis*, International Journal of Public Administration in Central and Eastern Europe 2 (2007), 45)

3.1 Content of resolutions on administrative reforms

The government made 36 resolutions on reform or modernization in Hungary between the years of 1990-2004.⁸ According to a primary analysis⁹ the most often focused issues are as follows:

- reform of local and regional branches of public administration
- deregulation
- preparation of reform on state budget
- information technology in public administration
- development of personnel
- unification and simplification of administrative processes in individual administrative matters

In this list of tasks new forms of instruments (like IT, deregulation) are mixed with traditional reform initiatives. In the 90-ies other issues are not really focused on new direction of strategies such as New Public Management and further orientation. However, focus and weight of NPM-related instruments is increased gradually. It means, NPM-orientation is simply¹⁰ that rule-based bureaucratic systems are shifted to goal-oriented, flexible structures in public administration, monopoly of career system in public personnel is more and more supplemented by individual contracts based on management requirements, in budget moving from incremental instruments to result oriented arrangements.

Hajnal analyzed¹¹ some of the most important government resolutions from the point of view of representation of NPM characteristics. The results of data basis show the spread of managerial improvement of the public sector at the national level as a policy orientation on development of public administration in Hungary. The content and weight of new measures is presented by the Table 3, Annex. Traditional bureaucratic measurements are existing together with managerial instruments. The most frequent element is linked to enhance of citizen satisfaction, i.e. spreading of citizens' charters, one-stop-shop, questionnaires on administrative quality level, development of front office. Another focus point is to improve quality of regulations, i. e. adding compulsory cost-benefit analyses, revision of implementation, and

⁸ The first comparison was made by Lúczy J. in the Hungarian Institute of Public Administration, Budapest, 2005.

⁹ SIVÁK J., *Hehybenjárás vagy lépésváltás? (Trendek és kényszerek a közigazgatás korszerűsítésében)*, Magyar Közigazgatás 55 (2005/1).

¹⁰ W. JANN, C. REICHARD, *Evaluating best practice in central government modernization* = Evaluation in Public-Sector Reform: Concepts and Practice in International Perspective, ed. H. Wolmann, Cheltenham, Edward Elgar, 2003, 41.

¹¹ HAJNAL Gy., *Country profile – Hungary*, Conference paper, NISPAcee 14th Annual Conference, 11–13 May 2006, Ljubljana, Slovenia, Working Group on Public Sector Quality, 2006.

decrease of ad hoc elements is preparation process, policy orientation. Human relation management is also preferred more and more in personnel management. Performance related salary system, reform of selection process, weakening of fixed career based system is preferred in resolution on reforms.

The survey cited does not refer on implementation of these measures. The direct experience that is very contradictory. Firstly, these are not really implemented. Then the individual measures are dropped in an absolutely indifferent environment, so effects were very invisible. However, what is relevant in the context of this presentation that a symbolic content of changes is quite characteristic. It emphasizes weights of government policies.

3.2 Initiatives of local governments on reforms

Another empirical study¹² is about frequency of NPM practice in Hungarian municipalities. The Hungarian system of local governments is very fragmented. The largest municipality is the capital, Budapest, 1.7 million inhabitants. The least ones have no more than 50 (!). So, the public is very different in different places.

The Table 3, Annex lists the most popular techniques adapted local governments as managerial tools. Mayors have been asked in a representative sample about practicing of different managerial tools. Issues were selected as follows from the most popular to lesser ones:

- E-government
- Organization analysis
- BPR (business process reengineering)
- Impact analysis
- ISO
- IT (bureau without paper)
- Program budgeting
- CAF

The practice of these managerial instruments is relatively wide. Local governments have different sources of applications to strengthen abilities in order to modernize their administration. Many times their ability is applicable in different networks with European countries. These kinds of incentives are

¹² HAJNAL Gy., *Az önkormányzati működés korszerűsítésének irányai és lehetőségei*, Kutatási jelentés [Final Report], Magyar Közigazgatási Intézet, Budapest, 2007.

good enough to develop the expected directions. Local governments seem more innovative than the national government in this country.

Naturally, with higher capacities, the options for innovation are better. It also seems from the table, the larger the community the more innovative character is to managerial instruments listed. On the other hand, municipalities with larger capacities have more chance to realize managerial initiatives more consequently.

Practically, the problem of symbolic policy-making and media policy is a real danger even at this level. Mayors and other officials are very prepared to answer by questionnaires to interviewers. However, in the practice, quite a lot of misunderstandings are taken place concerning managerial reforms. Many times only the used words are contemporary, but the practical issues follow a very traditional view in bureaucratic administration.

All-in all municipalities are essential elements and representatives of the changing paradigm of public administration even in at the East-Central European countries.

3.3 Recent trends: new projects

In the ongoing cycle of the EU budget, different programs are working at the country level linked to the modernization of public management systems. One of the most important reforms focuses the state as a whole from budgetary and functional point of views. The second aims the development of E-government. It is based on more than 10 year experiment in legal regulation in this direction. Between 1993 and 2006 at least 13 laws and governmental decrees focused different aspects of informatics in administrative practice in the country.

The third branch of projects is on personnel. These may be the most contradictory ones. Downsizing is linked to the increase of performance just in recent years. Many of experts are ambiguous about it, because symbolic, political elements are mixed with professional arguments. Expectations are quite confused about it.

4. Concluding remarks

From many respects international trends are followed in reforms of public administration. Common characteristic directions are coloured by national specialities. In the most recent decades public managerial tensions seem to base on too fast changes in the Hungarian development and there are similar

circumstances and trends in other East-Central European countries, and similar in other Eastern regions.¹³ New managerial tools and measurements have been introduced to quite an underdeveloped institutional environment. Results and conflicts are arising from the different sides of the same development process of the existing governing practice.

We must note, however that adopting the whole local government system is not globalisation interest, purely the interest of a norm-setting minimum of globalisation. Two further aspects follow: on the one hand maintaining the globalisation interest with respect to territorial local government is only feasible to a certain degree. On the other hand, considering the advantages and funds arising from adopting the model, the will to adopt it is mainly there in the transitional countries, even though their civilisation context would suggest otherwise. Often a sort of “alibi pattern adoption” results from the unique and limited scope of interest. In other words, the adoption is realized to the minimum extent required in exchange for the gained benefits, but the transference does not become systemic. Often it cannot even do so, since global impacts clash with traditional structures in a destructive way.

¹³ HORVÁTH, *Humpty Dumpty...*, *op. cit.*

Annex

Table 2

NPM-related measures in more specific government resolutions on administrative reforms in Hungary

Government resolution	Agencialisisation	Decision oriented technique	Downsize	HRM/incentive mechanisms	Improve/change culture	Non-bureaucratic coordination	Performance measurement	Quality/citizen satisfaction	Regulatory reform	Total: NPM related	Total no. of measures
1026/1992	0	0	0	1	0	0	0	0	3	4	40
1100/1996	0	0	0	2	1	2	0	1	0	6	34
1052/1999	1	4	1	1	1	0	0	3	0	11	34
1057/2001	1	3	1	2	0	0	0	1	4	12	52
1113/2003	1	0	0	0	0	0	0	5	0	6	22
1052/2005	0	0	2	0	0	0	1	3	1	7	12
Total:	3	7	4	5	3	2	1	13	8	46	194

Source: HAJNAL. Gy., *Country profile, op. cit.*

Table 3

NPM-related techniques in local governments in Hungary
(%)

	Settlements as seat of municipalities					Total
	Capital district	Cities with county rights	Over 10,000 inhabitants	2,000 – 10,000 inhabitants	Up to 2,000 inhabitants	
E-government	71	92	38	31	28	18
Organization analysis	59	50	50	32	23	26
BPR	41	33	43	34	18	22
Impact analysis	59	33	36	27	19	22
ISO	82	75	44	22	15	18
IT	41	50	27	17	13	15
Program budgeting	41	25	18	13	10	11
CAF	47	17	24	15	6	9

Source: HAJNAL Gy., *Az önkormányzati működés...*, op. cit., 11.