

## **Re-thinking the Role of the Lower-Middle Level in Hungary**

**- from the Local Government Point of View –**

***Tibor László BUSKÓ***

### ABSTRACT

The subject-matter of the paper is the Hungarian lower middle level associated with the EU's LAU level 1 before 2017. From the 14<sup>th</sup> century until their elimination in 1983, the districts were considered as primordial representatives of the lower middle level in Hungary. After the transition, various local governmental associations tried to plug the vacuum arisen in place of the eliminated districts. In the first decade followed the millennium, legislator made attempts to unify the tasks and competences attached to the lower middle level as well as public administration, territorial development and organisation of local public services. Outcome of those attempts, the system of multi-functional micro-regional associations of local governments (institutionalised by the Act CVII of 2004), can be interpreted as a crucial step toward the harmonization of different micro-regional areas of competence. However, several problems (e. g. territorial aspects of separating state- and local governmental responsibilities) remained unsolved. Although re-establishing the districts from 1 January 2013 resolved a significant proportion of those problems, functions of districts are still confined typically to certain administrative tasks and competences requiring a particular level of expertise.

The paper tries to evaluate actual place and role of the Hungarian lower middle level, drawing projections on its future, too. We are taking the district system as our starting point. It may justifiably be argued that as the primary function of present districts is to perform particular administrative tasks, one of the most important challenges with which districts should be facing in the near future is the transition to the WEB 3 period. Although the districts have achieved significant results from the point of view of making the administrative tasks as user-friendly as possible in recent years, moving into the WEB 3 period, where consumers will be able to arrange a wide range of administrative affairs dominantly via the internet, a decrease in the importance of the district system (e. g. reduction of number of the districts and/or rationalization the tasks and competences performed by those districts) seems inevitable.

We will be carefully analysing the achieved outcomes of the centralization efforts (e.g. the task and competences that were merged from the local governments into the district offices) attached to the creation of the districts in the 2010's. While this process should be estimated negatively from the point of view of the multi-level governance idea, moving into the WEB 3 period can lead to a paradigm shift. Rationalization of the tasks and competences performed by the districts, for example, can help to revitalize the formations similar to the multi-

functional micro-regional associations of local governments marginalized after 1 January 2013, when Act CVII of 2004 ceased to have effect. Specifically, a system of information hubs operated or supported by local governments, in the centers of micro-regions, where people could avail help regarding the electronic solution of their official issues would serve as a base of a re-estimated lower middle level. It has to be understood that to the re-revitalization of these formations, the willingness of the state is necessary. However, and in a broader policy aspect, we will argue for that creation of such formation can potentially be in the interest of the Hungarian neo-Weberian state aiming to meet citizens' needs and wants (and ultimately, downsizing administration to a smaller, more human scale).

KEY-WORDS:

lower middle (administrative) level, local governments, Hungary

## 1 Introduction

The subject matter of this paper is the so called lower- middle level of administration, which - following a simplification - I placed in the dimension of the local equivalents of the European Union's LAU (*local administrative units*) level 1, used before 2017.<sup>1</sup> The term of district, i.e. the Hungarian equivalent of lower-middle administrative level is quite controversial. On one hand, its use is going back to a long time: Historical researches found evidence of so called iudex nobilium districts from as early as the 15<sup>th</sup> century.(Csité – Oláh 2011, 21-24.) On the other hand, in a geographical sense, these districts did not constitute to solid regional units. As Bálint Csátári put it: „*Their boundaries, their seat, and the roles, number and importance of district-level administration or supply institutes have been often changing* ” (Csátári 1995, 11.) To understand current problems, it's vital that I shed some light on how their real career started. They were launched in the socialist era, when districts - to be construed until then as areas of jurisdiction of 'on-site' county organs - were established as full-fledged administration levels on par with counties or cities/towns. This change, resulting in a three-level administration was introduced by Act XX of 1949 (The Constitution of the Hungarian People's Republic) and Act I of 1950 (the first act of the Council). However, bestowing such powers upon districts was based on specific political circumstances: they were meant to facilitate control over agricultural activities, including the collectivization process, which was considered strategically important at the time. Since in smaller villages, no adequate/reliable party officials were available, the governing (and only) party intended to rely on this administration level in realizing its goals. As a result, the “three-level administration” could not survive completion of the collectivization process, or the disruption of the strictly centralized plan- and instruction-based regime. Therefore, dissolution of districts or merging them with other districts started as early as in the 1950s. Finally, Act I of 1971 (third act of the Council) ultimately sped up the process. Pursuant to the legislation, to ensure gradual loss of power, district councils were first replaced by so called district offices, and as of 1 January 1984, the last districts were dissolved. They were replaced by so called city environs administrations. This change was introduced to enhance cost-efficiency, i.e. the government intended to improve efficiency of territorial administration by allocating former district-level tasks to central cities and the associated specialized administration bodies. Another issue is that in the late Kádár-era, these concepts meant to improve cost-efficiency proved insufficient to offset the trend of cutbacks in central grants, and increasing '*competition for the development source*'. (Vági 1982.) resulted in sharp conflicts between city environs centers and the councils in their catchment areas, even despite of the fact that by creating so called city environs funds, the central city, as a net contributor, tried to prevent further increase of inequalities by adding its own humble offerings. (Pfeil 2003, 53.)

---

<sup>1</sup> As of 2017, EUROSTAT disbanded the levels LAU 1 and LAU 2, and implemented a unified LAU classification. In Hungary, just like the majority of EU member states, the new LAU levels implemented in 2017 are equivalent to the former LAU 1 levels (3156 towns/villages, i.e. town level) (Source: EUROSTAT)

Following the regime change, for a short time, it seemed that the lower-middle administration levels could be forced to the periphery. Triggered by the unpleasant memory of the city environs administrations and the lobby of local influencers, Act LXV of 1990 on Local Governments (Local Government Act 1990) implemented a local government structure that was not only decentralized (one town - one local government), but also, allocated the majority of local-level tasks and authorizations to municipalities. However, it didn't take long to become apparent that local governments don't have adequate resources to perform these tasks or live up to their authorizations. In the current era, a trend of decreasing central grants is present,<sup>2</sup> and only a few local governments were lucky enough to have sufficient income to fund the adequate performance of such tasks. Accordingly, revitalization of the lower-middle administrative level became inevitable in the early 1990s, though the diversity of local-level tasks and authorizations, and the conflicts of interests between individual municipalities or the municipality level and the government almost made it impossible to institutionalize a nationwide, unified and overlap-free lower-middle administrative level.

As of the local level of *public administration*, Local Government Act 1990 imposed heavy burdens on mayor's offices operating under individual local governments, and on district notary offices alike. Local Government Act 1990 only provided recommendations for villages with less than 1000 residents of establishing district notary offices. As the unpleasant memories of joint town councils from the communist era still lived on, district notary offices were scarce, even in regions with the most fragmented village-structures. Characteristically, the slight number of district notary offices or the number of participating villages decreased further (1991: 529 and 1535), and this trend only reversed in 1997/98 (1997/98: 492→505; and 1360→1391). (Szigeti 2009, 8.)

Due to the urgent nature of public utility investments in the years after the regime change, and due to the fact that individual institutes providing some local public services could only be operated jointly, the necessity of local-level collaboration in the *organization of local public services* and *territorial development* was recognized fairly early on. The first local government associations were created in the early 1990s, and the institutionalization of domestic territorial development, i.e. promulgation of Act XXI of 1996 on Territorial Development and Spatial Planning (Territorial Development Act) and appearance of decentralized financial aids promoted the generalization of more complex territorial development associations. Subsequently, reinforcement of the lower-middle administrative level was mostly hindered by the conflicts of interests between the municipality level and the government. Namely, the government insisted to the idea of a nationwide, unified and overlap-free lower-middle administration level, while at local level, the complicated system of local interests and conflicts prevailed. The issue of how to force constitutionally autonomous town local governments into a unified system was finally resolved by Section 1 (2) of Act CVII of 2004 on Multipurpose Micro-Regional Associations by replacing duress with indirect incentives (various statutory grants) for municipalities willing to integrate into the centrally defined and limited lower-middle administrative level (into the system of 'multipurpose micro-regional associations'). The minimum requirements of integration were the commitment for the joint performance of tasks related to education, social- and healthcare, and territorial development. While, as of the local level of public administration, Section 1 (2) of Government Decree No. 244/2003. (XII. 18.) set out that

---

<sup>2</sup> As an indication of this, legislators in 1990 left 100% of personal income tax paid by locals with the local government, in 1991, only 50% remained with them, and by 2010, this number decreased to 40%. Moreover, only 8% remained with the respective local government, the other 32% were re-distributed to various local governments in line with normative indicators. (Source: Kovács 1991, 34. and Lentner 2019, 25.)

*'the area of jurisdiction of the organ performing public administration authority tasks may only differ from the area of the respective micro-region, if the characteristics associated with the performance of the tasks and exercising of the respective authority justify for such difference'.* After a short detour, the unified middle-lower administration level was apparently restored in Hungary.

However, when the FIDESZ-KDNP coalition gained the upper hand in 2010, they started a centralization process, which fundamentally changed the role of the lower-middle administrative level in the Hungarian administration system. The amendment of the Territorial Development Act (Act CXCVIII of 2011) dissolved the micro-regional development councils, transferring lower-middle administrative level territorial development tasks to the county local governments. Though, for the *organization of local public services*, possibilities to perform tasks associated with the lower-middle level continue to exist, upon repealing of act CVII of 2004 on 1 January 2013 and the following cessation of micro-regional statutory grants, multifunctional micro-regional associations practically fell apart. However, the most significant change took place at the local level of *public administration*. Act XCIII of 2012 on the Establishment of Districts and the Amendment of the Associated Statutes primarily re-grouped local level public administration tasks to newly established district offices, that were formerly done by local governments, primarily by notaries, who were local government employees and independent local public administration organs with general authorities at the same time. To summarize the post-2010 trends in one sentence, existence of a unified lower-middle administrative level had been questioned, if not denied. Below, I'll attempt to define the present of the lower-middle administrative level in an era when the unique answers given to special challenges will dominate even the administration.

## **2 Methodology**

Based on the circumstances outlined in the introduction, I'll develop an approach of the term lower-middle administrative level, which, instead of an exclusive lower-middle administrative level (e.g. lower-middle level = a specific district distribution), is flexible enough to facilitate solution of today's special challenges. I based my attempts on the fact that the characteristics of Hungarian lower-middle administrative levels had been defined by districts, which - despite of being unstable - increasingly took up behaviors of self-evident units of administrative spatial planning. To paraphrase the most important conclusion of Paul David's classic study,<sup>3</sup> I could say that it is about a special case of path dependency, as traditional districts encompassing areas located about one day's walk (about 15-20 km) could have been allocated in a more favorable way in the present era. Indeed: in the 20<sup>th</sup> century, an increasing divergence is present between the practice of Hungarian lower-middle administrative level spatial planning, and the associated scientific reflexions. It's worth quoting one of the classics of the Hungarian administration science, István Bibó, in a paper originally published in 1975 points out that the district system was launched with 140 districts in 1950, and though this number had gradually decreased, at that time, professional discourse still considered the 80-90 larger district regions or city environs as the natural elements of

---

<sup>3</sup> David 1985, in researching the causes of the company Remington's commercial success, argues that, as certain random events in the past can fundamentally affect current courses of events, sometimes we have to accept that only history can explain a current situation. However, I have to add that due to a general resistance to change in the society, adjustment of such eventualities may prove to be a difficult task.

the lower-middle administrative level. *‘This number of 80-90 will occasionally recur in our discourse of spatial planning. In one of the closing chapters of his book entitled ‘The Hungarian City’, Ferenc Erdei assumes about 80 centers, and (...) Károly Eszláry, who introduced three alternatives for administrative spatial planning (large county- middle-sized county- and small county systems) in the City Journal in 1947, divided the country to almost the same number of basic elements in all versions: large counties encompassed 87 districts, middle-sized counties had 93 districts, while in the small county system, the country was divided into 90 small county. This author published another writing entitled ‘Development of Hungary’s City Network’ in 1949, wherein, based in Ferenc Erdei’s theories, he counted with 98 city environs.’* (Bibó 1990, III-214.) The reason why this is remarkable is that, despite of the fact that the number of Hungarian cities with a lower-middle level catchment area is well below 140, the mainstream middle level spatial planning kept in insisting on similar numbers even after the regime change. The number of statistical micro-regions created by Hungarian Central Statistical Office in 1992-1993<sup>4</sup> (138) only slightly differs from that of the system in 1950. Moreover, most probably due to local level political bargains, the number of micro-regions defined this way continuously increased.<sup>5</sup> Upon the implementation of the district system on 1 January 2013, even though the centers/limits of districts differ from that of the statistical micro-regions here and there, legislators did not intend to intervene in the structure of the lower-middle administrative level. More or less corresponding with the number of dissolved statistical micro-regions, 175 districts were established. Apart from the dissolution of Polgárdi district, this number is still unchanged (presently, the lower-middle administrative level in Hungary consists of 174 districts + 23 capital city districts).

Since, ideally, a lower-middle level administrative unit is identical to a real (functional) city and its catchment area (city district), on the occasion of clarifying the number of districts, asking the question *‘How many cities are there in Hungary?’* is inevitable. Pertinent professional discourse polemics generally start from the very fact that the large number of cities that only became cities for political reasons after the regime change resulted in an extremely fragmented “hardly-city” structure (Murányi 2011), presently with 346 cities. (KSH) In a study in 2006, Pál Beluszky and Róbert Győri concluded that out of the 289 cities at the time, 210 function as a city to an extent, and if we deduct the further 122 cities with ‘incomplete city functions’, we’ll get close to the number of 80-90, the number of larger district regions or city environs mentioned by István Bibó. In a parallel paper, Géza Salamin et al. estimated only 57 actual cities with real city functions. (Salamin – Radvánszky – Nagy 2008.) However, Imre Körmendy points out that the latter authors define functional city in a way that it meets the requirement of another practice, namely the minimum of 20 thousand residents under the UN’s Demographic Yearbook. (Körmendy 2018.) But, my mission is not to condition the number or definition of our lower-middle level administrative units to István Bibó’s approach or to the UN guidelines, I much rather need to find out how we should handle the meaning of contents associated with the lower-middle administrative level.

---

<sup>4</sup> Notice No. 9006/1994 (s.k.3) of the President of the Hungarian Central Statistical Office on the Delimitation of Statistical Micro-Regions

<sup>5</sup> The number of statistical micro-regions created in 1994 was first changed by the Notice No. 9002/1998 (s.k.1) of the President of the Hungarian Central Statistical Office to 150. For the second time, Government Decree No. 244/2003 (XII.18) increased it to 168, for the third time, Act CVII of 2007 increased it further to 174, and finally, with Act CXLIX of 2010, we arrived at the present 175 micro-regions in 2011.

To arrive at the contextualized definition of the lower-middle administrative level, we need to understand the concept of the neo-Weberian state. It's a well-known fact that the dominance of the market-friendly approach attributable to the New Public Management was replaced upon the recession in 2008 by the concept of the neo-Weberian state, promoting a strong state engagement. Christopher Pollitt, though admits that in a neo-Weberian state, strengthening the state's dominance can even be regarded as a traditional Weberian element, but the external orientation replacing internal orientation and focusing on bureaucratic rules, along with the consideration of citizen's needs and wants clearly indicates a 'neo'-or innovative version of the concept. (Pollitt 2007, 21.) These parallel lines are also present in the state concept of the FIDESZ-KDNP coalition in power since 2010. To focus only on the creation of the districts mostly associated with the lower-middle administrative level: though establishment of the districts (or allocating tasks formerly done by municipalities or notaries to the district offices) may be evaluated as a clear sign of a Weberian centralization, but this would make us forget that this doesn't only (or primarily) serve the concentration of powers to the state, but also, consideration of citizens' needs and wants in running administrative errands. This is clearly evidenced by the institutionalization of the government customer service offices, facilitating a one-stop-shop style customer service. Though the first government customer service offices were brought to existence before the district reform (they are present since 2011), they became the determining elements of the administration reform at the time when districts were established.<sup>6</sup> And though, at first glance, defining government customer service offices as the organs of the district office would reinforce the dominance of the district within the lower-middle administrative level, we'll see that the neo-Weberian postulate of 'meeting citizens' needs and wants' still can override efforts aimed at reinforcing districts at all costs and at centralization at the same time.

This means that districts have clearly shifted the focus of local level public administration tasks to the lower-middle administrative level. However, in terms of territorial development and organization of local public services, the lower-middle administrative level can be much rather characterized by the void created by the dissolution of multifunctional micro-regional associations. Nevertheless, this current void can also reveal that these tasks would be better placed at the lower-middle administrative level, and not - as is presently the case - at the county local governments or municipalities.

To summarize the most important conclusions of the above methodological reasoning:

a) It's a mistake to identify the lower-middle administrative level with *one single* geographical delimitation. And should a demand for such delimitation appear, be it about the practice of Hungarian lower-middle administrative level spatial planning, or about one of the pertinent scientific opinions, we may presume that the underlying cause is lack of critical analysis of "path dependency".

b) In line with one of the fundamental postulates of the concept of the neo-Weberian state, we also accept aiming to meet citizens' needs and wants as practical. And, as the final decision in such matters lies with the citizens

---

<sup>6</sup> Pursuant to Section 1 (1) of the no longer effective Government Decree No. 515/2013. (XII. 30.), '*Capital City- and county Government Offices (...) shall operate an integrated customer service (hereinafter: Government customer service office) in the district (capital city district) offices*'. On the other hand, based on Section 3 (1) of the currently operational Government Decree No. 86/2019. (IV. 23.) on Capital City- and County Government Offices and District (Capital City District) Offices, government customer service offices are even more closely linked to the even stronger district (capital city district) offices. The legislation mentions government customer service offices and document offices '*operated by the district office*'.

themselves, we cannot deny increasing focus on customers in terms of spatial use or territorial levels within the lower-middle administrative level.

The short empirical research below will give an insight in an even more customer-focused pattern at lower-middle administrative levels. As a starting point, I use the fact that at the lower-middle administrative level, the objectives of transformation of the Hungarian administration after 2010 are primarily manifesting in the establishment of districts/government customer services. Therefore, based on the publicly accessible data of the Hungarian Central Statistical Office and the district-level/town-level data of [kormanyablak.hu](http://kormanyablak.hu), I'll outline a few simple correlations that may indicate a possible development direction for the middle-lower administration level.

### 3 Reporting Results

My empirical research is aimed at highlighting a few characteristics of the lower-middle administrative level after 2010 and a possible direction for future development at the same time. Perhaps the most important feature I'd like to point out is that the existence of a unified lower-middle administrative level is questionable. In the light of the multipurpose micro-regional associations' losing their weight, this becomes clear. I must add, even the most important results of the reforms of 2010, i.e. the district system appears to be fragmenting further. Within the territories of the present 174 districts and the 23 capital city districts, currently 304 government customer service offices are in operation. ([kormanyablak.hu](http://kormanyablak.hu)) Though with slightly uneven distribution, this yields 1.54 government customer service offices for each district/capital city district, loosening the unified district-system further by creating a so called 'government customer service catchment areas'.<sup>7</sup> Below, I will argue that such fragmentation of district levels is not only an indication, but also, it may be used to establish the future development course for the lower-middle administrative level.

Let's start out from a peculiar contradiction. On one hand, legislators obviously created government customer service offices to facilitate an easy procedure for private individuals' official matters. On the other hand, apparently, the majority of cases formerly requiring personal presence will be replaced by using various communication means or e-government technology. To support the second notion, in an extreme case, we could get to the point where, in the imminent era of WEB 3.0 (to simplify: the most advanced, most intelligent and customized web technologies) (Mitra 2014), the existence of districts becomes simply unnecessary, as people will be able to run their official errands (and not only the ones related to administration) online, even from the smallest village. But, for the time being, we don't have to go this far: it's enough to presume that with the e-government technologies gaining traction, (which is forecasted for the near future), personal presence in the government customer service offices may get scarcer, which can lead to the cutback in the number of government customer service offices operated by the district office, or even to a decrease in the number of the districts themselves.

---

<sup>7</sup> The expression 'catchment area' is between quotation marks for a reason. Namely, integrated customer services are precisely based on the notion of facilitating the running official errands for everyone, in any of the customer service offices. Of course, one's rational choice is the closest or the most easily accessible office. This rules out the official existence of government customer service's areas of jurisdiction, yet based on the customary use of territories, a structure defining a new elements of lower-middle administrative level could be set up. These elements would be smaller than districts, and in a sense, they would mean a competition for the former.



Considering this, a hypothesis can be established, according to which, within the territory of districts with more advanced Internet coverage, more people are already able to run their official errands electronically than by personally reporting to the government customer service offices. And, if this finding is valid, in a rational area distribution / spatial planning system, districts with more advanced Internet coverage will need less government customer service offices than the ones with lower levels of Internet coverage. As you'll read below, I attempted to find correlation between the two indicators, but, considering the differences of the characteristics of each region, I conducted the analysis separately for the districts of the 7 planning-statistical NUTS 2 regions.<sup>8</sup> Based on the above, *Internet penetration* (the percentage of Internet subscriptions within the permanent residents of the subject districts) and *availability of government customer service offices* (the percentage of residents of the municipalities with a government customer service office within the permanent residents of the subject districts), I received the following correlation for 2018:

#### 1. TABLE

Correlations of Internet penetration and availability of government customer service offices  
in Hungarian NUTS 2 regions, broken down by districts (2018)

|                       | Percentage of Internet subscriptions within the permanent residents of the subject district | Percentage of residents of municipalities with a government customer service office within the permanent residents of the subject district | correlation (r) |
|-----------------------|---|--|-----------------|
| Southern Transdanubia | 28.3  | 55.5   | 0.79            |
| Western Transdanubia  | 31.1  | 55.4   | 0.77            |
| Middle Transdanubia   | 31.1  | 57.3   | 0.72            |
| Northern Great Plain  | 25.4  | 58.9   | 0.65            |
| Southern Great Plain  | 28.8  | 67.7   | 0.6             |
| Northern Hungary      | 26.6  | 49.0   | 0.55            |
| Mid-Hungary           | 38.1  | 58.9   | 0.31            |

(Source: KSH)

This table shows that in Hungary, unlike as expected, at this time, residents of municipalities of districts with better Internet penetration can also avail more government customer service offices than residents of districts with lower Internet penetration, making personal reporting to government customer services more difficult in the latter districts. To provide more details: based on the findings of my empirical analysis, in the majority of the NUTS 2 regions in question, a high (Pearson's) positive correlation (distinct association) or medium positive

<sup>8</sup> Individually: Western- Transdanubia (Győr-Moson-Sopron, Vas and Zala counties), Middle Transdanubia (Fejér, Komárom and Vas megye counties), South Transdanubia (Baranya, Somogy and Tolna counties), Middle Hungary (Budapest and Pest county), Northern Hungary (Borsod-Abaúj-Zemplén, Heves and Nógrád counties), Northern Plain (Hajdú-Bihar, Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg counties), and the Southern Plain (Bács-Kiskun, Békés and Csongrád counties).

correlation (significant association) is present between the variables of Internet penetration and availability of government customer service offices.<sup>9</sup> The only exception is the Mid-Hungarian region encompassing Budapest Capital City and the adjacent agglomeration, where the Pearson's correlation value of 0.31 suggests a weak, yet stable correlation. In this latter region, the percentage of Internet subscriptions was by far the highest in the country in 2018 (38.1). However, in terms of availability of government customer service offices, no similar dominance is present in this Mid-Hungarian region. Moreover, this region is clearly inferior to the Southern Great Plain region in this sense, while the Northern Great Plain region shows a similar value. In the light of the fact that in Budapest, a city with 56.4% of the population of the Mid-Hungarian region,<sup>10</sup> not only Internet penetration values were the highest, but also, the availability of government customer service offices was a 100%, this is even more remarkable.<sup>11</sup> The smaller anomaly is mainly attributable to the fact that though in some municipalities of Budapest's agglomeration, population significantly increased after the regime change, legislators still concluded that there is no need to facilitate local outlets for private individual's official errands in these 'sleeping towns'. The underlying assumption was that the majority of residents are commuting to Budapest in the first place, and for the rest of the population, traveling to Budapest is not very cumbersome, either. The result of this reasoning is perhaps demonstrated best by the example of Dunakeszi district. This district, though it has 86,992 residents (its seat of the similar name has 43,813 residents, earning it the second place after Érd city with county rights with 69,014 residents in the agglomeration, it is the only one with no government customer service office at all.

On the same token, the unavailability of government customer service offices in Dunakeszi district or Dunakeszi city is most probably caused by other contingencies outside of the scope of this paper, and not by an intentional concept. It is also clear that, except for the Mid-Hungarian region, Internet penetration – and the closely associated general socio-economic development level – and availability of government customer service offices are positively correlated. Theoretically, this anomaly could be decreased by opening new government customer service offices. The unlimited possibilities of such efforts are demonstrated by the example of Óriszentpéter, our village with the smallest number of residents (1166) with a government customer service office, operating an integrated customer service despite of the fact that it's not even a district seat.<sup>12</sup> However, opening up such number of government customer service offices would not be feasible, as maintenance of the present system already imposes a heavy burden on the state.<sup>13</sup> In the following, summarizing chapter, I am proposing another solution also affecting municipalities. It is aimed to reinvent the role and functions of the middle-lower administrative level to address the challenges of our present era.

---

<sup>9</sup> Analysis of the findings is based on Joy P. Guilford's approach (Guilford 1942).

<sup>10</sup> In Budapest, the percentage of Internet penetration is 45.1, while, in the district of Debrecen in the second place, it is only 40.7.

<sup>11</sup> Of course, the 100% availability of government customer service offices in Budapest is not to be construed as the operation of one government customer service office for the entire city, but that in all of the 23 districts of the capital city, the option of personal reporting to a government customer service office is available.

<sup>12</sup> Namely, Körmeny city (with 11,095 residents) forms part of Körmeny district.

<sup>13</sup> Most probably due to the permanent lack of personnel and underpaid civil servants, the government customer service office formerly open between 08:00 AM and 08:00 PM on all working days, (source: Fibinger – dr. Kádár – Kovács – Magyar 2017, 5.), is now operating full-time on Wednesdays only, significantly restricting the opportunities for personal business.

## 4 Conclusion

As I mentioned above, Local Government Act 1990 implemented a quite fragmented local government structure, though the multipurpose micro-regional associations institutionalized by Act CVII of 2004 could open up a good opportunity to expand local level synergies. Unfortunately, by the early 2010s it became obvious that nurturing a lower-middle administrative level with these features is not in the interests of our neo-Weberian state. Furthermore, the system of multipurpose micro-regional associations had a substantial, inherent defect: practically, instead of being organized from bottom up, they were defined and limited from above, and kept together by indirect instructions from above, as opposed to mutual recognition and management of interests. As a result, after the statutory grants were cut in 2013, these organizations fell apart perhaps too easily, and, considering the increasingly limited possibilities of the local level, without justification. The author of this writing opines that the near future should bring a simplifying process based on the mutual recognition of interests, the same way as it happened after the regime change: individual local governments weak in themselves should keep together again, supported by the above pillars of the lower-middle level. In more detail:

a) As a result of my empirical research, it became clear that problems arising on the local level of *public administration* could not be adequately solved by the district system or government customer service offices. Transition into the WEB 3.0 era will be long and cumbersome in Hungarian regions of lower socio-economic development levels, and government customer service offices are already lacking personnel to fulfill their intended function (to facilitate running of official errands after work in person). The currently prevailing way of solution, namely mobile government customer service offices appearing from time to time in smaller villages would most probably burden the system further, and would not facilitate the permanent solution, i.e. gradual transition into the use of the technologies offered by the WEB 3.0 era. A system of information hubs operated or supported by local governments,<sup>14</sup> for example in the centers of micro-regions, where people could avail help regarding the electronic solution of their official issues would potentially solve the problem. This would promote getting acquainted with and embracing the technologies offered by the WEB 3.0 era, and it would channel people away from district level offices meant to serve more important cases requiring personal presence. On the longer term, this could even result in a decrease in the number of today's districts, possibly to the number of 80-90 mentioned by István Bibó and recurring in the professional discourse.

b) The role of local governments cannot be left out in terms of the *territorial development* tasks associated with the lower-middle administrative level either. Though current legislation requires *all* municipality to follow an independent town development policy (e.g. to draft the strategic document of the town development concept independently), this cannot mean negligence of territorial development tasks going beyond local level (to paraphrase: tasks of the lower-middle administrative level). Government Decree No. 314/2012. (XI. 8.) on City Development Concepts, Integrated City Development Strategies and Urban Planning Means, and Individual Specific Legal Institutions Associated with Urban Planning for example clearly sets forth that urban development concepts for cities with city rights shall contain a vision regarding the city's role played in the region, which makes joint review and planning of territorial development problems affecting the city and its catchment area alike inevitable.

---

<sup>14</sup> For example, built on the basis of the 'telehouse' initiation

c) Finally, to dedicate a few words to the problems of *organization of local public services*. In this respect, it's obvious that collaboration on the lower-middle administrative level is essential, as Section 11 (2) of the Act CLXXXIX. of 2011 on Hungary's Local Governments (Local Government Act 2011) dissecting 'unnecessary yet required' tasks clearly sets out that *'the statute shall differentiate when establishing the mandatory tasks and scope of authorities'*. Thus, joint maintenance of the associates tasks and different institutes in an association under the auspices of a gestor municipality is still a working practice today. Re-institutionalization of bottom-up associations of the lower-middle administrative level (under the old name of multipurpose micro-regional association or a new, different name) could facilitate a more rational and clear operation of these associations.

Finally, allow me to make a few remarks. On one hand, I'd reflect on the possible question of the geographical scale of these associations operating below district level, primarily supplementing/relieving them, instead of competing with them. Our cities with city rights, as micro-region centers could provide an adequate starting point in this regard. However, it has to be understood that to the re-institutionalization of these lower-middle level administrative units, the willingness of the state is necessary. Due to the decrease in the number of districts forecasted for the WEB 3.0 era, creation of such associations can potentially be in the interest of the neo-Weberian state aiming to meet citizens' needs and wants (and ultimately, downsizing administration to a smaller, more human scale).

## REFERENCES

- Beluszky, Pál and Györi Róbert. 2006. Ez a falu város! (Avagy a városi rang adományozásának gyakorlata és következményei 1990 után). (= This village is a city. Practice and consequences of the donation of city-rank after 1990) *Tér és Társadalom*. 2: 65-81.
- Bibó, István. 1990. Közigazgatási területrendezés és az 1971. évi településhálózat-fejlesztési koncepció. (=Administrative spatial regulation and the National Settlement-network Development Concept was created by 1971) In *Bibó István: Válogatott tanulmányok I-IV.*, edited by Tibor Huszár. Budapest: Magvető Kiadó. III - 143-276.
- Csatári, Bálint. 1995.: A kistérség fogalma. (= The concept of the sub-region) In *Kistérségekről kistérségeknek.*, edited by Csefkó, Ferenc. Budapest: *Dunaholding City Menedzser Kft.* 11-15.
- Csité, András and Oláh, Miklós 2011. „Kormányozni lehet ugyan távolról, de igazgatni csak közelről lehet jól...”. (=”It is possible to govern at a distance, but to administrate – only from near”) Budapest: HÉTFA Elemző Központ. 113-171.
- David, Paul A. 1985.: Cilo and the Economics of QWERTY. *The American Economic Review*, 2.:332-337.
- Fibinger, Anita, Dr. Kádár Krisztián, Kovács Péter and Magyar András. 2017. *Ügyfélszolgálat a közigazgatásban. Speciális jelentés 2017.* (=Helpdesk in public administration. Special report 2017.) Budapest: Nemzeti Közszolgálati Egyetem. [https://joallamjelentes.uni-nke.hu/SpecJelentesek/%C3%9Cgyf%C3%A9kiszolg%C3%A1ll%C3%A1s%20a%20k%C3%B6zigazgat%C3%A1sban\\_2017.pdf](https://joallamjelentes.uni-nke.hu/SpecJelentesek/%C3%9Cgyf%C3%A9kiszolg%C3%A1ll%C3%A1s%20a%20k%C3%B6zigazgat%C3%A1sban_2017.pdf) (accessed February 29, 2020.)
- Guilford, Joy P. 1942. *Fundamental statistics in psychology and education*. New York: McGraw-Hill.
- Kovács, Csaba. 1991. A személyi jövedelemadó rendszer térbeli vonatkozásai. (=Spatial aspects of the personal income tax) *Tér és Társadalom*. 1: 23-40.
- Körmendy, Imre. 2018. *Városok Magyarországon (és Európában)*. (=Cities in Hungary (and in Europe)) <https://epiteszforum.hu/varosok-magyarorszag-es-europaban#a14>. (Accessed February 13, 2020).
- Lentner, Csaba. 2019. *Önkormányzati pénz- és vagyongazdálkodás*. (=Municipal financial and asset management) Budapest: Dialóg-Campus Kiadó.
- Mitra, Sramana. 2014. *From e-commerce to Web 3.0: Entrepreneur Journey*. Kindle Edition.
- Murányi, Péter. 2011. "Aligvárosok" és törpefalvak. A város-falu viszony újragondolása. (=“Hardly-cities’ and micro-villages. Re-thinking the relation between the city and the village.) *Pro Publico Bono* 1:1-16.
- Pfeil, Edit. 2003. *Önkormányzati integráció és helyi közigazgatás*. (=Municipal integration and local public administration) Budapest-Pécs: Dialóg-Campus Kiadó.
- Pollitt, Christopher. 2007: Convergence or Divergence: What has been happening in Europe? In *New Public Management in Europe. Adaptation and Alternatives*, edited by Christopher Pollitt, Sandra van Thiel and Vincent Homburg. New York: Palgrave Macmillan Publishing. 10-25.
- Salamin, Géza, Radvánszky Ádám and Nagy András. 2008. A magyar településhálózat helyzete. (=Actual situation of the Hungarian settlement-network) *Falu-Város-Régió* 3: 6-25.
- Szigeti, Jenő. 2009. *A körjegyzőségi rendszer térszerkezeti jellemzői*. (=Spatial characteristics of the district notary system) Budapest: ECOSTAT [http://kozigkut.uw.hu/doc/szigeti\\_09okt.pdf](http://kozigkut.uw.hu/doc/szigeti_09okt.pdf). (Accessed February 7, 2020.)
- Vági, Gábor. 1982. *Versengés a fejlesztési forrásokért*. (=Competition for the sources of development) Budapest: Közgazdasági és Jogi Könyvkiadó.

## SOURCES

Act XX. of 1949. on the The Constitution of the Hungarian People's Republic

Act I. of 1950. on the Councils

Act I of 1971 on the Councils

Notice No. 9006/1994 (s.k.3) of the President of the Hungarian Central Statistical Office on the Delimitation of Statistical Micro-Regions 1996. évi XXI. tv.

Act CVII of 2004 on Multipurpose Micro-Regional Associations 244/2003. (XII. 18..) Korm. Sz. Rendelet

Act CXCVIII. of 2011 on the Hungarian Local Governments

Government Decree No. 515/2013. (XII. 30.) on the *integrated customer services*

Act XCIII of 2012 on the Establishment of Districts and the Amendment of the Associated Statutes

Government Decree No. 314/2012. (XI. 8.) on City Development Concepts, Integrated City Development Strategies and Urban Planning Means, and Individual Specific Legal Institutions Associated with Urban Planning

Government Decree No. 86/2019. (IV. 23.) on Capital City- and County Government Offices and District (Capital City District) Offices

Information data base of the Hingartian Central Statistic Office (KSH). Source: <http://statinfo.ksh.hu/Statinfo/themeSelector.jsp?lang=hu> Accessed: February 4, 2020) (=KSH)

Local Administrative Units (LAU). In: EUROSAT. Your key of European Statistics. Souce: <https://ec.europa.eu/eurostat/web/nuts/local-administrative-units> (Accessed:: February 4, 2020) (=EUROSTAT)

Integrated customer service sin Hungary. Source: <http://kormanyablak.hu/hu> (Accessed:: February 4, 2020) (=kormanyablak.hu)