NEW TRENDS IN THE TERRITORIAL REPRESENTATION OF GOVERNMENTS ON THE RECENT TRANSFORMATION OF HUNGARIAN TERRITORIAL STATE ADMINISTRATION

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ABSTRACT: The topic of this study is the assessment of the recent developments in the territorial (“intermediate”) institutional system of Hungarian public administration, the main embodiment of governmental authority in the realm of territorial public administration. In the following pages, I embark on to find out whether there exists an international trend in the evolution of state administrative systems, and if it does, how is it related to Hungarian methods and regulations. My conclusion is that while the effective Hungarian regulations tend to be similar to international tendencies in their basics, they are far from being identical. They are rather parallel phenomena: similarly to foreign trends, Hungarian tendencies of development aspire to reimagining the territorial representation of the government; the methods, however, are substantially different. I am fully convinced that besides retaining their classic roles in public administration, the current financial-economic crisis will transform the territorial bodies of government to a strategic agent of local social-economic tendencies.

KEYWORDS: bodies of public administration, territorial state administration, territorial representation of government, territorial government offices, Hungarian County (and Capital) Government Offices

JEL CLASSIFICATION: K23

1. INTRODUCTION

When examining the roles of modern civil democracies we can quickly conclude that the tasks and responsibilities are so diverse and innumerable that it is impossible to realize them with a single, homogeneous administrative body. Although the structure of this apparatus in the countries of Europe has always been influenced by various temporal and geographical agents, we can still divide its manifestations to two large categories: law enforcement (aiming to assert government control even through physical force if

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necessary, its major embodiments being the police and the disaster recovery agencies)\(^2\) and civil public administration (aiming to satisfy public necessities).

Public administration itself is also divided into two subsystems: organizations preoccupied with managing the needs of the local populace and solving local issues are parts of the system of local self-governments; however, institutions which are less bound to any particular region and primarily perform information gathering/processing tasks are parts of state administration.\(^3\)

Without doubt, this categorization is correct: yet, due to its simplicity, it is far from being accurate, as it cannot demonstrate the dynamism of public administration. This dynamism means that the body of public administration is far from being a static system: it is greatly influenced by the major social/economic changes, forcing it time to time to transform and change the proportions of its major subsystems. Such periodical structural changes are readily apparent in the subsystem of state administration, because unlike in the case of local self-governments, changes initiated in public administration are usually carried out via low-level provisions, making them easy to modify.

The centralized and hierarchal organization of state administration was created to enforce governmental decisions in the entirety of a country (immune to local interests).\(^4\) When progressing to the bottom of this hierarchy, the number of organizations is increasing, the reason of which is the age of this hierarchy: this structural solution is dated to a period in the development of European states when the number of public duties increased exponentially.

The various social-economic phenomena (e.g. public health, constructions, industrial/social/agricultural matters, etc.) allotted an increasingly higher number of tasks to the government: eventually, the civil democracies required the establishment of skilled deconcentrated organizations based on the administrative fundaments of earlier absolutist monarchies.\(^5\) These organizations were preoccupied with one particular field (such as public health, social/agricultural/industrial issues, etc.), thus they can be considered specialized bodies.\(^6\)

The institution which fulfills the territorial representation of the government is a member of these deconcentrated/territorial organizations. Such institutions are present in most European states – their inception was due to three different factors:

- There are numerous tasks whose completion affects several branches of public administration, which means that the extensive circle of deconcentrated organizations require integration and central control.
- There are numerous tasks whose completion requires such high-grade competences and legal guarantees that cannot be provided by any branches of public administration. A typical example of this is the legal control over the activities of local self-governments.

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\(^2\) *XLIII. Statue of 2010*; 1. § (5) par.

\(^3\) Moreover, there exists a special circle of organizations within state administration which arose from the hierarchal structure of public administration. This body however will not be discussed in this paper.


\(^6\) HEADY, 182.
Finally, it is necessary to effectuate the predominance of governmental contemplation in the lower levels of public administration as well. It is a requirement for every European government to ensure their regional representation and the enforcement of governmental decisions. The requirements above point out the fact that territorial administration requires an organization which is not specialized to any certain area, but rather holds a general field of authority, and can take on the responsibilities of any administrative area if required. Moreover, if deemed justified, it can fulfill specific tasks as well [e.g. legal control over the activities of local (in Hungary it means municipal and territorial) self-governments, coordination of territorial bodies of state administration, conducting prominent investments and condemnation proceedings, etc.]. As of its status, it is usually not the territorial body of a supreme authority (such as a ministry), but rather a prominent territorial organization of the government itself.

My opinion is that the theoretical framework depicted above has been in transformation for a long time now. Under the stress of the recent mega-crises, we are witnessing the gradual re-evaluation of the state and administrative roles which affect territorial state administration as well. A strong state requires strong public administration, and the inception of a strong administrative system is well underway: the first manifestation of this is the striking transformation of the institutional system providing the territorial representation of the government.  

2. THE EVOLUTION OF THE TERRITORIAL REPRESENTATIVE SYSTEM OF THE GOVERNMENT IN SOME EUROPEAN COUNTRIES

Although the local-level representation of the government is a real necessity in civil democracies, it is not inevitable to establish institutions in the administrative system to facilitate this (Slovenian public administration, for example, does not have such organization). It is also not a rule to select only one organization to fulfill such role – Slovakian administration for example features several such bodies. Where such bodies of government exist, they tend to bear the name of “prefect” (e.g. France, Romania, etc.), “regent” (Voïvode in Poland, Landshövding in Sweden), or “head official” (like in Croatia).  

Considering the fact that the external (social, economic, political, and cultural) environment of public administration strongly influences these authorities, we cannot examine them without criticism. Albeit the names are similar, the functions and legal licenses are strikingly different in each country. When it comes to the institutions of the continental Europe, the approaches tend to be as diverse as possible. I classified these authorities as follows:

- The states of the Mediterranean Arc (like France, Spain and Italy) are classified as “francophone” countries.
- The second large group is comprised of the Nordic states, like Finland, Denmark or Sweden.
- The third group is made up of federal governments, like Germany and Switzerland. I will not examine this group, as the body of public administration

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7 Cf. Brezzi, Monica – Charbit, Claire, *OECD survey addressed to the state territorial representatives*.
8 See www.journees-europeennes.org.
can easily differ in each federal state. Besides that, the government may also have deconcentrated organizations on mid-level administration, not just the federal state.

- The last large group is comprised of the former Eastern Bloc countries, which may employ entirely different solutions in many areas of their public administration.

This classification is far from being novel: many studies preoccupied with local self-governments used this approach. The reason of this is that public administration is an organic entity whose two major subsystems (state administration and self-governments) develop in interplay; it is therefore impossible to categorize only one of these subsystems – characterizing one of them inevitably defines the general character of the entire administrative apparatus (and thus, the nature of the other subsystem) as well.

The underlying feature of public administration in the francophone states is that they possess a well-developed state administration and a fragmented subsystem of self-governments. The regional public administration is usually made up of a relatively large number of organizations: these are coordinated under the central level of public administration by a special actor, the prefect (Préfet, Delegado del Gobierno). This coordination is realized with operational (rather than organizational) integration. Since 1982, France has been experiencing a large-scale outflow of the tasks and powers from the central level of administration which resulted in the remission of the aforesaid centralism, while local self-governments stepped up as notable actors of public administration. This explains why the prefect got an increasingly expansive role in cooperation, coordination and management of development resources besides their traditional law enforcement duties. This however also meant that the position had acquired an increasingly political semblance – just as it happened in Spain too.

The public administration of the Nordic countries followed a different path: it carried several managerial features right from the start, which resulted in a generally greater receptivity toward partnership within the system. Local self-governments tend to be spacious, they hold substantial capacities, and can handle most of the public tasks and duties falling into their sphere of authority. Thus, there are relatively few administrative organizations on the central level, which is a perfect environment for organizational integration. The best example of this is Finland, where most (but not all) of the deconcentrated organizations have been merged into authorities operating in a regional framework. They established two of these umbrella organizations in every region: the Regional State Administration Agencies aim to ensure the equality of the regions by legal means, while the Economic, Traffic and Environment Protection Centers do the same via economic resources.

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Cooperation between state administration and the self-governments is naturally strong in this system: while the regional and economic development licenses of these regions expanded gradually, the government also maintained its local representation.\(^\text{12}\)

Last but not least, we must take a glimpse on the “mixed” systems of the former Eastern Bloc countries which gained their fundamentals through democratic transformation. These include (among others) Romania, Poland, Croatia, Estonia, Latvia and Hungary. The systems of these countries are all similar in one respect: during democratic transformation, they were unable to build the basis of the new system on their historical civil traditions, thus they were forced to bridge the deficit through foreign approaches. Moreover, these solutions were many times similar in these countries, due to the similar development of democracy in this region of Europe. When comparing for example the regents\(^\text{13}\) of Poland with the head officials of Croatia\(^\text{14}\) or the governmental commissioners of Hungary, we can find two similarities: firstly, the rank gained political semblance in all countries by now; and secondly, this does not automatically mean the possibility of controlling financial resources.

3. CHANGES IN THE REGULATIONS OF THE HUNGARIAN SYSTEM OF TERRITORIAL GOVERNMENT REPRESENTATION IN THE LAST 21 YEARS

The history of the modern system of Hungarian territorial government representation began after the democratic transformation.\(^\text{15}\) One of the specialties of the newly-formed partitioned administrative structure was its unconceptual development\(^\text{16}\) which of course also applied to the institutions performing the territorial representation of the government (a telling example of this is the mere fact that this general administrative authority had four different names in the past 21 years). In spite of this, however, the two major roles of this authority (that is the legal control of local self-governments and the administrative coordination of the rest of the deconcentrated administrative bodies)\(^\text{17}\) were clear from the beginning.

In the first term of the democratic government (1990-1994) this authority comprised of the Commissioners of the Republic (CotR): they were strongly connected to

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\(^{15}\) Albeit some concepts (dating back to democratic transformation) borrowed ideas from the Lord Lieutenant institution of late-dualist Hungarian public administration, it is far-fetched to identify those as an attempt to resurrect that system. The reason of this is that the public administration of the turn of the century had to administer a pre-bourgeois society and economy, which also meant a lower-developed administrative apparatus. For more information on this system, see BÁLOGH, József, A főispánság története hazánkban és annak mai helyzete (The History and Current State of the Lord Lieutenant Institution), Study on public administration, Debrecen, 1944.

\(^{16}\) Bartó, Attila, A területi államigazgatás fejlődése a rendszerváltástól napjainkig (The Development of Territorial Public Administration from Democratic Transformation to the Present), Közjogi Szemle, issue 2009/1, page 59.

\(^{17}\) The legal control of self-governments was put on hold between 2009 and September 2010, as the constitutional framework for the operation of Public Administration Offices were missing. Since January 1, 2011 their sphere of authority substantially decreased, due to the integration of several deconcentrated authorities.
the President of the Republic, as the replacement of the latter many times resulted in the substitution of the former. They were operating in a regional framework, forcing the CotRs to establish county-level offices. The institution of the CotRs eventually became a victim of experimentation: after 1994, their respective regulations were annulled from Hungarian public law.

The CotRs were replaced by the Public Administration Offices: their organization was based on the county- and capital-level structure of public administration. Through a provision of 1996, they were legally defined as the territorial administrative bodies of the government, effectively putting them above the rest of the deconcentrated bodies. As for these divided and deconcentrated bodies, it must be emphasized that their presence was acknowledged but not accepted: there were numerous concepts even before 2000 that tried to rationalize their structure, but due to the importance of the organizational integration and the establishment of the system of self-governments, none of them were realized. This is the original reason why territorial state administration was “stranded” for a long time in Hungary; the resistance of the various administrative branches and political opposition towards subsequent governments were secondary factors only.

Based on these antecedents, it is not surprising that from 1996 on a paradigm shift occurred in this area (and a very praiseworthy one, in my opinion): the tendencies of organizational integration (such as the amalgamation of authorities) were slowly being replaced by aspirations to operational integration achieved through an increased sphere of coordinational authority. The two major steps of these aspirations occurred after the regionalization of 2006 and several reforms in September 2010.

This favorable tendency broke at the end of 2008, when the faulty legal execution of the aforesaid regionalization made the operation of the Public Administration Offices impossible. While the issue was briefly solved in 2010, it resurfaced at the beginning of 2011, as the aspirations for operational integration were again replaced by a wide-ranging structural integration of the regional bodies of state administration.

The imperfection of not having any legal provision for territorial state administration was partly solved with the establishment of the County (and Capital) Government Offices (“government offices” from here on) replacing Public Administration Offices. An enacted legal definition for territorial administrative bodies was created, and 17 sort of deconcentrated bodies were integrated into the structure of these government offices (out of the existing 27 kind of deconcentrated bodies). This change marked a new era in territorial state administration clearly embarking toward structural integration.

It is worthy of mention that the ideas for this organization are still not completely worked out: the group of bodies to integrate still seems to be changing in accordance to the stance of the ministries that are willing for compromise. So far, the territorial reorganization

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18 XC statute of 1990. 3. § a).
19 E.g. government decree 1026/1992 (V. 12.) or gov. decree 1100/1996 (X. 2.).
20 Gov. decree 297/2006 (XII. 23.)
21 Gov. decree 214/2010. (VII. 9.)
23 See CXXVI. Statute of 2010. and
24 Ib. 1. § bullet 1.
affected 250 institutions in Hungary, which is about half of the entire state administrative organizational circle. The number of public servants working in the territorial government offices is reaching 23,000 – this is essentially 1200 employee per office, equal to the entire personnel of three ministries!

The newest elements of these regional government offices are the government windows, units handling the administrative needs of the regional population with an increasingly expanded sphere of authority. However, these government windows can perform real „one-stop-shop” functions only within the realm of the cases belonging to the portfolio of the integrated organizations – this is an issue of our bipolar territorial state administration which definitely requires a satisfying solution in the near future.

Contrary to earlier practices, the governmental commissioner spearheading these government offices are not public servants: they are agents of the ever-changing political sphere. Their assignment conforms to the government, strengthening thus their connection and emphasizing the influence of the government on these administrative institutions.26

The territorial (county and capital) government offices will supposedly remain important agents in the transformation of territorial public administration: they can easily become the basis of the system of tasks and authorities, along with the upcoming steps of the structural changes lying ahead of us. A good example of the former role is the transfer of several county institutions (like county archives, museums or libraries) under the wings of the government offices’ institution preservation centers (expected to conclude by the end of 2011) and the plan of modifying the system of self-governments, while a fine example of the latter includes the establishment of districts within state administration (even along with their own district offices, hierarchically connected to the territorial government offices).27

4. CONCLUSIONS

By comparing the international and Hungarian practices, we can mention several similarities and differences as well. As for the similarities, we can list five elements:

- The territorial (e.g. regional, county and/or district) representation of the government is a known and employed phenomenon in most European states. Although the specific solutions tend to be rather different, all of them aspire to achieve the same goal: reinforce regional public administration and the government’s sphere of activity in state administration as a response to the recent global economic-financial meltdown.28
- Although the era of post-New Public Management is still forming, some characteristic features can already be listed:29 the reinforcement of the government’s role along with the executive branch and its functions, assuring

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26 Ib. 10. §. clause (5).
their unity on every administrative level without risking the values of representational democracy, and the enforcement of legality.

- Besides the attributes listed above, we can also conclude that most approaches tend to reinforce the territorial (mostly regional) organization representing the government, and complement the role of law enforcement with coordinational licenses. Thus, a strong public administration serves the new government role with a more integrated structure and more efficient operation.

- Most countries know the function of legal control, and most countries appoint politicians to spearhead this institution. An explanation to this might be the loss of strength in public licenses, which means that central intervention can only be attained through politicizing public administration. This can be dangerous in the long run, but most likely will be a temporal solution only.

- Due to the recent economic events, several countries (e.g. Austria, Cyprus, Italy, Norway, Sweden, etc.) allow control over national (or EU) resources for the territorial representatives of the government.

By comparing the above characteristics with the Hungarian regulations, we can conclude that the Hungarian approach correlates with international tendencies in its major cornerstones. Since 2010, the basic aspiration of the government seems to be the reinforcement of their roles within public administration, along with the treatment of the numerous dysfunctions within the executive branch and territorial state administration.

The key-moves of this were the foundation of the Territorial Government Offices, the future correction of the legal control practiced toward the self-governments, and the gradual weakening of the coordinational roles in favor of organizational integration. Since January 1, 2011 the regional representation of the government is spearheaded by a politician (the governmental commissioner, so-called: Kormánymegbízott) in Hungary as well. Finally, all these key-moves are supported by the Zoltán Magyary Public Administration Development Program, a mid-term development initiative.

However, even though the similarities are abundant, there are also numerous differences between the Hungarian and international practices if taking a closer look on the Hungarian system, most of which stem from the specific Hungarian development. These include the following:

- In the recent past, the tasks and authorities of the modern civil democracies tended to migrate from the central level to the territorial administrative bodies. In Hungary, no such changes occurred since the democratic transformation – we can rather observe the exact opposite of this tendency!

- Because of this, we cannot state that the territorial representatives of the government took on a more cooperative stance: after all, the role of the self-

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31 CHARBIT, Claire, Which role for the STR in the dialogue between the state et region? www.journees-europeennes.org.
32 The Constitution of Hungary. The State, The Self-Governments: Article 32, par (4) and (5) and Article 34, par (5)
governments does not prove this, while the authority of the deconcentrated bodies was significantly cut down due to organizational integration.

- I also have to emphasize that even though the territorial state administration of the Nordic countries employ techniques similar to the Hungarian method, their structure is notably smaller and contains fewer administrative bodies.

- Finally, even though the territorial representatives of the government tend to be politicians both in Hungary and the western practice, the execution of the concept is substantially different. Due to its connection to the political sphere the position is considered to be a variable in the administrative system both in Hungary and in countries which experienced a constant development in their administrative system. However, while its term is deliberately defined separately from the term of the government in the latter group (an approach which is frequently employed where the appointee is considered public servant, by the way), they tend to be appointed with the mandate of the government in mind in most ex-Eastern Bloc countries.34

- So far, the governmental commissioner did not have any control over national and EU financial resources in Hungarian public administration – and this is not expected to change in the near future.

As a conclusion, we can state that the Hungarian territorial public administration is still exploring its possibilities. Our own solutions use different methods than the ones prevalent on the international scene, thus we cannot state that the developments in Hungary are in complete harmony with international tendencies.

I absolutely agree with the concept of reconsidering the roles and authorities of state administration and the self-governments. However, merging regional public administration into one megastructure without preliminary modeling and any foreign example is a really risky endeavor both from a financial and an HR-perspective.

My proposal emphasizes the execution of integration on one branch at a time. This would result in a number of organizations (8-12 per county) which is much easier to handle, and which would be held together by the strong operational integration of the governmental commissioner. These umbrella organizations would house several territorial offices, offering their services for numerous municipalities in a given region.

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34 In Austria a term usually lasts 4-6 years. It is 5 years in Finland, 6+3 in Sweden, 6+6 in Norway, but lasts until retirement in Belgium.
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