

**EDIT SOÓS\***

## **Customer-oriented Public Administration in Hungary (2010–2020)\*\***

### *1. Introduction*

Hungary is a unitary parliamentary republic. The Hungarian administrative structure consists of three levels: central, territorial (county), and local level. In 2010, the government aimed to reorganise the Hungarian public administration and the Hungarian state. The changes focused on rethinking the territorial distribution of power. It had to be decided how many territorial administrative levels Hungary needed, what functions and responsibilities should be delegated to these levels, what public law status should be attached to these functions, and what seats and geographical boundaries these territorial units should have.

After the change of government in 2010, a complex public administration development programme was launched with the aim of renewing public administration on a completely new basis. The directions of the development of the public administration and the operating framework of the Hungarian public administration were formalised in strategic documents. The aim of these documents was to improve the efficiency of state activities and the quality of administrative services and to create an effective national public administration.

The development process of European integration gives priority to answering the question of how public administration can be understood in the European standardisation process, especially at the organisational-institutional level and with regard to the activities and operations of public administration. The deepening of European integration is driving the institutional harmonisation of the public administration systems of the EU member states, particularly from a functional and value-oriented point of view. This process involves the unification of the Member States' administrative authorities and their administrative procedures.<sup>1</sup>

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\* associate professor, University of Szeged Faculty of Law

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<sup>1</sup> TORMA ANDRÁS: *The European Administrative Space (EAS)*. European Integration Studies 2011/1. 156. p.

Taking all this into account, the development of the European Administrative Space, as an informal entity, is a harmonised synthesis of values realised by the EU institutions and the administrative authorities of the Member States through the creation and application of EU law. This effort promotes the convergence of the national administrations of the Member States and brings the administrative cultures and models of the national administrations closer together.<sup>2</sup>

The digital age of the 21st century brings with it new technologies, innovations, and trends. In these rapidly changing and constantly evolving technological conditions, modernisation of public administration has become a major priority in both Hungary and other countries of the European Union. Public administration in many countries increasingly recognises the need to continually improve the quality of the services provided and to respond more quickly to the growing needs and demands of customers.<sup>3</sup>

The EU member states are modernising their public administrations by introducing digital public services. It has been an important strategic goal for Hungary to modernise its public administration and increase the use of modern information and communication technologies (ICT) in interactions between government institutions and between government institutions and citizens.

The foundation of e-Government is systems of electronic customer support (i.e. front-office systems) and systems responsible for supporting internal processes and administrative procedures (i.e. back-office systems). The front-office is the outer sphere, providing customer service and customer contact with units of public administration. Front-office systems are therefore systems for the electronic communication of clients with public administration units.<sup>4</sup>

The strategic documents of the European Commission underline that by 2020, public administrations and public institutions in the European Union should be open, efficient, and inclusive, providing end-to-end personalised and user-friendly digital public services to all citizens and businesses in the EU. Digital government is about using the tools and systems made possible by information and communication technologies to deliver faster, cheaper, and more customer-oriented digital public services to citizens and businesses.<sup>5</sup>

The purpose of the study is to approach digital transformation processes in public administration in the period 2010–2020. The government's strategic goal is in line with the expectations and challenges of the European Union to Hungary to modernise its public administration and increase the use of modern information and communication technologies in the interactions between the state institutions themselves and between the state institutions and citizens.

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<sup>2</sup> CSATLÓS ERZSÉBET: *Perspectives of the Cooperation of National Administrative Authorities in the EU*. Jogelméleti Szemle 2016/3. 47. p.

<sup>3</sup> LUDWICZAK, ANNA: *The role of customer orientation in improving services in public administration*. Management 2014/1. 356. p.

<sup>4</sup> DESCOURS, DANUTA: *Front office and back office systems in public administration units in Silesian voivodship*. Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach, 2018. 1. p.

<sup>5</sup> European Commission: *E-Government Action Plan 2016-2020. Accelerating the digital transformation of government*. Brussels, 19.4.2016 COM (2016) 179 final, 2. p.

Specifically, we sought answers to the following questions. How has Hungary contributed to digital governance in the European Union? How has it been able to improve the governance of interoperability activities, establish inter-organisational relationships, and streamline processes to support end-to-end digital services?

What results have been achieved in the area of customer-oriented, multichannel public service delivery? What are the results of the transition from integrated service contact centres (Government Windows), independent of physical presence, to virtual government windows?

The structure of the article is as follows. The first part of the article examines the significant structural changes in public administration and the main legislation affecting the operation and internal procedures of the central state administration, as manifested in public policy reform programmes. The author then presents best practices and their results in Hungary in the following areas: front-office systems, back-office systems, and the integration of these systems. The last part of the article presents the findings of the study and the achievements related to the digitalisation of public administration and services in Hungary.

In terms of methodology, in addition to the legal approach based on EU documents and regulations of the Hungarian public administration, the empirical work presents targeted interviews with public officials. Digital government has fostered its own environment of public administration institutions, laws, policies, procedures, and skills. Since 2014, the European Commission has been monitoring the digital progress of Member States through the Digital Economy and Society Index (DESI) reports. The eGovernment Benchmark (2017) compares how governments across Europe deliver digital public services and assesses the progress of digital transformation. The conceptual approach of the article is supported by evidence from EU and Hungarian databases (Eurostat, Prime Ministry-OSAP, Hungarian Central Statistical Office).

Different countries need different governance systems both in terms of principles and structure. However, preferable governance redesigns depend significantly on specific conditions and problems. Before identifying governance tasks and developing the required redesigns, we need to look at the environments within which governance will have to operate in the foreseeable future and the problem domains with which it will have to cope.<sup>6</sup>

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<sup>6</sup> DROR, YEHEZKEL: *The capacity to govern. A report to the Club of Rome*. Frank Cass Publishers. London-Portland-OR, 2001. 38. p.

## *II. Reforms in public administration (2010–2020)*

### *1. The Good-State paradigm*

The Government of National Cooperation (2010–2014) reconsidered the role of the state in government decisions to make it serve the common good. A response to the distortions of public management in order to strengthen the state led to the introduction of the neo-Weberian state paradigm in Hungary.

The neo-Weberian state model gives the national government an important role in providing for the common good, but, on the other hand, it strongly influences the strengthening of the various levels of representative democracy (central, regional, local), while emphasising the importance of the unity of the executive power of the state.<sup>7</sup> The modern, public law, and public authority attitude of state-centred governance has a serious impact on the exercise of local public affairs and public authority. It also affects the regulation of the renewal system of municipalities.

This process started with the adoption of the National Cooperation Programme in 2010. According to the new understanding of state in this programme: “*We must restore the demolished authority of the State, and to this end we must establish the operational conditions for the State to function in a lawful, transparent manner, and provide public services fully and reliably. The State must be rebuilt.*”<sup>8</sup>

In order to restore the destroyed authority of the state, it is necessary to create the operational conditions for the state to function in a lawful and transparent manner and to provide public services fully and reliably. This requires improving the quality of public services and ensuring that they can contribute to economic and social competitiveness.

The aim of the government is to create a good state. Reform involves a strong role for the state in guiding the development of the country and a commitment to an efficient and effective public administration. The state is good when it best serves the needs of individuals, communities and businesses in the interest of the common good, in the best possible way.<sup>9</sup>

The Good State concept emphasises strengthening the role of the state in ensuring professional and quality services for all, increasing consultation between citizens and public administration, and promoting a result-oriented vision.

There is a need for a strong, intelligent, and active state whose policies are based on constitutionalism and the rule of law.<sup>10</sup> Strengthening legality and normativity, public law, including administrative law, remains a key instrument in the functioning of the state and in

<sup>7</sup> STUMPF ISTVÁN: *Szakmai alapú közigazgatás – a neoweberianus állam.* (Professional public administration – the neo-Weberian state) Gazdasági és Szociális Tanács. Budapest, 2009. 97. p.

<sup>8</sup> Office of the National Assembly. The Programme of National Cooperation. Document Number: H/47 Received: 22 May 2010. 78. p.

<sup>9</sup> Magyary Zoltán: Public Administration Development Programme. Ministry of Public Administration and Justice. Government of Hungary. Budapest, 10 June 2011. 5. p.

<sup>10</sup> STUMPF ISTVÁN – G. FODOR GÁBOR: *Neoweberian állam és jó kormányzás.* (Neo-Weberian State and good governance) Nemzeti érdekek 2008/3. 22. p.

the relationship between citizens and the state. The state not only plays a role in creating the conditions for good governance, but also performs the tasks expected of good government.

With a view to creating a good state, the directions of public administration development have been formulated in the strategic public policy documents, the Magyary Zoltán Public Administration Development Programmes (MP 11.0, MP 12.0). In the Government Decree No. 1602/2014. (XI. 4.) on the establishment of the State Reform Committee, the Government decided on the reform of state services (in the framework of which the national network of Government Windows was established and the continuation of the transformation of territorial public administration.<sup>11</sup>

## *2. Reform of the territorial public administration (2011–2020)*

The reform of the public administration is part of the overall reform of the state administration, which was triggered primarily by the diagnosis of inefficiencies and bottlenecks in the structure of the Hungarian public administration at all levels of government.

The Magyary Zoltán Public Administration Development Programme in 2011 identified several weaknesses of the transforming electronic public administration. There was a huge backlog of digital illiteracy, the use of interactive technologies is still limited among the Hungarian population, and they do not have competitive skills. The same is true for employees and managers of companies, and there is also a certain backlog in the digital skills of public administration employees.

It was important to develop electronic offices and systems that provide direct services to customers. Separation of front-office and back-office functions started on a standardized basis, which helped to improve user satisfaction.

Several electronic interfaces are used in the administration: a General Form Filler Program (ÁNYK), a Customer Access Portal (KRID Identifier), a Document Management System (Poseidon, KÉR), the Hungarian National Chamber of Civil Law Notaries (MOKKIT), the Hungary's courts of law, e-KAT (document signing, verification, extension).

The main strategic objective of the Magyary Programme is to improve the efficiency of the functioning of the state and the quality of administrative services: to create an effective national public administration. The Magyary Programme is a strategic document, one that monitors and follows up the measures taken within a fixed conceptual framework, which exists within fixed limits, but with dynamic flexibility based on annual regularity, and comparing the plan with the facts and setting new tasks. It is an action plan with a timetable, and it identifies responsibilities with the main objective of creating a unified, more efficient, and simpler state public administration system.

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<sup>11</sup> HORVÁTH IMRE LÁSZLÓ: *The reform of the territorial public administration from 2010 to the present, with special emphasis on the re-interpretation of the customer-service model.* Új Magyar Közigazgatás 2017/1. 5. p.

As part of the operational and organisational renewal of the public administration, the capital and county government offices were established, according to Act CXXVI of 2010 (XI.19.) and Government Decree No. 66/2015 (III. 30.).<sup>12</sup> A total of 20 government offices are located in the county seats and, in the case of the capital, in Budapest. According to Article 17(3) of the Fundamental Law, “*the capital or county government offices are the regional state administration organs of the Government with general competence*”.

The tasks of government offices are to coordinate the implementation of government policies at the territorial level. They exercise coordinating, authorising, proposing and advisory powers that allow central decisions and policies to be adapted to territorial characteristics. They integrate a wide range of special and general administrative services and are strictly controlled by the central government. With the establishment of the capital and county government offices on 1 January 2011, the first phase of the integration of the territorial state, the administration, has been completed.

The establishment of the system of physical single points of contact was an important step towards a less bureaucratic public administration. In January 2011, in accordance with Government Decree No. 288/2010 (XII.21.) Government Windows, an integrated network of service contact centres was established. The Government Windows started to operate as the front-offices of Government Offices. The one-stop shops provide citizens with information and administrative services from initiation through processing to completion. The delegated tasks are diverse and cover almost all public services (e.g., agriculture, employment, and social benefits, personal document services (passport, ID card, driving licence), vehicle administration, customer protection, national registry tasks, etc.). For the general public, Government Windows represent a customer-friendly single-window administration system.

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<sup>12</sup> The capital and county government offices are led by government officials whose task is to coordinate and help the implementation of governmental tasks at the territorial level.

Table 1

*Number of Government Windows (2011–2020)*

county/capital	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bács-kiskun	1	1	1	2	15	15	15	17	18	18
Baranya	1	1	1	3	12	13	13	13	13	12
Békés	1	1	1	1	11	13	13	14	16	16
Borsod-Abaúj-Zemplén	1	1	1	2	18	19	19	23	23	23
Budapest	4	4	5	12	22	31	28	29	27	26
Csongrád	2	2	2	4	11	11	11	12	12	13
Fejér	2	2	2	3	11	11	11	12	12	13
Győr-Moson-Sopron	2	2	2	3	9	9	9	10	10	11
Hajdú-Bihar	1	1	1	5	15	17	17	18	18	18
Heves	1	1	1	2	8	7	8	9	9	9
Jász-Nagykun-Szolnok	1	1	1	3	10	13	13	14	14	14
Komárom-Esztergom	1	1	1	2	8	8	8	10	10	10
Nógrád	1	1	1	2	4	6	6	6	6	6
Pest	3	3	3	6	14	21	22	23	31	31
Somogy	1	1	1	2	9	9	10	14	15	15
Szabolcs-Szatmár-Bereg	1	1	1	4	20	21	21	24	25	25
Tolna	1	1	1	3	6	8	8	9	9	9
Vas	1	1	1	3	12	12	12	13	13	13
Veszprém	1	1	1	4	13	13	13	14	14	14
Zala	2	2	2	5	7	7	7	9	9	9
<b>TOTAL</b>	<b>29</b>	<b>29</b>	<b>30</b>	<b>71</b>	<b>235</b>	<b>264</b>	<b>264</b>	<b>295</b>	<b>305</b>	<b>305</b>

Source: Prime Ministry

The number of customers and the number of administrative services have been constantly increasing. In 2011, only 233,315 people visited Government Windows, and 30 types of administrative services were offered in Government Windows. The number of clients has gradually increased over the years. In 2020, there were already 305 one-stop shops operating in Hungary, employing 36,000 public servants who helped citizens manage their administrative affairs. 10,608,249 citizens contacted Government Windows. By 2020, the number of tasks performed by Government Windows increased to 2,500.

Table 2

## Number of customers in Government Windows (2011–2020)

County/capital	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bács-kiskun	3 256	3 222	4 407	84 374	353 022	758 448	190 467	781 970	844 675	636 460
Baranya	14 296	14 188	13 062	96 219	189 745	470 219	115 343	545 308	574 674	426 028
Békés	8 538	7 339	5 781	69 381	204 249	369 280	96 861	461 018	505 572	381 002
Borsod-Abaúj-Zemplén	10 955	20 706	19 272	54 510	163 155	562 267	145 281	804 633	883 411	636 775
Budapest (capital)	40 264	58 258	51 527	264 897	672 523	1 953 256	576 968	2 572 011	2 603 310	1 791 783
Csongrád	12 747	13 950	15 463	88 783	259 988	686 736	171 162	856 094	901 341	629 833
Fejér	13 609	19 683	25 459	114 069	209 533	430 932	109 225	556 740	609 243	468 344
Győr-Ménfőcsanak-Sopron	11 099	11 583	20 759	78 818	226 451	465 272	123 260	585 421	638 515	479 679
Hajdú-Bihar	13 269	15 804	18 484	144 826	265 118	682 076	179 035	809 208	834 609	593 832
Heves	3 474	3 262	2 976	14 866	122 779	289 318	74 379	359 069	376 835	280 841
Jász-Nagykun-Szolnok	10 036	21 014	19 932	58 752	138 271	371 228	96 298	442 860	498 883	359 610
Komárom-Esztergom	7 326	8 577	7 649	60 493	187 047	331 519	86 204	428 844	489 082	361 189
Nógrád	5 329	6 965	7 240	54 756	130 992	223 688	60 764	264 080	284 466	209 102
Pest	17 627	28 944	34 502	178 053	336 649	885 812	258 145	1 299 355	1 627 720	1 186 662
Somogy	4 231	3 599	2 908	20 841	121 193	256 888	62 791	358 737	407 958	301 803
Szabolcs-Szatmár-Bereg	21 125	16 105	16 431	111 625	284 744	819 218	197 047	850 515	874 414	629 179
Tolna	6 343	7 335	6 784	93 834	187 913	324 881	81 766	333 139	359 795	263 382
Vás	4 204	3 435	5 026	36 145	160 263	287 225	75 610	342 358	369 058	284 502
Veszprém	8 269	9 884	9 112	78 249	209 743	416 928	102 642	506 721	572 197	409 995
Zala	17 318	22 431	27 322	118 187	164 213	286 767	72 697	349 819	376 985	278 248
<b>Total</b>	<b>233,315</b>	<b>296,284</b>	<b>314,096</b>	<b>182,168</b>	<b>458,751</b>	<b>10,871,958</b>	<b>287,595</b>	<b>13,507,900</b>	<b>14,632,733</b>	<b>10,608,249</b>

Source: Prime Ministry



In the second phase of systemic integration, districts were established on 1 January 2013.<sup>13</sup> Administrative districts are the lowest territorial units of the state administration. According to Act XCIII of 2012 (VI.25.) and Government Decree No. 218/2012. (VIII.13.) on the district offices, there are 174 provincial offices, and 23 district offices in the capital were established. Their function is to perform administrative tasks below the county level. Districts provide the vast majority of public services to all Hungarian citizens. With the establishment of district offices, the government's goal was to create a customer-friendly administration and modern administrative districts to help reduce costs for society and work more efficiently and with greater attention to the needs of the public.<sup>14</sup> By 2020, citizens were able to manage most of their public services through the Government Windows linked to districts.

## II. Digital transformation in public administration

The digitalisation of public services has been the subject of research by many academics. The authors fully share the view that the digitalisation of public services is changing the interaction between citizens and civil servants.<sup>15</sup> Some authors confirm that digitalisation is changing the skills needed for citizens and public servants to interact more effectively.<sup>16</sup> Others<sup>17</sup> write about new opportunities for digitalisation related to the fact that citizens and civil servants have voluntary and mandatory interactions with the government through technology and that these interactions range from unstructured to highly structured, depending on the technology or business processes implemented.

In December 2020, the Hungarian government signed the Berlin Declaration on Digital Society and Value-Based Digital Government, thus reaffirming its commitment – together with other EU Member States – to promote digital transformation to enable citizens and businesses to take advantage of the benefits and opportunities offered by modern digital technologies. Based on the principle of user-centricity, the Declaration aims to contribute to a value-based digital transformation by addressing and strengthening digital participation and digital inclusion in European societies.

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<sup>13</sup> Act XCIII of 2012 (VI.25) on the formation of the districts and on the necessary amendments of the related acts

<sup>14</sup> The settlement structure of Hungary is laid down in the Constitution. Settlement-level units are villages, towns and the capital, which necessarily cover the whole area of Hungary. Out of the 3,155 settlements of the country 346 are towns (1 of which is the capital and 23 are towns of county rank), and 2809 are villages.

<sup>15</sup> LINDGREN, IDA – OSTERGAARD, CHRISTIAN – HOFMANN, MADSEN, SARA – MELIN, ULF: *Close encounters of the digital kind: A research agenda for the digitalization of public services*. Government Information Quarterly 2019/3. 427-436. pp. and ANDROUTSOPOULOU, AGGELIKI – KARACAPILIDIS, NIKOS – LOUKIS, EURIPIDIS – CHARALABIDIS, YANNIS: *Transforming the communication between citizens and government through AI-guided chatbots*. Government Information Quarterly 2019/2. 358–367. pp.

<sup>16</sup> SCHOLTA, HENDRIK – MERTENS, WILLEM – KOWALKIEWICZ, MAREK – BECKER, JÖRG: *From one-stop shop to nostop shop: An e-government stage model*. Government Information Quarterly 2019/1. 11-26. pp.

<sup>17</sup> ANDROUTSOPOULOU, AGGELIKI – KARACAPILIDIS, NIKOS – LOUKIS, EURIPIDIS – CHARALABIDIS, YANNIS: *Transforming the communication between citizens and government through AI-guided chatbots*. Government Information Quarterly 2019/2. 358–367. pp.

Technology brings innovative opportunities to the public sector and has the potential to improve interactions between governments and citizens by simplifying procedures and contributing to customer-friendly administration. The digital transformation of government means modernising public administration and improving digital interactions.

The modernisation and transformation of public administration in Hungary and the development of the necessary legal environment have been strongly influenced by EU requirements. The expectations of the EU are the informatisation, modernisation, and alignment of public administration.

Accelerating the digital transformation of public administration and implementing the actions proposed in the eGovernment Action Plans<sup>18</sup> is only possible with the joint commitment and ownership of the European Commission and the Member States at all levels of administration. The EU e-Government strategy supports administrative processes, improves the quality of services, and increases the internal efficiency of the public sector.

A modern and efficient public administration “must provide fast and high-quality services to citizens and a favorable environment for businesses” and, at the same time, “must transform its administrative services (back-offices), rethink and redesign existing procedures and services, and open up access to its data and services to other administrations and, as far as possible, to businesses and civil society”.<sup>19</sup>

Traditional channels include face-to-face contact, telephone, or postal mail, while the digitalisation of public administration must be based on the premise of delivering public services efficiently, effectively and with appropriate quality, in order to reduce the current level of bureaucracy, but also to ensure free and unconditional access, regardless of physical presence (virtual front-office). (Digital channels include websites, mobile-based services, and virtual public access points.)

### *1. Digital public administration legislation*

Hungary has taken decisive steps to promote interoperability and improve its e-Government systems through the comprehensive New Széchenyi Plan (2007-2013). Between 2007 and 2013, Hungary has benefited from projects co-funded by the European Union to develop the back-office and front-office functions of electronic public administration. This funding was available through the Electronic Administration Operational Programme (EAOP) and the State Reform Operational Programme (SROP).

The purpose of the Government was to speed up procedures, reduce administrative burdens, increase the computerisation of relations between the State and citizens to a greater extent, ensure cooperation between the bodies of the electronic administration, and provide

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<sup>18</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The European eGovernment Action Plan 2011-2015. Harnessing ICT to promote smart, sustainable & innovative Government. Brussels, 15.12.2010. COM(2010) 743 final and Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU eGovernment Action Plan 2016-2020. Brussels, 19.4.2016. COM(2016) 179 final

<sup>19</sup> European Commission: E-Government Action Plan 2016-2020. Accelerating the digital transformation of government. Brussels, 19.4.2016 COM (2016) 179 final, 5. p.

the public with a more modern and efficient public service. (As part of the deregulation process, some 200 outdated regulations relating to e-government have been removed).

The new legal framework gradually introduced after 2012, is open and can therefore better adapt to the changing conditions brought about by the rapid development of ICT technologies. In April 2012, with the amendment of Act CXL of 2004 on the General Rules of Administrative Procedures and Services by Act CLXXIV of 2011, the introduction of the so-called regulated electronic administrative services created the legal conditions for e-Government services. In July 2015, a new law on Hungarian e-ID card was adopted (Government Decree No. 414/2015 (XII. 23.)), and the new card was issued at the beginning of 2016, replacing three different cards and further simplifying the lives of citizens.

One of the most important elements of the Hungarian e-Government strategy is the National Infocommunication Strategy 2014-2020. In this strategy, the state of play has been analysed, the objectives have been defined, and the tools have been identified according to the following pillars: digital infrastructure, digital skills, digital economy, and digital state.

In order to improve the quality of life of citizens, the competitiveness of businesses, and the efficiency of the state, a better understanding of public processes is needed in order to improve the tools and services of the digital public administration infrastructure, and the digital skills of citizens. In January 2016, a new central identification solution, the Central Authentication Agent, was launched, which supports the use of various electronic identification and authentication services, including the already existing Client Gate and the newly introduced national e-ID card, as well as partial code telephone authentication.

During the 2014-2020 programming period, special attention has been paid to the implementation of e-Government projects co-financed by the European Union. To achieve this goal, the Operational Programme for the Development of Public Administration and Public Services (PADOP) has invested more than 935 million euros, including almost 795 million euros of EU funds (75.7% from the European Social Fund and 24.3% from the Cohesion Fund), in order to strengthen the services provided by the public administration.

The PADOP is in line with the Hungarian Public Administration and Public Services Development Strategy 2014-2020 and the National Infocommunication Strategy 2014-2020. In both strategies, the concept of the “Digital State” appears as one of the key areas that need to be developed. Both strategies emphasize the primary importance of interoperability. Therefore, the development of interoperability at the legal, organizational, semantic, and technical levels is an important objective within the projects funded by PADOP.

Before 2015, there was no general specific e-Government law in Hungary. However, most of the legislation related to e-Government has been amended since 2010. The Hungarian Parliament adopted a law on interoperability, Act No. CCXX of 2013, on the general rules of cooperation between national and local government registers. The expected benefits were to increase the competitiveness of the state, improve the cost-effectiveness of public administration, and promote cross-sector cooperation.

In order to create efficient digital services, interoperability is required between IT systems and services. In 2015, the specific legislation for digital public administration was provided by Act No. CCXXII of 2015 on the General Rules for Electronic Administration and Trust Services (e-Administration Act). The strategy aims at the development of the necessary infrastructure for electronic services (IT, back-office), the development of e-

Administration services and their connection at an adequate level with the highest possible interoperability.

The e-Administration Act regulates cooperation in the field of information technology between bodies providing electronic administrative services, as well as interoperability, and aims to achieve interoperability and cooperation between state registers. In particular, it strongly encourages bodies to obtain information, decisions, and statements from cooperating bodies if the information, decisions, or statements are made or already obtained by these cooperating bodies by electronic means. As part of the implementation of the strategic interoperability objectives of the European Union, as defined in the European Interoperability Framework (2017), a single digital administrative space is being created for all electronic procedures. The cooperation includes government bodies, local authorities, other legal entities with administrative powers, courts, notaries, bailiffs, public prosecutors, most public utilities, public service providers, and public sector companies. The legislation also allows private sector entities to join this cooperation by considering themselves bound by the provisions of the e-Administration Act.

## *2. Good practices. Interoperability platforms for territorial and local public administrations*

Digital government has had a significant impact on public administration, changing the environment in which the public services operate, adding new concepts and methods to its operations, and changing the relative weight and relationship between established elements of public administration. Perhaps the most powerful concept inherent in e-Government is customer-oriented service delivery, where the user takes over many of the administrative tasks performed by the service provider.

### *2. 1. The Hungarian Central Government Service Bus*

The Hungarian Central Government Service Bus (KKSzB) is an interoperability platform that aims to ensure a service-oriented and standardised connection between the national basic registers and the various specific information systems of the public administration by unifying the communication methods. More specifically, the KKSzB allows systems with different levels of technological, operational, and integration levels to be connected and reduces redundant data storage and data integrity errors resulting from previous practices. The KKSzB ensures electronic communications, interoperability, and safe exchange of authentic data between public authorities.

The KKSzB can be joined simultaneously by a service provider and a customer, allowing technical access to all services provided by citizens and business applications through KKSzB by connected service providers if they are authorised to do so. The KKSzB service bus is a “plug-in“ based system to which any type of service can be connected. As a result, 156 organisations are using the interoperability platform to provide data exchange services, and 171 services related to base registries are already

available. Data exchange transactions have increased to more than 100 million in 2020.<sup>20</sup> The services provided by the Government Data Centre enable the efficient operation of the specialised systems it contains. The construction of the KKSzB has created the central IT environment and the basic infrastructure necessary for the efficient operation of government IT systems.

The services provided by the Government Data Centre enable the efficient operation of the specialised systems it contains. The construction of the KKSzB has created the central IT environment and the basic infrastructure necessary for the efficient operation of government IT systems.

Table 3

*Number of Central Government Service Buses (2017–2020)*

county/capital	2017	2018	2019	2020
Bács-kiskun	0	1	1	1
Baranya	0	1	1	1
Békés	0	1	1	1
Borsod-Abaúj-Zemplén	0	1	1	1
Budapest (főváros)	0	0	0	1
Csongrád	1	1	1	1
Fejér	0	0	0	1
Győr-Moson-Sopron	0	0	0	1
Hajdú-Bihar	0	0	0	1
Heves	0	0	0	2
Jász-Nagykun-Szolnok	0	0	0	1
Komárom-Esztergom	0	0	0	1
Nógrád	0	1	1	1
Pest	0	1	1	1
Somogy	0	0	0	1
Szabolcs-Szatmár-Bereg	0	1	1	1
Tolna	0	0	0	1
Vas	0	1	1	1
Veszprém	0	1	1	1
Zala	0	1	1	1
<b>Összesen</b>	<b>1</b>	<b>11</b>	<b>11</b>	<b>21</b>

Source: Prime Ministry

<sup>20</sup> European Commission Digital Public Administration factsheets – Hungary. 34. p. Available at: [https://joinup.ec.europa.eu/sites/default/files/inline-files/DPA\\_Factsheets\\_2021\\_Hungary\\_vFinal.pdf](https://joinup.ec.europa.eu/sites/default/files/inline-files/DPA_Factsheets_2021_Hungary_vFinal.pdf)

The KKSzB is available at fixed times in settlements where there is no permanent Government Window. It also provides the opportunity to serve customers on a case-by-case basis in special locations (hospitals, dormitories, events, festivals, etc.). Their operation is particularly important in counties with remote municipalities and small settlements (e.g., Bács-Kiskun, Békés, Borsod-Abaúj-Zemplén, Jász-Nagykun-Szolnok, and Csongrád counties). In 2020, service buses operated in all counties, and their task portfolio, similar to that of Government Windows, is extremely broad. By 2020, buses operate with a wide task portfolio, covering about 2.500 types of administrative services.

Table 4

*Number of customers in Central Government Service Buses (2017–2020)*

county/capital	2017	2018	2019	2020
Bács-kiskun	0	3707	3669	2461
Baranya	0	185	3242	3164
Békés	0	1009	2118	2041
Borsod-Abaúj-Zemplén	0	1101	3215	2073
Budapest (főváros)	0	0	0	2787
Csongrád	n.d.	1221	1804	6082
Fejér	0	0	0	0
Győr-Moson-Sopron	0	0	0	1325
Hajdú-Bihar	0	0	0	506
Heves	0	0	0	1127
Jász-Nagykun-Szolnok	0	0	0	1338
Komárom-Esztergom	0	0	0	536
Nógrád	0	418	364	470
Pest	0	1841	2689	941
Somogy	0	0	0	321
Szabolcs-Szatmár-Bereg	0	979	1713	1965
Tolna	0	0	0	45
Vas	0	810	1572	1337
Veszprém	0	228	1040	651
Zala	0	202	1516	1991
<b>Összesen</b>	<b>0</b>	<b>11,701</b>	<b>22,942</b>	<b>78,945</b>

Source: Prime Ministry

In accordance with 1. § (40) of the e-Administration Act, all public administration bodies providing e-Government services are obliged to publish their services on the SZÜF Portal (<https://szeusz.gov.hu/szeusz/szuf>). The new user-friendly electronic administration user interface, SZÜF, has replaced the former [magyarorszag.hu](http://magyarorszag.hu) ([hungary.hu](http://hungary.hu)) portal and is the single point of access in Hungary. The SZÜF Portal features a more modern design and a life-event-based approach for publishing existing e-Government services.

Table 5

*Number of administrative services in KKSzB*

2017	2018	2019	2020
1,557	2,500	2,500	2,500

Source: Prime Ministry

## 2. 2. The Central Application Service Provider

In order to disseminate uniform technical quality standards and ensure the optimal use of investment and operational resources, a centralised application service provider model was adopted to promote the digitalisation of local governments. The Central Application Service Provider (ASP) pilot project was launched in 2015. It was expected that the ASP in the local administration system will meet all needs of public administration through a single service point with standardised operational quality.<sup>21</sup>

The Hungarian Municipality ASP is a good practice for the digitalisation of local governments according to the European Interoperability Framework (2017)<sup>22</sup>, and is an important tool for the establishment of interoperable digital public services at all levels of public administration.

Based on the central hardware and software infrastructure of the Application Service Provider, the e-service provides integrated back-office systems (financial management software, municipal document management software, industrial and commercial management software, real estate cadastre, inheritance registration system) and online form services to manage day-to-day tasks of local authorities.

In addition, the e-Administration single point of contact portal of Municipality ASP is aligned to the central e-Government portal of Hungary resulting in a more seamless user experience. Based on the centrally provided integrated back-office software, through the local e-Administration portal it is possible to provide local e-Government services on a single platform.

Following the successful Municipality ASP pilot project, all municipalities are connected to the Municipality ASP system by March 2020. Another important benefit of

<sup>21</sup> The legal background of the Municipality ASP service and its terms of usage are set in the 257/2016. (VIII. 31.) Government Decree.

<sup>22</sup> The framework gives specific guidance on how to set up interoperable digital public services. *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: European Interoperability Framework – Implementation Strategy*. Brussels, 23.3.2017 COM(2017) 134 final.

the platform is that it improves the interoperability and reuse of existing solutions such as regulated electronic administrative services provided by the state (the “building blocks” of electronic administrative processes), and promotes the principle of “once only”.<sup>23</sup>

### 2. 3. The e-ID cards for user authentication

A good example of reusing existing solutions is the use of e-ID cards for user authentication. As a result, local government employees can only access the municipality's ASP applications using their own electronic ID cards. Another example of reuse worth highlighting is the process of providing e-Government services, where the project integrated the centrally provided regulated e-Government services to comply with e-Government policy criteria and relevant legislation. It was also an important requirement that the interconnection with external systems and basic registries had to be done via the technical interoperability platform of the Central Government Service Bus (KKSzB).

### III. The impact of digitalisation on the customer-oriented approach in public administration

In 2017, the majority of public administration bodies providing digital public services had implemented at least the minimum level of provision of e-Government services, according to the e-Administration Act. In 2019 and 2021, the growth trends continued, as several developments occurred that led to more modern and user-friendly electronic services.

Table 6

#### ICT usage by public authorities

Denomination	2011	2013	2015	2017	2019	2021
Computer	99.3	100.0	99.6	100.0	99.4	100.0
Internet	98.3	99.6	99.6	99.4	99.2	100.0
E-mail	98.1	98.3	98.6	99.2	99.2	99.8
Website	58.0	80.9	84.3	87.9	89.0	100.0
Intranet	16.7	21.8	27.5	27.9	29.0	30.2

Source: Hungarian Central Statistical Office<sup>24</sup>

<sup>23</sup> European Commission: Digital Public Administration Factsheet 2020 – Hungary. 9. p. Available at: <https://joinup.ec.europa.eu/collection/nifo-national-interoperability-framework-observatory/digital-public-administration-factsheets-2020>

<sup>24</sup> Source: Hungarian Central Statistical Office. Available at: [https://www.ksh.hu/stadat\\_files/ikt/en/ikt0022.html](https://www.ksh.hu/stadat_files/ikt/en/ikt0022.html)



At the regional level, the proxy for the availability of electronic government services is the number of persons using the Internet to interact with public authorities.<sup>25</sup> In Hungary, online availability of public services has steadily increased over the past few years, and digital interactions have become the norm. However, progress across regions has been uneven. In comparison, the development of Budapest and the Central Hungarian region and the progress of the Transdanubian regions is faster than that of the Great Hungarian Plain and North Hungary.

Table 7

*Individuals who use the Internet to interact with public authorities 2016–2020 (% of individuals)*

Name of the region	2014	2015	2016	2017	2018	2019	2020
Hungary (total)	48.72	42.21	48.21	47.13	52.93	52.79	60.33
Budapest	-	-	-	-	72.67	68.01	79.29
	-	-	-	-	54.26	54.78	68.14
Central Hungary	56.25	48.49	57.25	55.74	-	-	-
Central Transdanubia	57.67	51.26	55.09	58.90	62.07	58.58	62.56
West Transdanubia	50.32	43.24	43.60	44.28	51.89	53.80	59.16
South Transdanubia	42.59	37.95	42.67	39.63	43.05	41.36	51.49
North Hungary	44.43	42.09	45.98	45.61	42.02	45.63	55.85
North Great Plain	41.81	29.86	38.93	38.74	43.70	45.31	50.62
South Great Plain	38.69	36.61	41.40	35.38	44.76	46.87	51.44

Source: Eurostat<sup>26</sup>

### III. Conclusion

The aim of organising public administration through digitalisation was to ensure rapid access to high-quality services. To achieve that objective Hungary has largely completed the implementation of the National Infocommunication Strategy (2014–2020) and the Digital Success Programme (2017). This strategy was updated at the end of 2015 with the adoption of the Digital Success Programme and the launch of the Superfast Internet

<sup>25</sup> RODRIGUEZ-HEVÍA, LUISA F. – NAVÍO-MARCO, JULIO – RUIZ-GÓMEZ, LUIS M.: *Citizens' Involvement in E-Government in the European Union: The Rising Importance of the Digital Skills. Sustainability* 2020/17. 5. p. DOI: <https://doi.org/10.3390/su121768075>

<sup>26</sup> Source data: Eurostat. Individuals who used the internet for interaction with public authorities (online data code: ISOC\_R\_GOV\_I). Available at: [https://ec.europa.eu/eurostat/databrowser/view/ISOC\\_R\\_GOV\\_I\\_custom\\_4493735/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/ISOC_R_GOV_I_custom_4493735/default/table?lang=en)

Programme (SIP).<sup>27</sup> The process is facilitated by the Superfast Internet Programme (2015) with the aim of providing broadband connections of at least 30 Mbps in all parts of Hungary. As part of the programme, 500,000 new network termination points were established by the end of 2018. In January 2019, the Superfast Internet Programme 2.0 was launched with the aim of further developing the network, increasing the capacity to at least 100Mbps available everywhere in the country, and further developing the optical network with gigabit capabilities to extend the coverage of the gigabit broadband network.

Table 8

*Digital Economy and Society Index. Hungary*

Dimensions	2014			2020		
	HU		EU	HU		EU
	rank	score	score	rank	score	score
Digital Public Services	<b>26</b>	0.27	0.47	<b>25</b>	49.2	68.1
Integration of digital technology in enterprises' activities	<b>25</b>	0.22	0.33	<b>26</b>	23.3	37.6
Connectivity	<b>12</b>	0.45	0.41	<b>12</b>	52.0	50.2
Human capital	<b>19</b>	0.48	0.54	<b>22</b>	52.0	50.2
<b>TOTAL</b>	<b>20</b>	0.41	0.47	<b>23</b>	40.5	47.1

Source: DESI, 2021<sup>28</sup>

Nonetheless in 2020, Hungary ranked 23rd out of the 27 Member States in the Digital Economy and Society Index (DESI). The shortcomings of public administration are considered as a result of both technical and human factors.

Under the e-Administration Act, since 2018 the use of online administration has been obligatory for businesses and a right for citizens. Citizens can choose between electronic and traditional paper-based personal administration.

In terms of platform independence, multichannel service delivery offers the availability of alternative channels, physical and digital. Access to a service has become an essential part of public service design, as users may prefer different channels depending on their circumstances and needs.

Practically all relevant public services are available online and the most important ones have their own structured online forms, or online applications. However, only 70% of Internet users interacted online with the public administration in 2020 and some parts of the population are still excluded from IT methods.<sup>29</sup>

<sup>27</sup> European Commission: Digital Public Administration Factsheets 2020 – Hungary. 12. p. Available at: <https://joinup.ec.europa.eu/collection/nifo-national-interoperability-framework-observatory/digital-public-administration-factsheets-2020>

<sup>28</sup> European Commission: Shaping Europe's digital future. Hungary in the Digital Economy and Society Index (DESI) 2021 – Hungary. Available at: <https://digital-strategy.ec.europa.eu/en/policies/desi-hungary>

<sup>29</sup> Digital Economy and society Index (DESI) 2021 – Hungary. 12. p. Available at: <https://digital-strategy.ec.europa.eu/en/policies/desi-hungary>

All these mean that in Hungary, the face-to-face communication is still important in public administration. The digital divide refers to the significant social differences in access to and use of modern information and communication tools (mobile phones, computers, Internet) in the area of public services.

Internet usage depends on digital literacy. According to DESI (2021), Hungary ranks 22nd among EU countries in terms of human capital. Only about half of the population has at least basic digital skills (49% compared to the EU average of 56%), and a quarter of the population aged 16 to 74 have more than basic digital skills, below the EU average of 31%.<sup>30</sup>

It is also worrying that the share of ICT professionals in the workforce, although slightly increasing (3.8%), is still below the EU average (4.3%). Significant improvements in the digital skills of ICT professionals and citizens are crucial to achieving the objectives of the Digital Decade policy programme (2021–2030).<sup>31</sup> The situation is similar to that of advanced technologies. The Hungarian enterprises are performing badly, in most technical indicators such as AI (17%), cloud (17%) and big data (7%) well below the EU average. SMEs require a special policy focus, as only 34% of them have at least a basic level of digital intensity (EU average: 55%), compared to the Digital Decade target of at least 90%.<sup>32</sup>

The basis of digitalisation efficiency is the education of citizens, enterprises and officials. Education based on digital tools and applications is now an indispensable prerequisite for learning skills. The key is to equip public education and training institutions with modern tools, to strengthen digital skills education and ensure the digital availability of educational materials.

Hungary has set itself a very ambitious and challenging goal of surpassing the EU average in digital development by the end of the decade and becoming one of the first EU Member States in terms of digitalisation by 2030. However, the country will only be able to achieve this goal by taking into account and eliminating systematically the barriers to further development of the digital sector in the future.

In order to improve the quality and acceptance of digital public services, it is essential to ensure that they are more user-friendly. This is a key challenge for the digital transformation of the country.

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<sup>30</sup> Digital Economy and Society Index (DESI) 2021 – Hungary. 5. p. Available at: <https://digital-strategy.ec.europa.eu/en/policies/desi-hungary>

<sup>31</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: 2030 Digital Compass: the European way for the Digital Decade. Brussels, 9.3.2021 COM(2021) 118 final

<sup>32</sup> Digital Economy and Society Index (DESI) 2021 – Hungary. 10. p. Available at: <https://digital-strategy.ec.europa.eu/en/policies/desi-hungary>

SOÓS EDIT

ÜGYFÉLKÖZPONTÚ KÖZIGAZGATÁS MAGYARORSZÁGON

(Összefoglalás)

Magyarország Kormánya célul tűzte ki 2020-ra a Magyar közigazgatási folyamatok és munkafolyamatok olyan ügyfélközpontú, integrált területi közigazgatás irányába történő átalakítását, amely egyszerűbb, átláthatóbb és elszámoltathatóbb rendszert jelent a polgárok számára. A kormányzati stratégiai cél megfelel az Európai Unió Magyarországgal szembeni azon elvárásainak és kihívásainak, hogy korszerűsítse közigazgatását, és növelje a modern információs és kommunikációs technológiák (IKT) alkalmazását az állami intézmények közötti, valamint az állami intézmények és az állampolgárok közötti interakciókban.

Az e-közigazgatás fejlesztésében a fő célkitűzés az ügyfélközpontúság és a közigazgatás szolgáltató jellegének erősítése. A közigazgatási szolgáltatások egyszerűbb, gyorsabb és költséghatékonyabb intézése a front office és back office folyamatok integrációja révén valósul meg. A front office biztosítja a digitálisan nyújtott közzolgáltatások lehetőségét a többcsatornás ügyintézés és a csatornák közötti választás révén. Az ügyfélbarát digitális közzolgáltatások használatához a lakosság, illetve a közigazgatásban dolgozók digitális kompetenciáinak fejlesztése, a digitális írástudatlanság és a digitális megosztottság mérséklése szükséges.

Mennyiben járult hozzá Magyarország az EU digitális kormányzásához? Melyek az ügyfélközpontú, többcsatornás ügyintézés terén elért eredmények? Az e-közigazgatás teljesítményének értékelése uniós és magyar dokumentumok mellett (EU e-Government action plan 2016-2020, Nemzeti Infokommunikációs Stratégia 2014-2020, KÖFOP 2014-2020, Digital Economy and Society Index, e-Government Benchmark) az Eurostat és a KSH adatai felhasználásával történt.