

## ARTICLES

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# Re-thinking the Lower-middle Level of Administration in Hungary with Particular Reference to the Web 3.0. Era

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**Abstract:** This paper will evaluate the current situation and role of the Hungarian (administrative) lower-middle level and make projections about its future. Centralisation efforts since 2010 have had a non-negligible impact on the administrative and non-administrative (common institution maintenance, micro-regional development policy) tasks assigned to the lower-middle level. However, it may be argued that the transition to the Web 3.0 era – the era of the most advanced, most intelligent and customised web technologies – may put such centralisation efforts into a new context. Revitalisation of formations similar to the multi-functional micro-regional associations of local self-governments which largely disappeared after 1 January 2013 may be justifiable in the forthcoming period in order to promote local synergies. If this is correct, a re-think of the public administration system at the lower-middle level may become a very important task for the public administration as along with regional discourse.

**Keywords:** districts, local self-government associations, public administration, territorial policy, local public services, Hungary

## 1. Introduction

The subject matter of this paper is what is known as the lower-middle level of administration, which – with some simplifications – I have placed in the category of the local equivalents of the European Union’s local administrative units (LAU) level 1, as used before 1 January 2017, when EUROSTAT disbanded levels LAU 1 and LAU 2, and implemented a unified LAU classification. In Hungary, as in the majority of EU member states, the new LAU levels implemented in 2017 are equivalent to the former LAU 1 levels (3,155 towns, at the town level) (Local Administrative Units [LAU], s.a.). The primary aim of the study is to make recommendations on the ideal size and desirable functions of lower-middle level of administrative units in Hungary, especially with

regard to the challenges of the upcoming era of the most advanced, most intelligent and customised web technologies, i.e., the Web 3.0 era (Mitra, 2014). The second section of the paper will briefly outline the prehistory of the lower-middle level in Hungary in order to provide a proper context for the situation and role of the current district system, which constitutes the most important representative of the lower-middle level after 2010. In the third section, based on the professional literature on the ideal size and desirable functions of districts, I conclude that it would be a mistake to identify the lower-middle level with one single geographical delimitation, such as the current district system, and that research on the ideal size and desirable functions of lower-middle level administrative units should focus on the needs of users, in line with one of the fundamental postulates of the concept of the neo-Weberian state. Based on this, the fourth section seeks to rethink the ideal size of districts in the transition to the Web 3.0 era through empirical research. The results of this research suggest that a reduction in the frequency of administrative acts requiring personal presence could lead to a reduction in the current number of districts. Furthermore, the concluding part of the paper will discuss in more detail the fact that there may even be a resurgence of formations smaller than the current districts, which may be best placed to fill the void left by the marginalisation of the multi-purpose associations of small municipalities after 2013.

## 2. A historical overview

The term ‘district’ (*járás* in Hungarian), the most characteristic Hungarian equivalent of the lower-middle administrative level, is quite controversial. On the one hand, its use dates back a long time: Historical research has found evidence of districts known as *iudex nobilium* from as early as the fifteenth century (Csité & Oláh, 2011, pp. 21–24; Hoffman, 2012, p. 23). On the other hand, in a geographical sense, these districts did not constitute fixed regional units. As Bálint Csatári put it, ‘Their boundaries, their seat, and the roles, number and importance of district-level administration or supply institutes have been often changing’ (Csatári, 1995, p. 11). To understand current problems with districts, it is vital to first shed some light on how their real career started. They were introduced in the socialist era, when districts – which were construed until then as areas of jurisdiction of ‘on-site’ county bodies – were established as fully-fledged administration levels on a par with counties or cities. 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 taking control over agricultural activities, including the collectivisation process, which was considered strategically important at the time (Szoboszlai, 1973). Since in smaller villages, no adequate and reliable party officials were available, the governing (and only) party intended to rely on this administration level in realising its goals. As a result of this intention, the three-level administration could not survive completion of the collectivisation process, or the disruption of the strictly centralised plan- and instruction-based regime. For this reason, the dissolution of districts or

merging them with other districts started as early as the 1950s. Ultimately, Act I of 1971 (third act of the Council) sped up the process. Pursuant to the legislation, to ensure a gradual loss of power, the 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 improve cost-efficiency, specifically the government intended to improve efficiency of territorial administration by allocating former district-level tasks to central cities and their associated specialised administration bodies. Another point worth considering is that in the late Kádár era, these measures which were meant to improve cost-efficiency proved insufficient to offset the trend of cutbacks in central grants, and an increasing 'competition for development resources' (Vági, 1982) resulted in sharp conflicts between city environs centres and the councils in their catchment areas, in spite of the fact that by creating so-called city environs funds, the central city, as a net contributor, tried to prevent a further increase in inequalities by adding its own humble offerings (Pfeil, 2003, p. 53).

Following the regime change, it briefly seemed that the lower-middle administration levels might be forced to the periphery. Spurred by the unpleasant memory of the city environs administrations and the lobby of local influencers, Act LXV of 1990 on Local Self-Governments (Local Self-Government Act 1990) implemented a local self-government structure that was not only decentralised (one town – one local self-government), but which also allocated the majority of local-level tasks and authorisations to municipalities. However, it did not take long for it to become apparent that local self-governments do not have adequate resources to perform these tasks or fulfil their mandates. The current era has seen a trend of decreasing central grants, and only a few local self-government bodies were lucky enough to have sufficient income to fund the adequate performance of the tasks they were charged with. An illustration of this is that, whereas legislators in 1990 would have left 100 per cent of personal income tax paid by locals with the local government, by 1991, only 50 per cent remained with them, and by 2010, this number had decreased to 40 per cent. Moreover, only 8 per cent remained with the respective local government, the other 32 per cent was re-distributed to various local governments in line with normative indicators (Kovács, 1991, p. 34; Lentner, 2019, p. 25). Accordingly, a revitalisation of the lower-middle administrative level became inevitable in the early 1990s, though the diversity of local-level tasks and authorisations, and the conflicts of interests between individual municipalities or between the municipality level and the central government made it almost impossible to establish a nationwide, unified and overlap-free lower-middle administrative level.

As regards the local level of *public administration*, the Local Self-Government Act 1990 imposed heavy burdens on mayor's offices operating under individual local self-governments, and on joint heads of the local self-government offices alike. The Local Self-Government Act 1990 only provided recommendations for villages with less than 1,000 residents to establish a joint head of the local self-government offices. As the unpleasant memories of joint town councils from the communist era still lived on, joint heads of local self-government offices were scarce, even in regions with the most fragmented village-structures. Typically, the small number of joint heads of the local

self-government offices or the number of participating villages decreased even further (1991: 529 and 1,535), and this trend only reversed in 1997/98 (1997/98: 492 to 505; and 1,360 to 1,391 – Szigeti, 2009, p. 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 *organisation of local public services* and *territorial development* was recognised fairly early on. The first local self-government associations were created in the early 1990s, and the institutionalisation of domestic territorial development, by the promulgation of Act XXI of 1996 on Territorial Development and Spatial Planning (Territorial Development Act) and the appearance of decentralised financial aid promoted the spread of more complex territorial development associations. Subsequently, the reinforcement of the lower-middle administrative level was mostly hindered by the conflicts of interests between the municipality level and the government. In particular, the government insisted on the idea of a nationwide, unified and overlap-free lower-middle administration level, while in reality at local level a complicated system of local interests and conflicts prevailed. The issue of how to force constitutionally autonomous town local self-governments into a unified system was finally resolved by Section 1(2) of Act CVII of 2004 on Multipurpose Micro-Regional Associations which replaced 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 a commitment on the joint performance of tasks related to education, social and healthcare, and territorial development. Meanwhile, in relation to the local level of public administration, Section 1(2) of Government Decree no. 244/2003 (XII.18.) set out that ‘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 the exercise of the respective authority justify such a difference’. After a short detour, the unified lower-middle administration level had apparently been restored in Hungary.

As it transpired, when the FIDESZ–KDNP coalition came to power in 2010, they initiated a centralisation 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 self-governments. Although, in relation to the *organisation of local public services*, possibilities continued to exist to perform tasks associated with the lower-middle level, with the repeal of Act CVII of 2004 on 1 January 2013 and the subsequent 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-allocated some of the local level public administration tasks to newly established district offices, that had formerly been carried out by local governments, primarily by notaries, who were local

self-government employees, and local state administration bodies with general authorities at the same time. To summarise the post-2010 trends in one sentence, the existence of a unified lower-middle administrative level had been questioned, if not outright denied. Below, I will attempt to define the present situation and future perspectives of the lower-middle administrative level in an era when bespoke answers to specific challenges will dominate even in the field of administration.

### 3. Districts versus lower-middle level

Based on the circumstances outlined in the introduction, I will develop an approach to the term lower-middle administrative level, which, instead of consisting of an exclusive lower-middle administrative level (where lower-middle level = a specific district distribution), is flexible enough to facilitate the solution of today's special challenges. This approach is based on the fact that the characteristics of Hungarian lower-middle administrative levels was defined by districts, which – despite being unstable – increasingly assumed the form of self-evident units of administrative spatial planning. The following section will explore the reasons.

Paul David, in the course of researching the causes of the Remington company's commercial success, argues that, since certain random events in the past can fundamentally affect the current course of events, sometimes it is necessary to accept that only history can explain a current situation (David, 1985). However, it should be added that due to a general resistance to change in society, adjustment to such eventualities may prove to be a difficult task. To paraphrase the most important conclusion of David's classic study, this may be regarded as a special case of path dependency, as traditional districts encompassing areas within about one day's walk (about 15–20 km) could have been allocated in a more favourable way in the present era. Indeed, in the twentieth century, an increasing divergence became apparent between the practice of Hungarian lower-middle administrative level spatial planning, and their treatment by academics. It is worth quoting one of the classics of Hungarian administration studies, István Bibó, who in a paper originally published in 1975 pointed out that, although the district system was launched with 140 districts in 1950 and this number had gradually decreased, at that time, professional discourse still considered the 80–90 larger district regions or city environs as the quintessential elements of the lower-middle administrative level.

This number of 80–90 occasionally recurs in our discourse of spatial planning. In one of the closing chapters of his book entitled *Magyar város*, Ferenc Erdei assumes about 80 centres, and... Károly Eszláry, who introduced three alternatives for administrative spatial planning (the large county, middle-sized county and small county systems) in the *Városi Szemle* in 1947, divided the country into 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 counties. This author published another work entitled *Magyarország városhálózatának kiépítése* in 1949, wherein, based in Ferenc Erdei's theories, he took into account 98 city environs (Bibó, 1990, vol. III, p. 214).

The reason why this is remarkable is that, despite the fact that the number of Hungarian cities with a lower-middle level catchment area is well below 140, mainstream middle level spatial planning kept insisting on similar numbers even after the regime change. The number of statistical micro-regions created by Notice No. 9006/1994 (S.K.3) of the President of the Hungarian Central Statistical Office on the Delimitation of Statistical Micro-Regions (138) only slightly differs from that of the system introduced in 1950. Moreover, most probably due to local level political bargains, the number of micro-regions thus defined continuously increased. The number of statistical micro-regions created in 1994 was first increased by Notice No. 9002/1998 (S.K.1) of the President of the Hungarian Central Statistical Office, to 150. A second increase, enacted by Government Decree no. 244/2003 (XII.18.), took it to 168, while a third change, Act CVII of 2007 increased it further to 174. Finally, Act CXLIX of 2010 brought the number of micro-regions to 175 by 2011.

With the implementation of the new district system on 1 January 2013, even though the actual centres and limits of districts differ from that of the statistical micro-regions here and there, legislators did not set out to intervene in the structure of the lower-middle administrative level. One hundred seventy-five districts were established, which more or less corresponded to the number of statistical micro-regions just dissolved. Apart from the dissolution of the Polgárdi district, this number remains unchanged (presently, the lower-middle administrative level in Hungary consists of 174 districts plus 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), it is inevitable, when clarifying the number of districts, to ask the question: How many cities are there in Hungary? Polemics on the topic in the academic literature generally start from the fact that the large number of cities that only became cities for political reasons after the regime change has resulted in an extremely fragmented ‘barely-city’ structure (Murányi, 2011), which presently includes 346 cities.<sup>1</sup> In a study in 2006, Pál Beluszky and Róbert Győri concluded that out of the 289 cities officially recognised at the time, only 210 actually function as a city to an extent, and a further 122 cities with incomplete city functions are deducted, the number goes down to 80–90, the number of larger district regions or city environs mentioned by Bibó (Beluszky & Győri, 2006, p. 68). In a parallel paper, Géza Salamin et al. estimated that there were only 57 actual cities with real city functions (Salamin et al., 2008). However, Imre Körmendy points out that the latter authors define a functional city in such a way that it meets another common criterium, namely the minimum of 20 thousand residents defined in the UN’s Demographic Yearbook (Körmendy, 2018). The aim here is not to determine a number or to define our lower-middle level administrative units according to Bibó’s approach or to the UN guidelines but to address the more pressing question of how to handle the meaning of contents associated with the lower-middle administrative level.

To arrive at a contextualised definition of the lower-middle administrative level, it is essential to understand the concept of the neo-Weberian state. It is well known that

<sup>1</sup> <https://statinfo.ksh.hu/Statinfo/themeSelector.jsp?&clang=en>

the dominance of the market-friendly approach attributable to the New Public Management was largely replaced after the recession in 2008 by the concept of the neo-Weberian state, involving strong state engagement. Christopher Pollitt, while admitting that, in a neo-Weberian state, strengthening the state's dominance may even be regarded as a traditional Weberian element, points out that the replacement of external orientation by internal orientation with more focus on bureaucratic rules, along with the consideration of citizen's needs and wants, clearly indicates that this is a 'neo-' or innovative version of the concept (Pollitt, 2007, p. 21). These parallels are also present in the state concept of the FIDESZ–KDNP coalition since it attained power in 2010. Focusing only on the creation of the districts mostly associated with the lower-middle administrative level: Although establishing districts (or allocating tasks formerly fulfilled by municipalities, notaries or formerly deconcentrated state administrative organisations to the district offices) may be considered a clear sign of Weberian centralisation, this ignores the fact that this does not only (or primarily) serve to concentrate powers in the hands of the state but also to take into consideration citizens' needs and wants in carrying out administrative tasks. As far as the Hungarian literature is concerned, it is enough to recall István Balázs's comment on the establishment of a system of government offices and districts that establishes a direct link between the state and its citizens (Balázs, 2020, pp. 29–30).

This is even more clearly evidenced by the institutionalisation of government customer service points, facilitating a one-stop-shop style of customer service. Although the first government customer service points were brought into existence before the district reform (they have been present since 2011), they became the determining elements of the administration reform at the time when the districts were established. More precisely, 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 point) in the district (capital city district) offices'. On the other hand, based on Section 3(1) of Government Decree no. 86/2019 (IV.23.) on Capital City and County Government Offices and District (Capital City District) Offices, which is currently in force, government customer service points are even more closely linked to the even stronger district (capital city district) offices. The legislation describes government customer service points and document offices 'operated by the district office'. Even though, at first glance, defining government customer service points as the bodies of the district office would appear to reinforce the dominance of the district within the lower-middle administrative level, it turns out that the neo-Weberian postulate of 'meeting citizens' needs and wants' can still override efforts aimed at reinforcing both districts at all costs and centralisation at the same time.

This suggests 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 the organisation of local public services, the lower-middle administrative level is better characterised by the void created by the dissolution of multifunctional micro-regional associations. Nevertheless, this current void may also imply that these

tasks would be better placed at the lower-middle administrative level, and not – as is presently the case – at the level of county local self-governments or municipalities.

To summarise the above reasoning, a double conclusion can be drawn. On the one hand, it is a mistake to identify the lower-middle administrative level with *one single* geographical delimitation. Moreover, should a demand for such delimitation appear, be it about the practice of Hungarian lower-middle administrative level spatial planning, or in regard to a relevant academic argument, it may be presumed that the underlying cause is a lack of critical analysis of ‘path dependency’. On the other hand, in line with one of the fundamental postulates of the concept of the neo-Weberian state, the viability of aiming to meet citizens’ needs is accepted. If the final decision in such matters lies with the citizens themselves, we must not obstruct an increasing focus on customers in terms of spatial use within the lower-middle administrative level.

The short piece of empirical research below aims to give an insight into an even more customer-focused pattern at the lower-middle administrative levels. Its starting point is the fact that at the lower-middle administrative level, the objectives of the transformation of the Hungarian administration after 2010 have primarily been manifested by the establishment of districts and government customer service points. Therefore, based on the publicly accessible data of the Hungarian Central Statistical Office and the district-level and town-level data of government customer service points, I will outline a few simple correlations that may indicate a possibly fruitful direction for the development of the middle-lower administration level in Hungary.

#### 4. Reporting results

My empirical research is aimed both at highlighting a few characteristics of the lower-middle administrative level since 2010 and suggesting a possible direction for future development. Perhaps the most important feature I would 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’ reduced influence, this becomes clear. I must add that even after the most important results of the reforms of 2010, 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 points were in operation on 4 February 2020. Although the distribution is slightly uneven, this yields 1.54 government customer service points for each district and capital city district, loosening the unified district-system further by creating what are termed ‘government customer service catchment areas’. However, the expression ‘catchment area’ is placed within quotation marks for a reason. Namely that integrated customer services are precisely based on the notion of facilitating the running of official errands for everyone, in any of the customer service offices. Of course, an individual’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 the new elements of the lower-middle administrative level could be established. These elements would be smaller than districts, and in a sense,

they would represent competition for the former. Below, I will argue that such a fragmentation of district levels is not only an indication of the situation at present, but also, it may be used to establish the future course of development for the lower-middle administrative level.

Let us start out from a peculiar contradiction. On the one hand, the legislators obviously created government customer service points to facilitate an easy procedure for private individuals to resolve official matters. On the other hand, apparently, the majority of cases formerly requiring a personal presence will be replaced by using various communication means or e-government technology. To support the second notion, in an extreme case, it could reach the point where, in the imminent era of Web 3.0, 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. For the time being, however, it is not necessary to go this far: It is enough to presume that with e-government technologies gaining traction, (which is forecasted for the near future), personal presence in the government customer service points may become rarer, which may then lead to a cutback in the number of government customer service points operated by each district office, or even to a decrease in the number of the districts themselves.

Considering this, it can be hypothesised that, within the territory of districts with higher levels of Internet coverage, more people are already able to run their official errands electronically than by reporting to the government customer service points in person. Furthermore, if this finding is valid, in a rational area distribution and spatial planning system, districts with more developed Internet coverage will need fewer government customer service points than those with lower levels of Internet coverage. As is described below, I attempted to find a correlation between the two indicators, but, considering the differences between the characteristics of each region, I conducted the analysis separately for the districts of the seven planning and statistical NUTS 2 regions before 1 January 2018, specifically: Western Transdanubia (Győr-Moson-Sopron, Vas and Zala counties), Middle Transdanubia (Fejér, Komárom and Veszprém counties), Southern Transdanubia (Baranya, Tolna and Somogy counties), Middle Hungary (Budapest and Pest county), Northern Hungary (Borsod-Abaúj-Zemplén, Heves and Nógrád counties), the Northern Great Plain (Hajdú-Bihar, Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg counties), and the Southern Great Plain (Bács-Kiskun, Békés and Csongrád counties). For the sake of completeness, please note that, since 1 January 2018, Middle Hungary has been divided into two NUTS 2 regions, Budapest and Pest County. However, I have not yet taken this split into account in my analysis as Budapest and a large part of Pest County can be considered a single functional unit of the Budapest agglomeration, regardless of the recent changes in the NUTS system.

Based on the above data, the following correlation was found between Internet penetration (the percentage of Internet subscriptions among the permanent residents of the subject districts, or – due to the lack of data on Internet penetration in the capital city districts – the capital, Budapest) and the *availability of government customer service points* (the percentage of residents of the municipalities with a government customer service point within the permanent residents of the subject districts, or Budapest), in 2018:

Table 1.

*Correlations between Internet penetration and the availability of government customer service points in Hungarian NUTS 2 regions before 1 January 2018, broken down by districts or for Budapest as a whole (2018)*

	correlation (r)
Southern Transdanubia	0.79
Western Transdanubia	0.77
Middle Transdanubia	0.72
Northern Great Plain	0.65
Southern Great Plain	0.60
Northern Hungary	0.55
Middle Hungary	0.31

*Source:* Compiled by the author based on data from the KSH dissemination database.<sup>2</sup>

This table shows that in Hungary, contrary to what might be expected, at this time, the residents of municipalities of districts with better Internet penetration also have access to more government customer service points than residents of districts with lower Internet penetration, making reporting in person to use government customer services more difficult in the latter districts. More specifically, based on Joy Guilford's approach (1942), in the majority of the NUTS 2 regions in question, a high (Pearson's) positive correlation (distinct association) or a medium positive correlation (significant association) is present between the variables of Internet penetration and the availability of government customer service points. The only exception is the Middle 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 region, the percentage of Internet subscriptions was by far the highest in the country in 2018 (38.1 per cent). However, in terms of availability of government customer service points (58.9 per cent of residents live in the territory of a municipality where a government customer service point is available), no similar dominance is present in the Middle Hungarian region. Moreover, this region is clearly inferior to the Southern Great Plain region in this sense (67.7 per cent), while the Northern Great Plain region shows a similar value (58.9 per cent). In Budapest, a city with 56.4 per cent of the population of the Middle Hungarian region, not only were Internet penetration values the highest (for Budapest, the percentage of Internet penetration is 45.1 per cent, compared to 40.7 per cent in the Debrecen district, which has the highest internet penetration outside the Budapest area) but also the government customer service points were available in every district of the capital, which is even more remarkable. The smaller anomaly is mainly attributable to the fact that, although the population significantly increased in some municipalities of Budapest's agglomeration after the regime change,

<sup>2</sup> <https://statinfo.ksh.hu/Statinfo/themeSelector.jsp?&lang=en>; town-level data of government customer service points; <https://kormanyablak.hu/hu/kormanyablakok>

policy makers still concluded that there is no need to provide local outlets to facilitate the official errands of private individuals in these 'dormitory towns'. The underlying assumption was that the majority of residents of these satellite settlements commute to Budapest in the first place, and for the rest of the population, traveling to Budapest is not very inconvenient, either. The result of this reasoning is perhaps demonstrated best by the example of the Dunakeszi district. Although this district has 86,992 residents, (its seat of the same name has 43,813 residents, putting it in second place after the town of Érd with county rights with 69,014 residents in the agglomeration), it is the only district with no government customer service point at all.

By the same token, the unavailability of government customer service points 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 policy. It is also clear that, except for in the Middle Hungarian region, Internet penetration – and the closely associated general socio-economic development level – and the availability of government customer service points are positively correlated. Theoretically, this discrepancy could be decreased by opening new government customer service points. The unlimited possibilities of such efforts are demonstrated by the example of Óriszentpéter, the village in Hungary with the smallest number of residents (1,166) which has a government customer service point, operating an integrated customer service despite the fact that it is not even a district seat. However, opening such a large number of government customer service points would not be feasible, as the maintenance of the present system already imposes a heavy burden on the state. To illustrate this, and most probably due to the permanent lack of personnel and the low pay for civil servants, the government customer service office in that village, which was formerly open between 08:00 am and 08:00 pm every working day, (Fibinger et al., 2017, p. 5), now operates full-time on Wednesdays only, significantly restricting the opportunities for in person business.

## **5. Conclusion and further implications**

As I mentioned above, the Local Self-Government Act 1990 implemented a quite fragmented local self-government structure, although the multipurpose micro-regional associations institutionalised by Act CVII of 2004 were able to create good opportunities for expanding local level synergies. Unfortunately, in the early 2010s, these formations were marginalised as a result of centralisation efforts. Furthermore, the system of multipurpose micro-regional associations had a significant and inherent defect since, due to the nature of associations, the former collaborations were not always able to provide a stable framework for administration, since instead of being organised from bottom up, the multipurpose micro-regional associations were defined and limited from above, and kept together by indirect instructions from above, as opposed to by a mutual recognition and management of interests. As a result, after their statutory grants were cut in 2013, these organisations fell apart perhaps too easily, and, considering the increasingly limited possibilities of the local level, without justification. The author of this paper is of the opinion that the near future should bring a process of simplification

based on the mutual recognition of interests, similarly to that which took place after the regime change: Individual local self-governments which are weak by themselves should work together again, supported by the pillars of the lower-middle level described above.

The theoretical underpinnings of the study pointed out that it would be a mistake to identify the lower-middle level with one single geographical delimitation, such as the current district system, and that research on the ideal size and desirable functions of lower-middle level administrative units should focus on the needs of users, in line with one of the most fundamental postulates of the concept of the neo-Weberian state. The subsequent empirical research suggested that problems arising at the local level of *public administration* cannot be adequately solved by the current district system or by government customer service points alone. The transition to the Web 3.0 era will be long and ponderous in Hungarian regions at lower levels of socio-economic development, and government customer service points are already short of personnel to fulfil their intended function (to facilitate the in person handling of official tasks after work). The currently prevailing approach, that is, the network of mobile district assistants (Keló, 2019), or the mobile government customer service points which appear from time to time in smaller villages, burden the system further, and do not represent a permanent solution, with the gradual transition to the use of the technologies offered by the Web 3.0 era. A system of information hubs operated or supported by local self-governments in the centres of micro-regions, for example, developed on the basis of the current Digital Welfare Programme Hubs (Digitális Jólét Program pontok), where people could receive help with solving their official issues electronically would potentially solve this problem. This would encourage citizens to familiarise themselves with and embrace the technologies offered by the Web 3.0 era, and – to a limited extent, so far – it would channel people away from district level offices, allowing them to deal with more important cases requiring personal presence. In the longer term, this could even result in a decrease in the number of districts compared to today, possibly down to the number of 80–90 mentioned by Bibó and which recurs in the professional discourse.

Moving on to the further implications beyond the tasks of public administration, the role of local self-governments is also crucial in terms of the *territorial development tasks* associated with the lower-middle administrative level. Although the current legislation requires *all* municipalities to follow an independent town development policy (for example to draft the strategic document of the town development concept independently), this does not imply neglecting territorial development tasks which go beyond local 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 stipulates that urban development concepts for cities with city rights shall contain a vision of the role the city will play in the region, which makes joint review and planning of territorial development problems affecting the city and its catchment area alike unavoidable.

It is also worth saying a few words about the problems of the *organisation of local public services*. In this respect, it is obvious that collaboration at the lower-middle administrative level is essential, as Section 11(2) of Act CLXXXIX of 2011 on

Hungary's Local Self-Governments detailing unnecessary yet required tasks clearly sets out that 'the statute shall differentiate when establishing the mandatory tasks and scope of authorities'. Thus, the joint maintenance of the associates' tasks and different institutes (for example, in an association under the auspices of a gestor municipality) is still a working practice today. The re-establishment of bottom-up associations at the lower-middle administrative level – under the old name of multipurpose micro-regional association or with a new, different name – could facilitate the more rational and clear operation of these associations. They could also partly relieve the burden on the 'ideal district', which is mentioned in the Hungarian Public Administration and Public Service Development Strategy, as a typical level of the organisation of public services in the long term (Közigazgatás- és közszolgáltatásfejlesztési stratégia, 2014–2020, p. 51).

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

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