

# IS VIRTUAL REALITY REALLY NECESSARY FOR LOCAL GOVERNMENTS?

## LOCAL GOVERNMENTS DIGITAL READINESS IN A HUNGARIAN CONVERGENCE REGION

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**ABSTRACT:** *Nowadays it has a special importance to analyze the e-services systems provided by the local authorities given the fact that these public administration authorities are situated in the closest place to the civil society. That is why it is practical and very useful to develop the structure and possibilities of the e-government solutions, which can be available at the local authorities. We have to take into consideration also the smaller villages, cities and bigger county-cities and county governments, as well. In our information society municipalities have to take actions to ensure a high standard of transparency and privacy protection declared by statutes. An attempt is made to evaluate their status from the point of information rights.*

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*solutions that can be used on the different levels of the public administration (local authorities, county-level, central organisations). However it is also very important to use "just" those e-services, which are considered useful, helpful by the clients, which can really make their administrative procedures faster and easier.*

*This research scope probably can help the further developments in the forming and ameliorating of the Information Society of different countries, especially the Hungarian model.*

**KEYWORDS:** *e-government, e-services, public administration, local authorities, local government*

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## 1. INTRODUCTION

Nowadays it has a special importance to analyze the e-services' systems provided by the local government, while these public administration authorities are situated in the closest place to the civil society. That is why it is practical and very useful to develop the structure and possibilities of the e-government solutions, which can be available at the local authorities. We have to take into consideration also the smaller villages, cities, bigger county-cities and county governments as well. In our information society municipalities have to take actions to ensure a high standard of transparency and privacy protection declared by statutes. An attempt is made to evaluate their status from the point of the information rights.

Furthermore it is also an obligation – not just a right – to ensure the best public e-services that are available nowadays. In our research, we try to focus on the different types of e-solutions that can be used in the different levels of the public administration (local governments, county-level). However, it is also very important to use "just" those e-services, which are considered useful or helpful by the clients, which means that those services can really make their administrative procedures' faster and easier.

The scope of this research can probably facilitate the further developments in the forming and ameliorating of the Information Society of different countries, especially the Hungarian model.

## 2. EUROPEAN EXPECTATIONS ON THE PUBLIC E-SERVICES

The European Union (hereinafter referred to as: EU) introduced several official and non-official documents and programmes in order to create the legal and technical environment for the electronic services and electronic public services. (Czékman & Kiss, 2015) ESPRIT, RACE, AIM, DRIVE and DELTA were official programmes aimed to improve the information technology (IT) as an EU policy in the 1980's. In the beginning of the 1990's, an expert group – led by a European Commissioner, *Martin Bangemann* – was appointed to fulfil the European Council's plan on the IT. The expert group issued the *Bagermann-report* (Bangemann, 1994) and as a consequence, the European Committee

submitted the “*Europe’s way to the Information Society*” action plan to the European Council. This action plan was followed by the directives on the e-signature<sup>1</sup> and on the e-commerce<sup>2</sup>, the Re-use of Public Sector Information directive<sup>3</sup> (PSI-directive), the *eEurope* recovery programme<sup>4</sup>, the “*eEurope 2002*” action plan and the “*eEurope 2002+*” action plan. As a result of these legislative acts, a *Common List of Basic Public Services* (CLBPS) was introduced. The CLBPS declares exhaustively those services which shall be provided by the EU member states in an electronic way. The CLBPS was followed by the “*eEurope 2005*” action plan which led to the 2004/387/EC decision of the European Parliament and Council. This decision determined the interoperability<sup>5</sup> as a principle. The so-called services-directive<sup>6</sup> was a milestone in this process by determining common definitions and frames for different services. The INSPIRE directive<sup>7</sup> of 2007 and the ISA decision<sup>8</sup> of 2009 were the further steps on the path of the more electronic Europe till the *Digital Agenda for Europe*<sup>9</sup> strategy (DAE) was introduced. The DAE “sets eGovernment within a comprehensive set of measures aimed at exploiting the benefits of ICT across Europe”<sup>10</sup>. The second<sup>11</sup> eGovernment Action Plan<sup>12</sup> was accepted within the frames of the DAE strategy in 2010. According to the plans, “by 2015 European public administrations will be recognised for being open, flexible and collaborative in their relations with citizens and businesses. They use eGovernment to increase their efficiency and effectiveness and to constantly improve public services in a way that caters for user's different needs and maximises public value, thus supports the transition of Europe to a leading knowledge-based economy.”<sup>13</sup> This ambitious plan belongs to the so-called Malmö Declaration which was declared on the 5th Ministerial eGovernment Conference in 2009. The Malmö Declaration set out 4 political priorities for public administrations of

<sup>1</sup> The 1999/93/EC directive of the European Parliament and of the Council on the Electronic signature

<sup>2</sup> The 2000/31/EC directive of the European Parliament and of the Council on the Electronic commerce

<sup>3</sup> The 2003/98/EC directive of the European Parliament and of the Council on the re-use of public sector information

<sup>4</sup> E-Europe recovery programme (An Information Society for All)

<sup>5</sup> Interoperability: the ability for changing information of the ICT systems and business processes supported by them in order to share the information and knowledge. For more information on the principle of interoperability, see: Veszprémi, B. and Czékmann, Zs. (2013) “Az e-közigazgatás szakigazgatási alapjai”, in Lapsánszky, A. (Ed.), *Közigazgatási jog - Fejezetek szakigazgatásaink köréből (I. kötet)-A szakigazgatás általános alapjai, nemzetközi összefüggései. Az állami alapfunkciók igazgatása*, Complex, Budapest, p. 355 (The definition was translated by the author)

<sup>6</sup> The 2006/123/EC directive of the European Parliament and Council on the services in the internal market

<sup>7</sup> The Infrastructure for Spatial Information in the European Community directive 2007/2/EC

<sup>8</sup> The 2009/922/EC decision of the European Parliament and Council on the interoperability solutions for European public administrations

<sup>9</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Digital Agenda for Europe, COM(2010) 245/final/2.

<sup>10</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, COM(2010) 743 final

<sup>11</sup> The first eGovernment Action Plan was accepted in 2006, COM 2006/173 of 25.04.2006

<sup>12</sup> eGovernment Action Plan 2011-15, COM(2010) 743 final

<sup>13</sup> eGovernment Action Plan 2011-15, quoted above, p.3.

the EU member states for the past 5 years (2010-15). The priorities include that the “eGovernment services designed around users’ needs, facilitate the accession to public information, strengthen transparency, etc. Mobility in the Single Market is reinforced by seamless eGovernment services for setting up and running of businesses, and for studying, working, residing and retiring anywhere in the EU.”<sup>14</sup> The abovementioned Declaration involves the ministers’ objectives about the trends<sup>15</sup> they expect from their public administrations by 2015. The eGovernment services should be able to cater for different needs of users and deliver them in the most effective way. This means user-centric services with flexible and personalised ways of interacting with public administrations. These services shall increase trust in government and contribute to higher user satisfaction parallel with achieving efficiency gains<sup>16</sup>. In order to elaborate a user-centric and user-driven system for the public administration, the governments seek collaboration with third parties (e.g.: businesses, civil society, citizens) according to the Declaration. About the practical achievement of the collaboration the Declaration does not contain information. The plan to be reached until 2015 involves the transparency of administrative processes such as the increased availability level of public sector information – as its objectives. The Public Sector Information Directive<sup>17</sup> (PSI directive) establishes the conditions for these objectives by providing a common legal framework for government-held data in order to facilitate the transparency and the fair competition for the internal market of the EU. As it encourages the fair competition, the PSI focuses on the economic aspects of re-use of information. The PSI “encouraged the Member States to make as much information available for re-use as possible. It addressed material held by public sector bodies in the Member States, at national, regional and local levels, such as ministries, state agencies, municipalities, as well as organisations funded for the most part by or under the control of public authorities.”<sup>18</sup> The PSI mostly speaks about the non-discriminatory reuse of information for comparable categories (only 2 exceptions for exclusive arrangements with individual re-users excluding others<sup>19</sup>) and the charges for reuse should in principle be limited to the marginal costs of the individual request that means the reproduction, provision and dissemination costs. According to the Article (6) of the PSI “the public sector bodies concerned shall calculate the total charges according to objective,

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<sup>14</sup> Ministerial Declaration on eGovernment (Malmö Declaration), approved unanimously in Malmö, 18 November 2009, for further information, see: [www.se2009.eu](http://www.se2009.eu) [accessed 10 January 2016]

<sup>15</sup> Malmö Declaration, quoted above, p. 2-3

<sup>16</sup> quoted above, p.2.

<sup>17</sup> The directive was revised by the 2013/37/EU directive so hereinafter I analyze the consolidated version of the directive.

<sup>18</sup> European Commission, Digital Agenda for Europe, a Europe 2020 Initiative, The European legislation on reuse of public sector information summary of the directive, available at: <http://ec.europa.eu/digital-agenda/en/european-legislation-reuse-public-sector-information> [accessed 16 January 2016]

<sup>19</sup> Exclusive rights may be authorised in exceptional circumstances: if they are necessary to provide services in the public interest; or in the context of digitisation of cultural resources. In both cases, review clauses ensure that exclusive arrangements are regularly reviewed against the evolution of technology and the market for digitisation and provision of electronic services according to the above quoted summary.

transparent and verifiable criteria to be laid down by the Member States”.<sup>20</sup> Article (7) points 1-4 define the conditions for the transparency. Due to that, “in the case of standard charges for the re-use of documents held by public sector bodies any applicable conditions and the actual amount of those charges, including the calculation basis for such charges, shall be pre-established and published, through electronic means where possible and appropriate (Paragraph 1). In the case of charges for the re-use other than those referred to in paragraph 1, the public sector body in question shall indicate at the outset which factors are taken into account in the calculation of those charges. Upon request the public sector body in question shall also indicate the way in which such charges have been calculated in relation to the specific re-use request.” Paragraph 3 contains, that the information “shall be published by electronic means, where possible and appropriate”. Paragraph 4 regulates, that “public sector bodies shall ensure that applicants for re-use of documents are informed of available means of redress relating to decisions or practices affecting them.” As the PSI establishes minimum rules for the reuse and practical means of facilitating reuse of existing documents held by public sector bodies of the member states, it sets rules also for municipalities as public sector bodies. There are few exceptions where the PSI shall not apply to due to the Article 1. These are the documents of which is “an activity falling outside the scope of the public task of the public sector bodies concerned as defined by law or by other binding rules in the Member State, or in the absence of such rules, as defined in line with common administrative practice in the Member State in question, provided that the scope of the public tasks is transparent and subject to review”. Maybe this can be accepted as a flexible rule in practice to keep information in the hands of the public sector and do not share it or reuse it. Other exception under the scope is for documents which hold third parties intellectual property rights and of course the documents which involve information regarded to national security, defence or public security, or statistical or commercial confidentiality (e.g. business secret, company secret).

The abovementioned Malmö Declaration aims to reach the transparency of administrative processes, but does not include any information about the practical establishment (it contains: “we will explore how we can make our administrative processes more transparent”<sup>21</sup>). The PSI directive regulates the transparency in the meaning of the reuse of public information but does not regulate the conditions for the availability of the information (as it is a public value). The so called eGovernment Action Plan sets out the improvement of Transparency as its aim, too. According to it “transparency in government decision making and in its use of personal data help to build the trust of citizens and improve accountability of policy makers. Although many Member States have set transparency goals, no common European objectives exist yet. Surveys show that new technologies and services allowing users to trace their personal data stored by public administrations, enabling users to check who accessed their administrative files

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<sup>20</sup> PSI Directive, Article 6, point 3.

<sup>21</sup> Malmö Declaration, page 3, point 12.

and giving users insight in the process of decision making are featuring amongst the most demanded eGovernment services. Actions in this field should be in accordance with the Data Protection Directive (Directive 95/46/EC).” Due to the Action Plan by 2014 “in accordance with Data Protection Directive 95/46/EC, Member States will enable citizens to have electronic access to those personal data that are held on them when available electronically and will inform them electronically whenever such data are being processed by automatic means, in a simple and unambiguous manner.”

The next objective to reach until 2015 was to involve stakeholders in public policy processes. This would mean that the businesses and citizens are able to participate in the policy processes. About the “how” the Declaration does not include information.

The abovementioned eGovernment Action Plan (2011-2015) works toward the provision of better public services with fewer resources. “The emergence of innovative technologies such as “service-oriented architectures” (SOA), or “clouds” of services, together with more open specifications which allow for greater sharing, re-use and interoperability reinforce the ability of ICT to play a key role in this quest for efficiency in the public sector.”<sup>22</sup> The Action Plan “contributes towards fulfilling two key objectives of the Digital Agenda for Europe, in particular:

- by 2015, a number of key cross-border services will be available on line – enabling entrepreneurs to set up and run a business anywhere in Europe independently of their original location, and allowing citizens to study, work, reside and retire anywhere in the European Union.

- by 2015, 50% of EU citizens will have used eGovernment services.

As eGovernment services are applied also to local government services<sup>23</sup>, these two objectives had to be reached till the end of 2015.

Various actions have to be taken in order to manage the 4 political priorities mentioned in the Malmö Declaration. The actions can be categorised in three groups:

- “–Where Member States are leading and rely on their own resources, the Commission will help by supporting and coordinating activities. The measures proposed will focus on setting targets with the Member States and on how to achieve these targets by means of measures such as exchanging best practice and information, conducting studies and benchmarking.

- Where the Commission and the Member States work jointly to develop, deploy or improve cross-border services, the Commission will take the lead in activities where joint resources are used, while the Member States will bear the final responsibility for implementing activities using their own resources. The measures proposed will include research and development, pilot projects, collaborative development of services by Member States and transfer of knowledge to the market.

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<sup>22</sup> eGovernment Action Plan 2011-15, quoted above, p.3.

<sup>23</sup> eGovernment services are supported to be reached at local, regional, national and European levels according to the Action Plan.

– Where the Commission can create enabling conditions, the measures proposed will include adopting legal instruments, setting standards, formulating common frameworks, implementing generic tools, providing (re-usable) technical building blocks and ensuring interoperability.”<sup>24</sup>

These require increasing the users’ (citizens, organisations and businesses) capacity to be pro-active in society. The Action Plan defines services designed around users’ needs and Inclusive Services. It contains examples for these services such as: “track allocation of allowances or benefits, enrol in schools or universities, request and receive online civil certificates, submit online tax declarations. In addition, the usability of and access to eGovernment services should be improved by delivering eGovernment services via multiple channels (including Internet, TV, telephone, mobile devices, or where appropriate through intermediaries)”.

The Action Plan sets out the methods of the collaborative production of services such as social networking and other collaborative tools (eg. Web 2.0 technologies), because they enable users to play active role in the design and production of public services. The first question would be: how to involve citizens into public services in order to be active users and participants of public processes? This requires a citizen engagement. Some member states already set out some institutions for the collaboration with citizens, e.g.: Croatia requires public consultation in policy making and has several programmes of cooperation with the non-profit sector<sup>25</sup>, Denmark set up a centre of expertise on collaborative democracy focusing on technology issues and a mind lab, which involves citizens and businesses in problem solving with government ministries<sup>26</sup>, Estonia set up an online “People’s Assembly” to make proposals for government reform<sup>27</sup>, Finland is committed to developing dialogue skills in public administration as part of its OGP action plan<sup>28</sup>, The Danish Ministry of Foreign Affairs will conduct public hearings on the design of foreign aid programmes<sup>29</sup>, etc. Maybe these are good examples to follow by other member states.

The Action Plan defines the involvement of citizens as enable them to “hear their voice”, thus to send their initiatives to the Commission (as the Article 11 of the Treaty on the European Union requires).

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<sup>24</sup> eGovernment Action Plan 2011-15, p.5.

<sup>25</sup> For further information, see: <http://www.opengovpartnership.org/sites/default/files/Inspiring%20Story%20-%20Croatia.pdf> and [http://www.icnl.org/research/journal/vol10iss4/art\\_1.htm](http://www.icnl.org/research/journal/vol10iss4/art_1.htm) [accessed 17 January 2016]

<sup>26</sup> For further information, see: <http://participedia.net/en/cases/board-technology-denmark> and <http://www.mind-lab.dk/> [accessed 17 January 2016]

<sup>27</sup> <http://www.rahvakogu.ee> [accessed 17 January 2016]

<sup>28</sup> <http://www.opengovguide.com/country-examples/finland-is-committed-to-developing-dialogue-skills-in-public-administration-as-part-of-its-ogp-action-plan/> [accessed 17 January 2016]

<sup>29</sup> <http://www.opengovguide.com/country-examples/the-danish-ministry-of-foreign-affairs-will-conduct-public-hearings-on-the-design-of-foreign-aid-programmes/> [accessed 17 January 2016]

The Internal Market requires seamless services for businesses such as “Simple Procedures Online for Cross-border Services”<sup>30</sup> (SPOCS), and the “Pan-European Public eProcurement On-Line”<sup>31</sup> (PEPPOL). The Internal Market also requires personal mobility, which needs EU-wide implementation of cross-border services. Until the local, regional and national services are not up-to-date and seamless, the EU-wide services cannot be established.

The principle of efficiency and effectiveness of governments and administrations needs the improvement of organisational processes, reduction of administrative burdens and the establishment of green government. These require pre-conditions such as open specifications and interoperability, innovation and cooperation.

### **3. WHAT HAVE WE REACHED BY 2015?**

Regarding our researches, we can state that the way is good, but not enough efficient. Generally, the e-Government services in Europe are increasingly available, but still fragmented and not user-centred. It can be also proved by a recent report of the European Commission, which has taken a holistic approach to the measurement of e-government performance in Europe.<sup>32</sup>

The results of this study have shown that citizen journeys through government institutions are rarely completed without interruptions, which causes unwanted headaches for both citizens and businesses. Moreover, public service delivery is characterised as a ‘disjointed’ series of transactional services, rather than an integrated user experience, organised around life events, as it should be. It means that the theories and solutions are given theoretically, but in the practice it does not work in the extent necessary.

### **4. SOME THOUGHTS ON THE GAPS IN E-GOVERNMENT PERFORMANCE**

A number of interesting gaps in e-government performance are also revealed between:

Believers and non-believers in online public services, even though many Europeans have internet access to public services and e-skills to use them there is still a significant number of non-believers (38%), who refuse to request services online. A possible reason for this gap is the lack of user-centricity in public service delivery and the lack of trust related to the ‘unknown’ electronic ways.

What is delivered and how it is perceived? An increasing number of public services are available online for constituents, but unfortunately residents do not perceive them user-friendly or usable, and this another reason why adoption of e-services lags behind.

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<sup>30</sup><http://www.eu-spocs.eu> [accessed 17 January 2016]

<sup>31</sup><http://www.peppo.eu> [accessed 17 January 2016]

<sup>32</sup>eGovernment Benchmark report: ‘Delivering on the European Advantage?’, ‘How European governments can and should benefit from innovative public services’

Citizens are used to receiving high level of user experience online based on their interactions with the private sector – e-banking, e-retailers, etc. Since they do not yet observe the same ease of use during online public service delivery, their expectations have not been met.

If we gather the businesses and citizens, we can say that the quality of online public services for businesses is more mature, showing a 10 percentage point-difference on average for all indicators. If we make a further analysis on national and local services, it seems that governments in Europe have mostly focused on implementing online services on a state level, leaving local governments and municipalities disconnected and lagging behind. What adds even more to the gap is that local services are even less user-centric than national services. Our research has showed us clearly that the gap is even worse in smaller municipalities, but we will refer to it later on.

One of the European Union's main advantages for EU citizens and businesses is the ease of moving, trading, or working in any other EU country (till the given moment, because there will be changes in our opinion because of the migration situation nowadays). Surprisingly, cross-border online services are 30 percentage points behind public services for country nationals. It is rarely possible to make transactions online, or to organise online your moving, working, or opening a company in another EU country. The gap prevents citizens and businesses – who plan on undertaking activities cross-border – from an unnecessary headache.

If we examine the small and large countries, it is clear that the smaller and medium-sized European countries have reached a better performance in public service delivery online. Perhaps their size allows for an easier centralisation and management of the implementation of online services generally, but there are exceptions certainly.

Another very important aspect is the question of digital natives and of the non-skilled users. Even though digital improvements in services will certainly benefit a high number of citizens, it is still important to take into account the digitally non-developed regions and members of EU societies. That is why the EU follows a systematic support system more than 15 years. It means practically that there are direct and also in-direct financial bases, which can support the “good ideas” and the governmental movements of the higher implementation of e-services.

In our research we focused on the local-governments and their e-solutions, but first of all, we want to just show up what has happened in Hungary since 2012, when the regulated electronic administration services had been introduced and had a great turn over.

The comprehensive reform of the public administration and the reconsideration of the role and regulations of the e-administration stopped the previously started processes, therefore the model created in 2009 finished its short functioning before it really would have had the chance to prove. The revolution was brought by the ‘*Magyary Programme*’. Within the frame of this Programme, the Act on general rules of the administrative proceedings and services (Ket.) was revised, and by the end of 2011 all rules concerning

the electronic way were re-codified. The Act CLXXIV of 2011<sup>33</sup> took back into the X. chapter of the Ket. the rules of the electronic procedure and parallel with this it repealed the Act XL of 2009 from 1 April 2012. The new timing started by this date, which handed over the place from the centralised system into a liberalised model. This new model introduced new developments encouraging the case-client-specific sectoral solutions.(Czékmann, 2012)

The new legislation broke up with the previously mentioned frame regulations and returned to the sectoral regulations, therefore the X. chapter of the Ket. was revived. The electronic communication became equal with the traditional (written) communication, moreover the office may prefer the electronic way with a regard to the criteria of cost-effectiveness and efficiency.<sup>34</sup>

The Regulated Electronic Administrative Services (SZEÜSZ) changed the bases of the previously centralized unique system. The SZEÜSZ is an e-administrative service named in the Ket. and in a governmental regulation. So it is an information system background created and developed by the offices in order to realize the electronic administration. The SZEÜSZ also could involve those services which are in relation with the information society and provided to the office or the client by a company or an organization, for consideration or freely, and provided in order to use or fulfil the electronic administration.<sup>35</sup>

The second branch of legislative products is related to the judicial regulations such as the Act 3 of 1952 on the Code of Civil Procedure, Act 5 of 2006 on the Company Information, Company Registration and Winding-up Proceedings, the Act 19 of 1998 on the Code of Criminal Procedure. The abovementioned procedure codes include the electronic way, however in the practice the e-services only work in the company procedures and in the procedures of the public notaries.

The public notaries use electronic solutions in their proceedings. For example the public notary and the vice-public notary have electronic signatures which are qualified as electronic signatures. Every electronic public document has to have the qualified e-signature of the public notary or the vice. These signatures are issued by the National Chamber of Notaries. In many cases the law permits the electronic correspondence. Also it is possible to access public data through the internet. There are rules for the use of notarial archives and the electronic depository library in the Act XLI of 1991 on the Public Notaries.

Summarizing the national legislative tendencies, we acknowledge the followings: between 2009 and 2012 the intention of the legislative branch was the centralization

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<sup>33</sup>Modifying act of Act of 2004 (Ket.), quoted above: A közigazgatási hatósági eljárás és szolgáltatás általános szabályairól szóló 2004. évi CXL. törvény és egyes kapcsolódó törvények, valamint a miniszteri hatósági hatáskörök felülvizsgálatával összefüggő egyes törvények módosításáról

<sup>34</sup> Ket 28/A para. (3) and 28/B para.

<sup>35</sup> The current list of services can be found in the chart.

where the local governments had a lesser role besides the central portal and the Client Gate. Before that, between 2004 and 2009 we saw the "voluntary withdrawal" also, because of the lack of infrastructure. Nowadays, we are facing a general uncertainty of the SZEÜSZ system. On one hand, the opportunity to elaborate personalized services is open, though, after 1 April 2012 the governmental enthusiasm in working out further rules and settling the underlying services broke, therefore the possibility of the further development was kept pending. On the other hand, the restricted scope of tasks of the local governments were affected by the county level governmental offices and district offices whose process does not motivate the development of e-services because of (among others) the increase of unit costs.

In the light of these we cannot state that the national legislation facilitated the movement of the local governments into the direction of e-services, but it expressly was a barrier, because it led to the isolative, personalized development without any instructions. It is important to mention, that the regulative centralization of the centrally coordinated tasks (such as the tasks arising in the mayor's office) was made, for example the elaboration of the unique rules for construction matters and system or the formalised procedure for individual entrepreneurs. However, the special case-groups as the mentioned ones do not facilitate significantly the implementation of local governmental tasks into electronic environment. The more innovative local governments could develop their back-office services or they could manage their client-contact portals from their own resources or from national or European sources. Thanks to the national and EU tenders, the lack of financial sources was not a real practical barrier against the development, though in the case of won tenders the middle- or long-term solutions were not so sustainable as they should have been. The reason of that is mainly the dynamic change of the technological environment, but rather the low-cost-efficiency of the personalized developments and the unavoidable interoperability issue cause.

We can name the personalized developments as a success story, but if we consider the practical context and see the all 3200 local governments and this result, we could understand that the rest of the local governments were not able to reach neither the Hungarian IT strategy's level, nor the European level. And what does it mean in the practice? In the followings, we will try to summarize the results of our research, which was focused on three types of the local governments. The different types mean different population numbers. So the first group will be the cities which have 1000-5000<sup>36</sup>, the second group has 5000-10000<sup>37</sup> and the third group has more than 10.000 population<sup>38</sup>. The following aspects, characteristics and fields were the object of the research in the official web-sites of the cities:

- is there any web-map?;

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<sup>36</sup>Selected cities: Bodroghalom, Böcs, Halmaj, Tiszapalkonya

<sup>37</sup>Selected cities: Hajdudorog, Szerencs, Encs

<sup>38</sup>Selected cities: Nyírbátor, Eger, Miskolc

- is the design transparent?;
- is the obstacle-clearly given?;
- are there any possibilities to search, to sign up for a newsletter, to get local/tourism ...etc. information/ program offers;
- is there any foreign version of the webpage, and virtual city map;
- e-government solutions: possible e-procedure types ( existing or not), number of them, levels, connection to „e-Client Gate”;
- registration possibility to e-procedures;
- connection's: to social media/tv/radio/;
- ways of communication.

The following table just introduces some general points, and status about the tested cities:

City group	Web-map	Foreign language's	News/ Tourism/ Programs menu point	Inter-active city map	e-procedures/ numbers	registration necessity	connection type's
no.1.	50%	0%	75%	33%	50%, 5-6 types	100%	e-mail, fax, telephone, post
no.2.	40%	40%	90%	66%	60%, 7-8 types	100%	e-mail, fax, telephone, post, local media (TV, Radio, Newspaper)
no.3.	66,6%	100%	100%	100%	100%, 100-150 types	100%	e-mail, fax, telephone, post, local media (TV, Radio, Newspaper). Facebook

After seeing the data, how can we characterize the situation of the Hungarian local government in the field of the implementation of e-government solutions?! In the following we are going to introduce them group by group.

The first group members (with max. 5.000 inhabitants) are usually works for only their small area of responsibility that is why it contains the most important information for citizens, for example the possible contact ways, the local news, information about their town/city/village in most cases. There are also exceptions where we can find information about the local tourism, programs as well. About the 50% of the cities have opportunity to start an e-procedure through the website. Nearly all of them are connected to the local-

taxes (e.g.: HIPA-Local Industry Tax, Spirit-tax). We can state that if there is a possibility to use these e-methods, all of them have required previous registration, which can be a local registration form, or the state form, the so called „e-Client Gate”. If we gather the connection types, we can say that only a few towns already use the possibilities of Facebook, most of them just let a traditional form, e.g.post, e-mail, telephone, fax and personal customer service.

The group no.2. has shown bigger development and results. These website usually have web-map, newsletter, searching function, city-information, programs and interactive city maps as well. Unfortunately, there is not a big growth in the field of e-procedures. “Only” the 66% of the cities allow this modern form to admit or start a case through the internet. The number of case-types is also not so high, just a little bit higher than in the previous group. In most cities, the number of the possible e-procedure is between 10 and 20 (e.g.: HIPA-tax, Spirit tax, local construction administration, social fields and the allowance of the crest use). In the ways of communication category, in most cities we can find the connection and co-operation with local medias (TV, Radio, Newspaper).

The group no.3. is the group of our “big” cities, over 10.000 population. We can state that all of them have a modern, well equipped web-site with web-maps, disabled forms for the adverse health condition citizens, foreign-language forms (at least 1 in English or in German), but most of them have 2-3 or more). It is all-natural that all of these city-websites have the possibility to search on it, they have news/tourism/program/city-information menu points and interactive solutions, too. If we see the e-procedure side, we can sum up that the bigger city size requires bigger possibilities and methods for the citizens. Most of the cities allow at least 20-30 case types, but there are some which have more than 100, as well (taxes, constructions, social cases, guardianship, document forms, etc). This means for us, that the bigger cities have better conditions (from the project, financial, human-resource, etc. points of view) to build up, to maintain, and to develop the e-governmental service systems’ in their own territory. The modernity is also presented in the ways of communication: Facebook, twitter, YouTube, local media and traditional forms are also used in a daily routine.

## **5. E-GOVERNMENT SOLUTIONS AND INFORMATION RIGHTS**

In our information society (Majtényi, 2006) not just the active social participation but our everyday life requires the prevalence of information rights by applying e-services of a high standard provided by the state organs. Although municipalities as local authorities are not just entitled to provide different e-solutions to help clients with their administrative procedures but also obliged to fulfil several requirements by applying them. Nothing can prove the importance of the development of e-services better than that nearly half of the Hungarians are using the Internet for interacting with authorities for administrative proceedings which means a growing need for e-solutions (EC, 2015) which has increased significantly in the last 1-2 years. It is also worth highlighting that the

Hungarian percentages of both interacting and accessing information are higher than the EU average. However according to the above referred EU Commission research the Hungarian performance in the field of eGovernment - including transparent government and personal data protection – is at moderate or insufficient level.

Considering that the concept of e-governance in a wide sense is the result of the interaction of performing administrative and state functions and using e-solutions for them,(Csáki, 2008) then it is obvious that the authorities' obligation of data protection and the disclosure of data of public interest must be taken into consideration.

## 6. FREEDOM OF INFORMATION AS AN E-SERVICE

The wide interpretation of freedom of information can be based on that two acts were in effect<sup>39</sup> which declared the disclosure of data of public interest as a basic principle and basic obligation incurred while providing e-services by public authorities. As freedom of information is a constitutional right to access and disseminate data of public interest<sup>40</sup> in order to support transparent and accountable working methods of the state organs and authorities including municipalities. They are bodies subject to disclosure requirement so they are obliged to promote and ensure that the general public is provided with accurate information concerning the matters under their competence as well. To fulfil this obligation, municipalities shall disclose this information via the internet to make them available to general public without any restrictions. Webpages shall be maintained on their own or jointly with their associations and supervisory organs, or they can provide information via the central webpage established for this certain purpose.<sup>41</sup> So disclosing data of public interest pursuant to the Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information (hereinafter: Privacy Act) can be deemed as a free-of-charge e-service available for everyone.

Firstly municipalities have a *webpage-maintaining obligation* or at least providing data for a disseminator. As a result of the research we can state that *nearly all municipalities including the smallest ones have their own website, and all of them can be found in the central webpage of electronic register and single data retrieval system.*<sup>42</sup> Besides statutory regulation a certain decision of the Hungarian National Authority for Data Protection and Freedom of Information<sup>43</sup> strengthen this fact according to which if

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<sup>39</sup>Especially Section 4. para. (1) point b) and Section 6. § of Act LX. of 2009 on electronic public services and Act XC of 2005 on electronic freedom of information – both are null and void at the time of the writing of this study.

<sup>40</sup> See The Fundamental Law of Hungary Article VII para. (2)

<sup>41</sup> See [www.kozadat.hu](http://www.kozadat.hu) as a central data base and searching platform of data of public interest in order to the obligation of disclosure be fulfilled. The concept and the content of the central data base is regulated by 305/2005. (XII.25.) Government Regulation.

<sup>42</sup> The webpage of electronic register and single data retrieval system: [www.kozadat.hu](http://www.kozadat.hu)

<sup>43</sup> NAIH-419-2/2014/V. The principle was applied in other cases as well e.g. in case of NAIH-1921-2/2013/V.; and further call for actions are issued in similar problems e.g. in case of NAIH/2015/1816/4/v. not only in this region of the country.

the municipality has its own website then it shall fulfil its obligation of disclosure of data of public interest via that website. Also it shall upload data for the central system as well or at least provide the link to navigate to the website in question.

Secondly this digital format shall meet *further content and formal requirements* declared by Section 33.para. (1) of Privacy Act. The Privacy Act differentiates among three types of disclosure list. The webpage shall be suitable for continuous disclosure and contain up-dated and punctual content on personnel issues, functional issues and economic issues of the certain state organ. The disclosed data are fixed by samples provided by the 18/2005. (XII.17.) IT and Telecommunications Ministerial Regulation. As a result of the research we can state that nearly all municipalities including the smallest ones have created *a part of their website for the disclosure of data of public interest* in a structure developed according to the above referred Regulation. We can state also that *the bigger the municipality is the more detailed and up-to-date the data uploaded*. We can hardly argue the classification of the above referred EU Commission research in which the readiness of transparency is at an insufficient or moderate level. Neither bigger cities, nor smaller municipalities have fully disclosed up-dated data of public interest however at certain webpages detailed and well-structured information dating back the latest 3-6 years is still available. *Personnel and functional information is detailed and up-to-dated at a high level* but information on economic issues at most of the examined websites are not sufficient or in some cases not even a single piece of data is available. What is worth mentioning that projects supported by *EU funds* and the results of *public procurement procedures are mostly disclosed by all of the municipalities*.

As a result of the research we can realize that not only bigger towns but few of the little villages *publish different forms* including the fields of taxing, child support and environment protection ...etc which can be used in procedures opened upon request. They also *make brief summaries of administrative procedures available* in which the municipality as authority introduces the steps of different proceedings including deadlines and details of the certain type. As a verification of the support of the service aspect of the executive branch, besides that authorities are to use modern means of electronics and information technology, they help clients with providing client-friendly explanation and interpretation of the statutorily fixed procedural steps. On the central client-gate website these forms can be fulfilled electronically with using a software helping with the proper filling.

Thirdly *Decrees* of Municipalities are undoubtedly data of public interest so the decision of the representative body shall be also disclosed<sup>44</sup> on the own website of the municipality or the central website provided.<sup>45</sup> As a result of the research we can state that

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<sup>44</sup> Obligation of disclosure declared by Section 51. of Act CLXXXIX. of 2011 on Hungarian Municipalities

<sup>45</sup> Central website: [http://njt.hu/njt.php?onkormanyzati\\_rendeletek](http://njt.hu/njt.php?onkormanyzati_rendeletek) regulated by the 338/2011. (XII.19.) Government Regulation

all of the municipalities *disclose these data via the central website* which functioning with a user-friendly search engine.

The Hungarian National Authority for Data Protection and Freedom of Information is the national supervisory authority which is entitled to investigate upon notification. The Authority mostly applies the sanction of making a call for the municipality to eliminate the infringement e.g. to disclose economic data as that part of the disclosure list was fully missing from the website.<sup>46</sup> The Authority is also entitled to bring a lawsuit before a court in case of not fulfilling obligations stated by the call.

### 7. PRIVACY PROTECTION AND E-SERVICES

During an administrative procedure the authority shall have powers for the purpose of identification of natural person clients and other parties to the proceeding to process their certain personal data while ensuring that all personal data is sufficiently safeguarded.<sup>47</sup> These basic principles shall be kept during e-services provided on the municipalities' websites as well complying with the regulation of Privacy Act. On a webpage a privacy statement shall be applied and published in order to the clients who are willing to register can get to know it. Furthermore it should be accepted for the legal base for data processing – viz. personal data may be processed if the data subject has given his consent.<sup>48</sup> However *an authority shall be authorized by law to obtain and process personal data* in cases defined by law, to the extent deemed absolutely necessary to discharge its duties and for the provision of its services.<sup>49</sup> As a result clients are not required to accept or acknowledge the privacy policy statements as the legal base for data processing is given by law. At the main central webpage called 'client-gate' established by Section 7. of 84/2012. (IV. 21.) Government Regulation on e-administration by the Central Office for Administrative and Electronic Public Services on which clients can manage more than two hundred different administrative procedures the data controller is the Central Office as authority.

It can be realised that *privacy statements are not available* – as it is not obligatory to publish - nearly none of the websites of smaller towns and villages even though just a few municipalities of bigger cities, e.g. the county-city of Miskolc and the capital city disclose its data processing regulation probably for increasing transparency and the trust of clients. In addition *the published sets of rules are detailed, well-structured and comply with the Privacy Act in effect*. It is also required that *in case of e-services the same standard of*

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<sup>46</sup>NAIH-1921-2/2013/V

<sup>47</sup> See Section 17. para. (1) and (2) of Act CXL of 2004 on the General Rules of Administrative Proceedings and Services.

<sup>48</sup> Privacy Act Section (5) para. 1 point a)

<sup>49</sup> See Section 17. para. (3) of Act CXL of 2004 on the General Rules of Administrative Proceedings and Services. It is worth mentioning that if personal data will be processed for other reasons than its original purpose was then the consent of the data subject shall be asked for in advance.

*protection shall be provided* for personal data than in a general proceeding irrespective of using electronic devices and taking actions electronically.

## 8. CONCLUSION

In conclusion, we can state that the Hungarian government has afforded big sources on the development of the e-government structure. Mainly these were sponsored by the EU, thus we hope that this can be continued at least till 2020. It is clear, that there are given operative programmes also, which focus on this e-government topic. Therefore, we have to work on this field. As data protection statements fully comply with the regulations, then the importance is on their implementation in practice. If municipalities have chosen the way to maintain websites, then they shall be conscious of disclosure of certain data via that e-solution. The obvious need for development is on the smaller municipalities but bigger towns also have to pay attention to up-dating as transparency is a key element of the concept of good governance.(Kaiser, 2014)In our opinion, it is very important to make close co-operations between the different actors: government, public sector (e.g. universities), business sector to find the best new solutions, which can help the citizens' life day-by-day, which is one of the most outstanding destination in modern Information Society.

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