

CHALLENGES AND PROSPECTIVE OF E-GOVERNANCE IN HUNGARY

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Abstract

It is an acknowledged fact that Corporate e-Governance is an imperative in today's complex business world. Modern ICT offers a whole range of opportunities and, at the same, imposes all kind of challenges to be faced by professional communities such as the surveyors. This relates especially to areas such e-Governance, Knowledge Management, and e-Learning. These areas interact and respond mutually. Governance refers to the manner in which power is exercised by governments in managing a country's social, economic, and spatial recourses. It simply means: the process of decision making and the process by which decisions are implemented. This indicates that government is just one of the actors in governance. The concept of governance includes formal as well as informal actors involved in decision-making and implementation of decisions made, and the formal and informal structures that have been set in place to arrive at and implement the decision. The Government of Hungary recognized the need to introduce e-Governance in its effort to optimize governmental operations and increase efficiency, and has made this initiative one of the cornerstones of the comprehensive modernization program under consideration and already partially under way. In the given paper, we focus on the challenges and prospective of e-Governance in Hungary.

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1. INTRODUCTION

By announcing its intention to join the European Union, Hungary marked the path which it intends to follow in the future. The European process of development is clearly progressing towards a knowledge-based (new) economy and information society. Hungary's accession will, for a long while, determine the framework which will have an impact on the development of our society and economy. If we are not properly prepared and remain merely passive observers or only follow the changes which will occur from a distance, we shall benefit less from the process. Our disadvantage will, sooner or later, turn into

dependence, or, in a worstcase scenario, into a subordinate status. Reducing our shortfall is in our common interest: enhancing the competitiveness of the economy will lead to an improvement in the quality of life in Hungary, while for the community as a whole it will improve the competitive status of the European region in relation to the North American and Far East regions. The Hungarian Information Society Strategy (HISS) is a strategy for helping the economy and the society to catch up with European rate of development. In its objectives and solutions, it follows the European values and courses of action, while considering specific Hungarian characteristics and possibilities. HISS reckons that broadening the application of information and communications technologies is the key to Hungary's success. The wide-ranging application of these technologies and their eventual transformation into a production force would guarantee the modernization of the economy, the enhancement of efficiency and competitiveness, and through these a new level of development that is the objectives of the information society.

Information society is realized when the social and economic weight of the information sector becomes dominant, information becomes the part of the everyday lives of individuals, organizations and institutions and a large part of social communication is conducted via digital channels. As the availability of information becomes more widespread and simple, and its production and transformation are increased, these contribute to the renewal and mobilization of the society, open up possibilities for individual initiative and enterprise, spread the consumption of the products of civilization and of cultural goods, and globalize the acquisition and sharing of human knowledge, as well as multiplying it to a degree never witnessed before. Identifying with the European values is not a mere formality. The objectives of HISS and the programmes aiming to implement those are fully adjusted to the strategy and strategic programmes of the European Union, the eEurope+ and the eEurope 2005 action plans. This enables us to join those programmes of the Community which support the eEurope (e.g. IST, eContent, eSafety, IDA, etc.), and it also enables us to use the EU's structural funds as resources for the construction of the information society. HISS intends to employ this opportunity within the framework of the National Development Plan by formulating its individual programmes in harmony with the operative programmes of NDP, primarily with priority 4 of economic competitiveness. The purpose of HISS is to review and to systematize the tasks related to the formation of the information society in order to ensure that the responsibilities arising therefore – to be fulfilled by the whole of society – will take place in a coordinated manner. It aims to affect this the following ways:

- with the help of a **model** representing social and economic processes and based on the "socialization" of information, it systematizes the tasks pertaining to the creation of the information society by determining the fields where action needs to be taken (fields of intervention); by breaking these fields further down it designates the key areas within them, while also determining the tasks to be jointly performed by the various participants (government, private field, civil organizations) on these;
- based on this model, it determines the objectives to be attained within these fields and, by further refinement, within the key areas. On the level of the key areas it provides a uniform technical management and coordination for the require;

- It integrates and generalizes the sectorial strategies drawn up by the ministries into a uniform structure, and incorporates the tasks to be performed in the strategies above into the model's key areas;
- based on the priorities of the model and the special strategies, it assigns the High-Priority Central Programmes – the most highlighted programmes regarding the implementation of HISS; on these programmes certain programme brochures will be published, determining in detail the objectives, the tasks to be performed, the operating models of their implementation and the methods for measuring the results; the programme brochures will form an integral part of the strategy;
- it determines the statutory conditions which are necessary to create the organizational and financial system in which the strategy can be implemented, thereby guaranteeing that the tasks in the individual key areas will be carried out in a coordinated way; furthermore, it designates the tasks regarding the updating and fine-tuning of HISS. In analyzing the changes of transition to an information society, the HISS model identifies the two fundamental pillars of modernization as the modernization of processes and the modernization of services. The former represents the modernization of the internal working of processes in the broadest sense (“back office”), while the latter means the perfection of those functions of the same processes that are available to a wide range of users (“front office”). The use of information and communication technologies is of primary importance in the case of both pillars.

2. THE CHALLENGES

At the beginning of the third millennium, Hungary joins the European Union and the European information society at the same time, while also modernizing its social and economic structures. These events are correlated and mutually reinforce one another. Every country in Europe is experiencing a change of era and paradigm, and they are trying to find remedy for the problems of the 20th century with the opportunities offered by the information age. There is a common stake: the success of every nation in Europe may depend on the content and efficiency of the transition to an information society, while the improvement of Europe's position and its performance in the new type of global world also depends on this. At the Lisbon summit in March 2000, Europe's heads of state and government set the goal for the European Union to become the world's most competitive knowledge-based society by 2010. As the main instrument of attaining this objective, they assigned the creation of a dynamic knowledge-based economy open to others to join, the attainment of an accelerated and sustainable growth in the economy, full employment as regards the economic and social policy, the reduction of unemployment to the level of those countries that are the most effective in this area, and the modernization of the social protection system. As the direct tools of the realization of the economic policy objectives they determined an economic reform which would prepare the establishment of the knowledge-based economy, and reinforcing the European social model through investment in people and in human knowledge.

The eEurope initiative announced as part of the reform process launched in Lisbon, and the further action plans which serve to facilitate its implementation (eEurope 2002, eEurope 2005) are economic programmes. This programme will only achieve its goals through profound changes affecting the whole of society, by recognizing and consciously using the

opportunities offered by the tools of information and communication technologies. The primary purpose of the eEurope+ process taking place with the participation of the candidate countries was to help these countries reduce their shortcomings in forming an information society; its role, however, points far beyond this. The fundamental changes in the economy, in public administration and in the national regulatory systems are only mere tools for the immediate integration of the candidate countries into an effective, new European economic order – one, that is competitive on a global scale, and which intends to and is able to maintain a sustainable growth, – as well as for their adoption of the pace of the Lisbon strategy. After almost a decade of conscious preparation, in 2004 Hungary joins a European Union which promotes that economy and information society should become competitive as well as knowledge-based.

The main common goal of the creation of a knowledge-based economy and information society is the improvement of the quality of life and living conditions for the individual and the community; and through this, the creation of the modern, European, Hungarian Republic, where everybody loves to live. The surest and fastest way to achieve this in the 21st century is by such values as the promotion and spreading of knowledge, economic competitiveness, identifying with community affairs, equal social opportunities and the preservation of the national cultural and natural environment.

The challenge: wide-spread application of information and communication technologies, as the most essential tools regarding the formation of a knowledge-based economy and an information society; and by the help of these, the modernization and enhancement of growth and competitiveness in the economy and in the society.

Europe, one of the centre's of the globalized world, is at a competitive disadvantage in the creation of a new knowledge-based economy and a new culture in the information age in comparison with other regions of the world. The widespread application of information and communication technologies and the simultaneous creation of a knowledge-based economy and society are opportunities, which would improve Hungary's competitiveness and at the same time it may contribute to the improvement of the position of the European continent in global economy.

The stake of the challenge: Hungary is at present several decades behind Europe in a number of respects. At the same time Europe, even if proceeding at a moderate rate and having to face temporary setbacks, intends to become a continent of knowledge societies by 2010-2015.

Hungary therefore has three scenarios to choose from:

1. Its present disadvantage will continue to grow, because it will keep performing below the European average in the next decade.
2. Through the implementation of the EU's eEurope programme, it will reach the same level and will proceed at the same pace as the member states; this way its disadvantage will not increase, but it will not decrease significantly either.
3. Learning from the Finnish or Irish example, for instance, it attempts to develop more dynamically in several areas of the information age, and gain a better position among European knowledge societies.

The optimal choice is the third one; the second scenario is, however, a might also be acceptable as a minimum goal. This is the challenge the strategy of the information society must therefore respond to by defining comprehensive plans and operative programmes.

The accession to the European Union and the information age offer the Hungarian nation a historic opportunity to wipe out those competitive shortfalls which stem from our geographical features, the lack of traditional natural resources and raw materials, as well as our history. Not only could we improve our external economic competitiveness but might also reduce those social inequalities which had dramatically increased prior to and after the change-over to democratic government, as well as strengthen national cooperation. In harmony with the processes of the European Union, the info-communication technologies (ICT) and content services may help us strengthen our ties of cultural affiliation with the Hungarians living across the borders and scattered around the world, and may contribute to spreading new forms of cultural and intellectual cooperation.

3. VISION OF THE FUTURE

We speak of an information society when weight of the information sector in the society and economy becomes dominant, information becomes the part of the everyday lives of individuals, organizations and institutions, and a large part of social communication is conducted via digital channels. The widest and easiest possible access to information and its increased production and transformation contribute to the renewal and mobilization of society, open a path towards individual initiative and enterprise, widen the consumption of civilization products and cultural goods and render the acquisition and sharing of human knowledge global by multiplying it to a degree never witnessed before.

Hungary has a lot to gain, too. The success of adaptation simultaneously creates a competitive economy, skilled citizens and a country present as an attractive partner in the ever more trans-national space of production, consumption and relations. It creates a society where everybody has access to the public information infrastructure and to the simplest and cheapest use of the contents therein, and everybody is able to operate on the tools for accessing information. It creates a public sphere the services of which can be used simply and promptly by everybody. An environment where the publication of information generated from public funds is as comprehensive as possible and where an increasing proportion of the general public and civil organizations takes part in decision-making and exercises the right to voice their opinions. This path leads to a direct democracy where the citizen, the provider of public services, the decision-maker and the politician are equal parties in the same virtual space – with a task-driven and service-centered public administration in the background. There are no miracles: even in the next phase (until 2006) progress may only be achieved through the successful completion of a number of individual, related, well-planned and executed tasks. How much of the plans are realized depends on the coordination, financing, management and monitoring of the programmes. Implementation will only be successful if the foundations are laid in several areas simultaneously.

The “state” of an information society will be strong and efficient, yet not bigger and not more costly than necessary. It will operate with decentralized, technically well-equipped, well-trained and well-paid civil servants. The activities of the authorities will become more simple and the quality of state public services will improve: bureaucratic mentality will be

replaced by a citizen- and result-centred approach. The range of so-called electronic government will expand and Internet-based administration will become the standard, becoming much simpler and faster in the new Hungarian public administration, which will be process-controlled, integrated, automatically managing links between the various records, and directly linked to the common European administrative structures. The more competitive and affluent citizens, communities and businesses of the forthcoming Hungarian information society carry the promise of a directly experienced democracy and a new quality of life strengthening trust in a meaningful and prosperous life in the country.

4. ANSWER: e-HUNGARY

Profiting from the advantages offered by knowledge-based economy and information society requires major changes at the levels of the individual, businesses, state organizations and society as a whole. The basis of constructing information society is the wide-ranging application of information and communication technologies. Analyzing the changes in the transition to the information society, the strategy considers the modernization of processes and services the two fundamental pillars of the modernization of the economy and the society. The creation of a knowledge-based economy and information society is possible by relying on these two pillars.

The modernization of processes primarily implies the transformation of the internal working of the economy and the public sphere; by this, we mean the modernization of activities related to production and execution, as well as planning, monitoring and management. In accordance with an ITcentred approach, modernization requires an analysis of the actual processes and, if necessary, their streamlining, re-planning and re-organization, in the course of which the tools offered by information and communication technologies should be used in as many segments of these processes as possible. This type of transformation of the internal processes and the processes between organizations ensures an increased efficiency of activities and, consequently, that of organizations, and eventually leads to an improvement of competitiveness in the economy and of the transparency and democratic operation in the public sphere.

Info-communication technologies make the modernization of services possible by advanced online services. Electronic servicing can be realized at several levels of development, from online information access, through the execution of one- and two-way transactions, to integrated administrative solutions. At the same time, the modernization of internal processes creates new processes for the production, generation and management of information. Electronic services primarily provide access to information. The construction of an e-Hungary relying on these two pillars lies in the centre of the strategy. There is a natural connection between the pillars but it is not always necessarily possible to infer from one to the other. Online services represent the external aspect, the "front office" of the functions performed by the organizations for users. Yet electronic services can only be implemented in their most sophisticated form (for instance with the use of integrated administration), if the internal operation or "back office" is sufficiently informatized. It also ensues from this connection that the problems and conditions of implementation and, accordingly, the elements of the solution, are in many respects common. Systematic knowledge development and knowledge application relying on the two pillars of information technology, that are the modernization of processes and services (an example

for the latter is the creation of content industry), as well as the conscious development of society and, as part of this, the modernization of regions and subregions (that is, creation of e-municipalities and e-regions), lay the foundations for the development of a Hungarian knowledge-based society. Changes and progress will occur in harmony with the specific features of the social, economic and technological environment. The development of the information society and the knowledge-based new economy is an unstoppable global process. We wish to intervene in this process with the strategy in order to make development more effective, more rapid and, above all, more conscious, while remaining balanced, just and sustainable. We primarily need interventions which enable the attainment of the desired objectives on a market basis. The involvement of the government is necessary to ensure that the processes also take place in areas where the operation of the market would not guarantee it on its own, and where an example set by the state triggers a process with such intensity that it considerably reinforces the development and operation of the market. Promoting, as well as rapidly and effectively supporting the development of the information society and the knowledge-based economy is a public concern. Every Hungarian citizen and business should be given the opportunity to voice their opinions and represent their interests individually or collectively, via systems of interest representation: the processes related to regulation must therefore be public, transparent and trackable. In order to successfully implement the strategy a change of social mentality is required: individuals need to become more autonomous, businesses more flexible, and the state more self-restrained. The Hungarian Information Society Strategy determines the tasks through the fulfilment of which the strategy can be successfully implemented. The market sector and the civil and state spheres all have to play a part in implementation, while the active participation of representatives of professionals and academics is also essential.

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