
Pilot projects in Public Administration Management

Summary of a Research
at Pázmány Péter Catholic University
Faculty of Law and Political Sciences

Volume I.

edited by:
Balázs Szabolcs GERENCSÉR



SZÉCHENYI PLAI

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I. PREFACE

About the research

A) Objective and methodology of the research

Administration and innovation are closely linked. Public administration is often referred to as “social engineering”, however, natural and social sciences are rarely converge. This research centres on *an innovative device*. It is but one of many approaches, bearing in mind that all approaches may yield advantages and exhibit limitations at the same time. Professors, senior researchers and doctorate students worked together for almost two years to find the answer whether it is possible “to experiment with” public administration or to “try out” any instrument to be sure it is safer or cheaper in general implementation. What was the key of success of the Canadian integration programme or the Spanish governmental telework pilot? And what was the reason of the failure of the regional self-governing pilot? The first pilots of Hungary were organized in the late 30s when the administration had to be a partner to development. But why has it been forgotten since then? The answers we found are unique in the literature for the time being, as no such cohesive research available on usage of Pilot projects in Public Administration Management.

Modern administrative innovation emerged in the first half of the twentieth century, when the instruments of management and development arose (see TAYLOR, FAYOL). However, with the Millennium the information and communication environment underwent such rapid development that these two elements came to dominate the fields of public administration and administrative innovation.

This research does not deal with the traditional path of administrative development (see POSDCoRB). Today, more and more unconventional instruments (predominantly of Anglo-Saxon origin) are employed in public administration, rooted in sociological or natural science. This trend may have repercussions beyond sheer technological change (IT-

boom) amounting to the evolution of a new role for the state as well as the concept of good governance. An important paradigm of the currently developing Neo-Weberian model is the direct involvement of citizens in decision-making processes within the framework of representative democracy.¹ Development in technology and the changing image of the state makes it possible for the public sector to use innovative “communicative” and “engineering” instruments.

“**Communicative**” instruments may be (based on an increasing number of participants):

- **Brainstorming**, which is perhaps the best-known small-scale tactical or strategic workshop, of short duration and with generally restricted participation;
- **Transition Arena**² addressing medium and long-term problems, where invited participants of various disciplines establish and schedule (transition agenda) a vision on a specified issue. Selection of invitees may depend on their role in public life (government, academia, civil society or economic life), competence (strategic thinking, good vision of systems or good communication skills) and function (manager, strategist, networker, decision-making professional, etc). The subject of the Arena is typically the formulation of solutions regarding a complex social problem.
- **Open Space Forum**, which is an open, 1-3 day event, covering the largest number of participants (up to 1000).³ The director organizing the Open Space Forum determines a broad, strategically important topic of discussion, in which the participants themselves

¹ G. FODOR GÁBOR – STUMPF ISTVÁN: Neoweberi állam és jó kormányzás (Neoweberian State and Good Governance). *Nemzeti Érdek* 2008/3, 16. and Tiina RANDMA-LIIV: *New Public Management versus Neo-Weberian State in Central and Eastern Europe*. Tallin, 2008. http://iss.fsv.cuni.cz/ISS-50-version1-080227_TED1_RandmaLiiv_NPMvsNWS.pdf (10.01.2013)

² This notion comes from „transition area”, which is a water-engineering phenomenon, a place where the seawater and sweet water meets. A project organized at such place in the Netherlands was called “transition arena”, which was an “arena” where different professions, talents met to solve a problem. Arwin VAN BUUREN – Derk LOORBACH: Policy innovation in isolation? - Conditions for policy renewal by transition arenas and pilot projects. *Public Management Review* 2009/11, 379. and Rutger VAN DER BRUGGE - Roel VAN RAAK: Facing the Adaptive Management Challenge: Insights from Transition Management. *Ecology and Society*, 2007/12. <http://www.ecologyandsociety.org/vol12/iss2/art33/> (22. 08. 2013.)

³ <http://www.openspaceworld.org/> (22. 08. 2013.) Harrison OWEN: *Open Space Technology: A User's Guide*. Berrett-Koehler, 1997.

create the agenda of parallel workshops, meetings and events. This spontaneous, but also coordinated large-scale brainstorming tool is rarely used in the public administration, instead, it is mainly employed for the preparation of strategic plans.

An alternative form of “**Engineering**” tool is the pilot project, which is also called “prototype”, or “model experiment”, etc. This approach goes beyond the “Communicative” type instruments, by “testing” the question at issue in real-time. Models are commonly used in engineering and in natural science-related activities, such as pharmaceuticals, information technology, or even the film industry. Using natural science tools in social sciences is not surprising since their sharp separation is becoming outdated with the changing methodology.⁴ In our research the starting point was a hydraulic engineering pilot system, the (physical) “small scale experimental model”.⁵ This tool has a broad literature, by which its means and aims can be understood as well as its role in this research.

Having reviewed the “small scale experimental model” experiment, we observed many similarities can with the public administrative pilots. Still, water-engineering methodology cannot be applied completely in the public sector. The main differences between engineering and social pilots are the following:

- The “small scale experimental model” experiment always refers to a physical (predictable) reality, which can be produced even under laboratory conditions. The administrative pilots, by contrast, are experiments carried out in the actual social environment, where many factors of uncertainty arise, such as human diversity, social diversity, or external (geographic, climatic) factors, etc..
- The applicability of experiments is more limited in public administration than in water-engineering. Society definitely forms part of the experiment, where the protection of rights must be

⁴ András Zs. Varga refers to Heisenberg and the mathematical theory that goes beyond its borders and reach social science (John Lukács) and economics (Soros György) is. See András Zs. VARGA: A jogrendszer és a jogalkalmazás határozatlansága és nem-teljesége. (Uncertainty and incompleteness of law system and jurisdiction) *Jogtudományi Közöny*. 2013/3. 111.

⁵ Our starting point was a water-engineering literature on modelling and experiments in hydraulics. MOSONYI Emil: *Hidraulikai hasonlóság, a kismintatörvények és a kísérletek értékelése, a várható eredmények*. Edited: Zoltán HANKÓ. Felsőoktatási Jegyzetellátó Vállalat, Budapest, Kézirat, 1955.

guaranteed. (For further details see VARGA Zs., and CSINK–KURUNCZI–VARGA studies).

Nevertheless a “small scale experimental model” can provide useful experiences for the planning of public administration.⁶

- A “small scale experimental model” can provide useful information at creating of modifying a planned system.
- Translating the experiment into reality is not possible due to its specific genre, but it can be done under isolated condition. Experimentation is definitely an intervention in processes, but the real environment is only observable.
- A “small scale experimental model” is an appropriate instrument in case you want answers to questions raised within a system.
- Only circumstances similar to reality can be observed on a “small scale experimental model”. When calculating the results, distortions in the pattern must be taken into account.

B) Development and results of the study

The devastating II World War affected every field of social and scientific life in Hungary as well as the rest of Europe. The renown Hungarian Institute of Administrative Sciences conducted fruitful work on the matter of defining the dogmatic and practical basis of pilots in the field of administration. Our research is more than a tribute to this effort; we intend to continue in the footsteps of the Institute and carry the research further.

The Ereky Research Group studied the pilot-technologies of foreign governments and international organizations, using comparable criteria, thus exploring the limits, method and standards of pilots in the field of administration. We structured these Volumes, integrating foreign and Hungarian literature and practice, to serve as a textbook and a manual at the same time, providing answers to the most detailed and sensitive questions. As a result, we are proud to say, that we have scrutinized the subject matter from all aspects.

The researchers processed pilot-surveys presented hereafter in Volume II. Furthermore, we examined other pilots as well, which are not presented in-depth but used for the synthesizing chapters instead.

⁶ Experience means “knowledge” and not “direct applicability”.

The following experiments were used to control our preliminary selection:

- La Trobe University’s tutor programme (2012)⁷
- Minneapolis K-12 school iPad learning pilot (2012)⁸
- Chess-teaching pilot in a Bucharest Public School (2012)⁹
- Scottish Vessel Monitoring System pilot project (2011)¹⁰
- Reintegration Pilot of the State Criminal Institute of Hungary (2010)¹¹
- San Diego “Family Nature Groups Pilot Project” (2009-2012)¹²
- Gouwe Wiericke (the Netherlands) water pilot (2004)¹³
- Monheim Children Protection Pilot Project (2003)¹⁴
- United Nations’ pilots (innovation programmes) by DESA (2003 to 2006)¹⁵

⁷ Bret STEPHENSON: *A progress report on La Trobe University’s academic advising pilot project: Formalising and normalising the advising of first year students.* http://www.fyhe.com.au/past_papers/papers12/Papers/7B.pdf (01.08.2013)

⁸ Chientzu Candace CHOU – Lanise BLOCK – Renee JESNESS: A case study of mobile learning pilot project in K-12 Schools. *Journal of Educational Technology Development and Exchange*, vol 5, No 2, December 2012, 11-26.

⁹ Bilghin BAUBERG – Silviu APOSTOL – Petru Iulian FLESNER – Fotinica GLIGA: *Chess in school – a blended leading pilot project.* Conference proceedings of „eLearning and Software for Education” www.cceol.com 1/2013, 330–225.

¹⁰ Anne McLAY – Matt GUBBINS - Gareth JONES - Robert WARET - Elisa BARRETO – David BRUCE: *Mapping inshore Fishing activity to inform marine planning in Scotland: a pilot project using stakeholder data in the Pnetland Firth and Orkney waters.* ICES CM 2012/1:07. <http://77.68.107.10/MREP/Archive/01/documents/I0712.pdf> (01.08.2013)

¹¹ BARABÁS Tünde: Megbékélés és helyreállítás a börtönben? (Reconciliation and restoration in prison?) In: BARABÁS Tünde – FELLEGI Borbála – WINDT Szandra: *Felelősségvállalás, kapcsolat és helyreállítás.* P-T Műhely az Országos Kriminológiai Intézet megbízásából, Budapest, 2011. 23-62.

¹² Janice SWAISGOOD: *Family Nature Groups Pilot Project Report.* San Diego Children and Nature Collaborative, 2012. http://www.sdchildrenandnature.org/attachments/SDCaN_FamilieNatureGroups_Report_JSwaigood_21may12.pdf (01.08.2013.)

¹³ Arwin VAN BUUREN – Derk LOORBACH: Policy innovation in isolation? - Conditions for policy renewal by transition arenas and pilot projects. *Public Management Review* 2009/11

¹⁴ Annette BERG – Vanessa SCHLEVOGT: The „Mo.Ki. Monheim for Children” (Monheim für Kinder) Pilot Project. In: Gabriele WEIGT (ed): *Inclusive Early Childhood Development – an Underestimated component within Poverty reduction.* Essen, 2011. 94-100.

¹⁵ *Innovations in Governance in the Middle East, North Africa and Western Balkans – Making Governments Work Better in the Mediterranean Region.* Department of Economic and Social Affairs (UNDESA) New York, 2007. ST/ESA/PAD/SER/E.93.

– Pilot of the EU Commission on e-Procurement (1998)¹⁶

The **planning** stage of the research took off in January 2012, whereas the final Conference and the launch of the ensuing volume will take place in November 2013. First phase of the work began with scheduling and the assignment of research tasks in February 2012. The greatest achievement of the year was finishing the fundamental studies based on the approaches determined in advance. Each researcher selected either a foreign or a Hungarian pilot, and analysed it using the same method. Each study seeks the answer to the following questions:

First phase of the pilot: Scheduling

- Who is the principal? (e.g. government, local authority, civil society, academia etc.)
- Who is the developer? (e.g. administration, company, academia etc.)
- What is the principal's goal with the pilot?
- Which are the phases of development? (e.g. budget, schedule, personnel)
- Will legislation be necessary for accomplishing the goals set?
- What were the guarantees integrated in the pilot? (e.g. withdrawal, financial, accounting, etc.)
- *Second phase of the pilot: Accomplishment*
- Who is the executor of the pilot? What is their relationship with the principal?
- What is their work method? (e.g. structural, organizational, personnel, project assignment)
- What are the phases of accomplishment? How are the results evaluated?
- What are the monitoring tools used?

Third phase of the pilot: Evaluation / Monitoring

- What were the aspects for evaluating the results of the pilots?
- How were the conclusions made?
- Were the conclusions published?
- How were the results used in practice?

Halfway through the research on 25 June 2012 the research group held its first workshop (WS1). The topics were: state of each separate

¹⁶ Auke HAAGSMA: The European Pilot Project on Remedies in Public Procurement. *Public Procurement Law Review*, 1999/8. CS 25-33.

fundamental research and the discussion of further tasks. We invited two local authorities to the meeting, both of which were to participate in the pilot study in the concluding stage. The second phase of the research was planned to be a real-life pilot study of the research group. Holding a follow-up meeting proved to be necessary, due to the amount of open questions remaining from WS1. Thus, on 11 July 2012 the research group met again for the purpose of defining our own pilot and assigning the related tasks (WS1a). At WS1 the research group decided that our pilot would focus on the best practices of monitoring civilian waste management by the authorities. In the meantime, however, the regulation regarding local governments underwent immense changes, i.e. just in the middle of the research period (1 January 2013) the so-called district offices were established. Thus, the legal environment was no longer suitable for the pilot study we had planned for the spring of 2013. Finally, the research group decided to postpone the real-life pilot study.

The third phase of the research began with a workshop on 4 July 2013, in the framework of which the senior researchers presented their conclusions and results (WS2). The **synthesis**, published in Volume I., comprised four areas:

- Developing the standard model for pilot projects;
- Theoretical boundaries and limits;
- Role of legislation in pilot projects;
- Correlation between a pilot study and the design methodology.

Therefore, the research was empirical; we basically relied on the literature published on previously run and completed pilot studies. We intentionally selected representative pilots: both foreign and Hungarian, launched by the government and civil society. However, we did not restrict or focus to successful pilots. We will see that despite their unsuccessful termination, we still can think of these pilots as useful projects, at least in the sense that they revealed the difficulties involved in managing a pilot project.

Presentation of each examined model and the **conclusions** of the two-year-long research are presented in Volume II.

II. THE THEORETICAL MODEL OF PILOT PROJECTS IN PUBLIC ADMINISTRATION

Legal Limitations of Public Administrative Pilot Studies

András Zs. VARGA

Public administration is performed for fulfilling public goals defined in governmental decisions. Nowadays the abstract set of these public goals is the different legislative acts and other legal regulations (hereinafter: regulations), but applicability and adequateness of the different regulations is tested by their actual application. Frequent modification and amendment of regulations raise the presumption that their applicability and adequateness can be often questioned. There are several questions which should be answered before such a modification or amendment (or more generally, before any law-making process is started): *What?*, *Why?* and *How?* are some of the most important and inevitable ones.

Based on the answers some administrative or legal models may be drafted and – if possible – experimented. Usually the experiment means that a new regulation is entered into force, consequently the experiment is ‘saved’, in other words it is performed *in vivo*, undertaking all social risks of failure. If there is enough time, legal opportunity and political will the experimental application of a new regulation could be performed, this method is known as *pilot*. However one should know what do notions like model, experiment, pilot mean in public administrative context and which are the administrative (functional) or legal (formal) limitations of realizing of a public administrative pilot study (or pilot experiment).

Model is a notion and method applied in the field of science. Model is understood as an artificial and simplified transcript of the material reality assuming that its characteristic features are similar with the real

phenomenon. If this presupposition of adequacy is not false, results of studies on the model lead to a better understanding of material reality. *Experiment* is also coming from the world of sciences, it covers a set of measurements effectuated sometimes on real phenomena (*in vivo*), but more often within artificial, laboratory circumstances (*in vitro*). A simple definition of *pilot study* (or *pilot experiment*) taking into consideration our main topic may be the next: a pilot study is an *in vivo* experiment on a smaller scale, within limited territorial, temporal, population circumstances.

1.. Reasons and limitations of administrative pilot studies

For purposes of our research public administration is perceived as an activity of the executive power which has concrete influence on rights, duties, legal relations, behaviour of certain (identified) natural or legal persons. Public administrative activity covers all stages of decision-making and execution of formal decisions, influence on legal rule-making, application of regulations (administrative procedures), organising and controlling. When applicability of pilot studies is in question several dimensions of public administration may be examined: theory and practice, external or internal activities.

a) Within the different branches of theory of public administration role of models is unsophisticated. Every theoretical approach of public administration takes itself shape of a model hence it aims either a better understanding of an existing practice or thinking out hypotheses of a better practice. In both cases the nature of the theoretical description is other than practice as existing reality. Experiments concerning theoretical models are impossible, if a new model is transformed by codification into a legally binding regulation, it becomes reality consequently it loses its theoretical nature. The situation is the same if the topic of theoretical thinking is the model of modelling itself.

Perhaps this is one of the most significant differences between public and private administration. The primary goal of public administration is an effect with external direction, effect on the social relations outside the system of public bodies. Internal administration (self administration of public bodies with all of its particular aims as effectiveness, accessibility, low costs etc.) is of secondary importance. The situation

is contrary in private administration what can be demonstrated by the example of a private corporation. The primary goal of a corporation – as a formal community of investors – is growth of profitability while the effective activity is only an instrument, consequently for investors the real products of the industry managed by the corporation (being these products old fashioned cars or novelties or simple bank-transactions) has hardly any importance. This is the reason of predilection of private administration to models and to their limited experimentation by pilot-studies. *Limitation 1: models evolved for the purposes of private administration cannot be applied fully and in every case to public administration otherwise public administration may loose its determination. Limitation 2: a theoretical modell of public administration cannot be simply experimented, for the purposes of experiment the necessary legal preconditions should be granted, or in other words the experiment can be performed only as a pilot study.*

b) Within practical (acting) administration in external direction (measures or services of public authorities or other public bodies) legally binding rules (codes, regulations, principles) are limiting the opportunity of experiments or even pilot studies. No difference can be made in managing the administrative cases of persons in same situations. *Limitation 3: regarding formal administrative procedures pilot studies may be launched only in well defined sectors as special regulations for specific fields of administration (e. g. for emission of driving licenses or building permits of industrial edifices etc.).*

The other branch of acting administration in external direction, the delivery of effective services (e. g. public health care) gives more opportunity for pilot studies. *Limitation 4: when drafting a pilot study concerning delivery of effective public services impact of the 'normal' model of action behind the pilot study should be taken into consideration.*

c) Another activity of public administration is maintenance of institutions (which usually deliver public services). *In this field the less regulations are concerning the activity of the body responsible for maintenance institution the more opportunity is granted for experiments (limitation 5).*

d) Regulation by public administration as the last activity examined can be understood if it is compared to other activities. Formal administrative procedures create direct links between a public body and a person under its jurisdiction. When public administration maintains another institution which delivers public services the link between the two institutions is direct while the link between the maintaining administrative body and the recipient of the public service in case is indirect, the maintained body is enclosed between them. Regulatory administration means an increasing distance between the main administrative body and the recipient. In this last situation the regulatory (the main) administrative body does not interfere directly by maintenance in the activity of an institution delivering services, but only regulates their operation (by non-legislative but legally binding rule-making). In these situations only the principle of non-discrimination can be observed as an obstacle in front of experiments. *Limitation 6: the more specific is the legal relation between an administrative body and recipient persons the more freedom is available when a pilot study is drafted.*

e) Looking at self-administration of public administrative bodies the system of obstacles is much more simple. Hence administrative bodies have no or only very few substantive rights within their relations, and these rights even if exist are not guaranteed by judicial protection, there is practically free track for invention of new models and for their experimental test being it a pilot study or any other form.

2. Impact of administrative law on pilot studies

The dimensions of administrative law observed within this research were theory of administrative law, creation of administrative law (legislation), application of administrative law.

a) As regards theory of administrative law the previously mentioned particularities could be repeated. As theory it creates models of an actual status of administrative law (*imago de lege lata*) or of hypothetical new forms of regulation (*imago de lege ferenda*). These conceptual models are artificial and simplified transcripts of the law in force or possible drafts of new regulations. Of course, it is presumed

that characteristic features of the model are similar with the existing or potential legal phenomenon. Theoretical models cannot be tested within theoretical circumstances, for the purposes of test legislative and/or administrative activity is needed. *Limitation 7: conceptual models of administrative law may be tested only if actual paradigms of law are taken into consideration.*

b) Thus creation of administrative law is itself an experiment of a theoretical model (if such a model exists and law-making is not desultory). After conversion of a theoretical model into legal reality (legislation) the result influenced by particular applications (jurisdiction) may be measured as feedback to the conceptual model. Limitation of this process can be separated to the different fields of regulation.

Substantive administrative law concerning rights and duties of persons usually does not support experiments (neither in form of pilot studies) due to protection of fundamental rights and freedoms (*limitation 8*). This limitation is extremely strong as rights and freedoms are taboos of the present age. If rules of substantive administrative law concern only public bodies extension of experiments is wider but some higher regulations (e. g. those of constitutions) should be observed (*limitation 9*).

Law of administrative procedures applies limitations 3 and 6 expressed above. Sectoral specifications and internal rules which have no effect on rights and duties of persons (parties involved) may serve as experiments (sectoral pilots of procedural regulation). The situation is the same in the case of rules regarding organisations and internal relationship of administrative bodies: practically no strong obstacles should be faced.

c) Application of administrative law (jurisdiction) supports experiments or pilot studies only if limitations presented above are respected. It means that pilots may be introduced only in specific sectors of application of administrative law or with limited territorial effect, however non-discrimination may not be offended (*limitation 10*). This last limitation can be refined to the Hungarian state organization. *Limitation 11: possibility of pilot studies in administrative jurisdiction is directly proportional to extent of powers of autonomous local authorities and it is inversely proportional to the level of centralization.*

3. How should (not) be performed a pilot study?

All aspects limiting administrative and legal pilot studies cannot be enlisted, but three of them, like social engineering, legal anthropology and principle of rule of law should be mentioned

a) When one tries to answer the questions regarding the reason and sense of administrative and legal experiments some very simple arguments are found. We would like to understand the structure and functioning of administration or we try to have a better administration (better in its legal values, effectiveness, transparency, reduced costs, increased speed of procedures and so on). This answer leads to theory of social engineering of Karl Popper. Popper suggests to apply experimental technics of natural sciences for social theories. Conceptual solutions should be designed and introduced into social relations applying engineer-type methods, without taking into consideration historical and ideological aspects. This method is – at least in Popper’s arguments – by the fact that there is no *a priori* good or bad solution to certain social problems, needs or claims. There are no *a priori* good or bad social techniques, consequently the new ideas or solutions may and should be tested by *in vivo* experiments.

Without entering into sophisticated evaluation it can be traced an important borderline between scientific (technical) and social engineering. This unavoidable difference is that social engineering – at least regarding public administration – does not tolerate waste, there may be no pre-calculated production losses. This principle of no-waste is an important barrier of administrative experiments or pilot studies. *Limitation 12: when an administrative pilot is drafted – whatever be the purpose – failure of experiment concluding in breach of individual rights must not be included as probable outcome.* A conceptual (theoretical) model may be tested only if there are enough certainty that it will lead to positive effects. This limitation can be reformulated or understood as a new, derived formula. *Limitation 13: any administrative pilot as experimental model should work even during its performance, even more its results must not be worse than those expectable without the experiment in case.* If results during the experiment show worse level, the experiment should be stopped. This limitation cannot be passed due to ethical reasons and rule of protection of fundamental rights as governing principle of constitutional states.

b) Anthropological dimension of persons (natural entities) may also be characterised by taboo of fundamental rights and freedoms. Although theory of positive law does not operate with such taboos (strict limitations as *a priori* conditions of legal regulations) Radbruch's formula (principle) appeared after World War II makes it unconditional. According to Radbruch erroneous rules may belong to a particular legal system (law in force), and these rules should be observed. However, if a legal rule is not only erroneous but it does not even seek to be just that rule loses its legal character and should be handled as an injustice (abuse) wearing the robe of a legislative act. A rule is certainly unjust if it does not accept the equality of natural persons (before the law). Such a rule should be ignored.

No matter how clear Radbruch's formula was half a century ago, actual practice of principle of equality of persons before the law is not without uncertainties. Different principles reformulated from that of equality of natural persons (before the law) as equal dignity, general right of personality (used within the practice of Constitutional Court of Germany) or right to self-determination tolerate more or less specialities within legal regulations. The genuine sense of equality did not mean that any intention, endeavour, will, idea of any human being at any time should be equally granted and protected by law. Law is its core not else than a set of compulsory rules governing coexisting human communities. If principle of equality is applied unlimitedly to legal regulations as an unconditional barrier than any other (natural, social, individual) peculiarities of law will be lost and the outcome will be correct but sometimes unjust. Natural persons – or at least their personality – may not be dissolved in the diversity of legal relations and regulations governing them. Human beings may not lose their dimension: law should protect human beings – as equal personalities – not only their particular rights.

This anthropological approach regarding pilot studies leads to a new *limitation (no 14)*: *if equal legal protection is not granted to human beings as constant subjects of law but it protects them only as dimension-lost persons composed only as sum of their rights than neither social goals nor long term personal benefits may serve as enough reasons for short term legal disadvantages (for instance caused by a pilot study).*

c) Our last consideration concerns the principle of rule of law. Rule of law is usually understood as a set of principles founding a hierarchical order of legal regulations with the Constitution on its top: prohibition of retrospective effect of legal acts, guaranties of fundamental rights and freedoms, legal regulation of state powers activities, judicial control of administrative acts, presumption of innocence of citizens, democratic legitimacy of government, separation of branches of state, equality of people which are essential for a state and its legal order if it wants to be accepted as non-arbitrary, non-dictatorial.

In reality manifestation of the triangle of legality, legitimacy and efficiency is not simple. legality and legitimacy are not simply brakes of efficiency but both of them are acting against the other. Being legal, legitimate and efficient is almost impossible for an executive power, or in a broader perspective: for a government, one edge of the triangle will be overweight. In our culture based on rule of law it seems that legality is this overweight edge of government-architecture presented above. Of course, one may say, but sometimes we face not only overweight of legality but the strong restriction of efficiency due to activity of Constitutional Courts, the European Court of Justice or of the European Court of Human Rights.

In some cases the point of view of legitimacy is completely ignored. Explanation of this situation is quite simple: courts with the final and non-contestable power of interpretation of law are not only forums of individual legal debates but in the same time courts appear as definitive and sole guardians of the executive power or in a broader sense, of the whole government. If courts and only courts rule on activity of the executive, than any other aspects of responsibility or accountability like political reasonableness, economical profitability or social acceptance are of secondary importance and the mere standard will be formal legality. If we look around this is the appearance of legality today: legality is understood in this manner.

In such a system a Constitution or law in general will become the only legitimate form of regulation, any limitation of right and freedoms will be accepted only if it is regulated by valid legislative acts. Law and state or a larger community behind law take the shape of a fetish and principle of rule of law will become rule of totalitarian law. *Limitation 15: Under the rule of totalitarian law no limited experiment, no pilot study will be feasible; an administrative experiment can be performed on the largest scale of the whole nation or the whole community at*

once. If administrative pilots are found to be risky, legislation with complete exclusion of experiments proven by rule of totalitarian law is much more risky. It can happen that there will be no second try.

The role of legislation in pilots

LÓRÁNT CSINK – GÁBOR KURUNCZI – ÁDÁM VARGA

1. Introduction

There is a wide variety of pilots with marked differences. These differences arise not only from the varying characteristics and methods of the different branches of science, since it seems problematic to give a consistent account of pilots even within the scope of social sciences, or within the science of law itself.

Moreover, the use of pilots is not restricted to science only. It is common for large companies to use pilots after the introduction of new services or business ideas.

However, while a company may afford to risk the turnover of one of its “experimental” sections, the situation seems more complicated when it comes to the “engineers of society”, since in this case it is not products that are at stake, but the pilots have an influence on certain groups of society, either in a direct or in an indirect fashion.

As a result, the boundaries of pilots are not set by internal, but external norms, and legislation might play a significant role in their implementation.

On the one hand, by summarising the conclusions drawn from a pilot project, it may become necessary to create norms which help execute changes in the system. On the other hand, establishing norms may be a prerequisite for the implementation of a successful pilot.

Therefore, in this paper we explore the role of legal regulation in pilot projects.

2. The significance and characteristics of legal regulation

It is beyond doubt that social relations must be regulated. This, in the modern era, is done by the state, primarily by the government.

Certain features of the modern era, such as the significance of self- and co-regulation, as well as the presence of regulating bodies seem to bring the above statement into question, or, rather, call for the reconsideration of the traditional concept.

In terms of the regulation of social relations, legal norms have been favoured over other systems of norms, and during the course of historical development law has become a universal, closed system of norms.

2.1. The importance of the regulation of social relations

It is to common knowledge that social relations must be regulated. In order to do so, there must be an authority which prescribes a certain conduct of behaviour for the individual, creating a functioning society.

As a result, societies have norms from the very beginning of their respective history. All type of norms stipulate conducts of behaviour in order to influence and direct the acts of the individuals.¹

In this context the norm is the authority which defines the conduct of behaviour. Where the purpose of the norm is thought to be the regulation of social relations, the “success” of the norm depends on whether it is being followed. It does not necessarily mean the failure of the norm if a small number of people do not follow it. However, if non-compliance reaches a critical extent, the norm itself ceases to fulfil its function.

A norm may emerge in a number of different ways: conducts of behaviour can be defined by religion, customs, ethics, or even by etiquette or fashion. It is a common feature in all norms that they prescribe conducts of behaviour, and that they only bear an influence on social relations if they are accepted by the members of society.

2.2. The emergence and development of legal norms

Legal norms have a special place amongst norms. Legal norms can be described as orders of the legislator (the state) that contain rules regarding certain behaviour, with the “promise” of the legislator that it

¹ See Joseph RAZ: *The Authority of Law: Essays on Law and Morality*. Clarendon Press, Oxford. 1979.

will implement the regulation even by force.² The main characteristic of legal norms is thus their enforceability guaranteed by the state, which constitutes a major difference between legal regulation and all other types of social norms.

Consequently, legal norms are inseparable from the existence of the state. Ever since its emergence, the state has exercised its legislative power (i.e. enacting legal norms), rendering certain social relations to be regulated by legal norms.

The next step of historical development was the systematization of norms regulating certain everyday relations.

Although creating written records of legal norms was an early development, this cannot be regarded as codification, since codification is not only a type of legal solution but takes place in the wider context of the spirit of legislation. The change is characterised by the distinctive features of the histories of different countries, taking place mainly during the period of rapid economic and demographic growth of the 19th century, when public law and private law became two separate areas.

All the civil codes originating from this period can be characterised by the common purpose of codification: ensuring the unity of law. The unity of law is an essential step towards guaranteeing the parity of law.

Another important result of codification is that it renders the legal system reliable, enforces the normative content of law, thus ensuring legal certainty. Codifications contributed to the normativity of law, and in the regulation of the conduct of behaviour the importance of normative acts increased. This might be the reason why the structure of the essentially civil law codifications is an area of interest to scholars of public law as well.

2.3 Self- and co-regulation in the legal system

Legislation is not the only way of regulating social relations. Another possibility is when the legislator allows room for self- and co-regulation, and makes it possible for the subjects of regulation to establish norms themselves, which are later reinforced by legal effect.

² András Zs. VARGA: Gondolatok a kodifikáció mélyrétegeiről. (Thoughts on the Deeper Spheres of Codification) *Magyar Közigazgatás*. 2011/3. 67.

The self-limiting feature of the state with regard to regulating social relations does not entail disorderliness, but rather the restriction of the state's authority.

When should the state refrain from regulation, and hand it over to the individuals involved? Regarding this issue, we reckon that the state should take the following aspects into consideration.

- 1) The first aspect is the principle of subsidiarity. An important point of consideration in the area of legal regulation and self-regulation is the principle of Occam's razor³ - namely that the simplest solution is usually the correct one.
- 2) According to the first aspect, it should be explored whether self-regulation and state regulation are equally adequate for yielding results. Thus, the second aspect concerns adequacy: is self-regulation adequate for managing the social relations in question?
- 3) It should not be overlooked by the state that self-regulation must not interfere with the goals of the state, and with its duty to protect both the subjective and the objective elements of human rights. Therefore, in those cases in which the state is bound by a certain constitutional duty, it must not give up legal regulation entirely. The more weight the issue carries from a constitutional point of view, the less scope there is for self-regulation.⁴ Thus, the third aspect concerns the constitutional interest of the state.

According to our conclusions, the question whether self-regulation should be favoured over legal regulation, or the other way round, can be answered by taking the three above aspects into consideration.

³ „Pluralitas non est ponenda sine necessitate” in English: „Plurality should not be posited without necessity”.

⁴ To set an example: the state cannot establish law enforcement as an issue of self-regulation, even if the population were able to organise the task and they were adequate to manage the issue. Hence law enforcement is a constitutional obligation of the state, the state cannot “risk” the outsourcing of the issue from legal regulation.

3. Legal regulation in pilot projects – the need for legislation and the levels of legislation

3.1. The role of legal regulation in the methodology of pilots

Regarding each pilot it is important to explore the issues of methodology necessary for the implementation of the pilot, i.e. the idea, place and persons involved in the experiment.

The question arises whether legal regulation is meant to determine what a pilot should be like? Can/should the legislator determine what the methodology of a pilot should be?

The first question that arises regarding a pilot is its purpose. The desired outcome of such a project is to model how the solution under consideration is going to function. In order to do so, it is important to find the most appropriate location and control group for the experiment.

Furthermore, every aspect of the solution under testing should be introduced into the experiment.

The method should only be defined by law if the pilot could not otherwise be successfully conducted, and if the conclusions of the pilot would not be accepted unless it takes place within accurately defined boundaries.

The selection of appropriate subjects is an element of the planning stage, which has to be carried out regardless of whether it is necessary for a legal act to be put in place before the implementation of the pilot.

Naturally, if the pilot is preceded by a legal act, the setup of the pilot, including the location and the subjects should be dealt with therein. However, in case the pilot takes place within the existing legal framework (e.g. the Canadian immigration pilot), it is sufficient to clarify the methodological issues without the employing legal instruments (e.g. by a detailed action plan).

3.2 The relationship between the principles of pilots and legal regulation

During the planning and implementation of pilots, constitutional principles and basic rights must be respected. One of the most important of these principles is the rule of law, since each principle used during the pilots can be derived from that. Since one of the important elements

of a pilot is to determine the necessary legislative actions before and after the research which contribute to its success, these principles are binding upon the legislator.

When examining the relationship between legislation and pilots, it is important to take a closer look at certain constitutional principles. According to Herbert Küpper, the rule of law means that law is the final basis and highest authority regarding every significant social situation in life.⁵

In the jurisprudence of the Constitutional Court, it is clear that legal certainty is a pivotal element of the principle of the rule of law.⁶ In continental law, legal certainty expresses the “basic principle” that one can safely rely on law, on its content and stability.⁷

According to the relevant constitutional thesis, it is a basic requirement arising from the rule of law that institutions with executive power should function in accordance with the law, and in a way that is transparent to the citizens.⁸ In other words legal certainty does not only entail the univocal nature of norms, but also that legal institutions function in a predictable manner.⁹ The individual principles of pilots follow from the principle of the rule of law.

The principle most closely connected to the rule of law is the principle of equality. It is a basic requirement in this framework that none of the subjects of law should be put into a less favourable situation than others. Therefore, none of the people affected by a pilot project should fall under stricter rules than others.

Affirmative actions, however, might occur, since a pilot might be directed at modelling a situation which, in the end, is going to be more favourable for society on the whole. However, if the legislator recognises that the implementation of the pilot would be discriminative, it is likely that the issue in question cannot be adequately modelled.

Another consequence of the principle of equality is that people affected by the pilot project should not gain benefits which are

⁵ HERBERT KÜPPER: A jogállam követelményei az Európai Unióban és Magyarországon Alaptörvénye. (The Basic Law of Hungary and the Standards of Rule of Law in the European Union) *Jura*, 2011/2. 97.

⁶ BÁNÁTI János–RÉTI László–TÓTH Ádám: A jogbiztonság kirívóan súlyos sérelme. (The Severe Infringement of Legal Certainty) *Ügyvédek lapja*, 2010/2. 19.

⁷ KÜPPER: *infra* 102.

⁸ The Ombudsman’s petition to the Constitutional Court challenging the Transitional Provisions to the Basic Law (AJB-2302/2012)

⁹ BÁNÁTI-RÉTI-TÓTH: *infra* 19.

disadvantageous for those unaffected by it – which principle is another basic requirement of pilots.

Furthermore, it is important to bear in mind the requirement of the least possible interference when considering the possible regulation of pilots. One of the advantages of a pilot is that experimentations with legislation can be avoided. As a result, the entire apparatus of an institution does not have to be changed from behind a desk, and any detected dysfunctions can be remedied by gradual alterations.

Therefore, the principle of the least possible interference is a requirement, as well as a consequence of the pilot. In terms of legal regulation this means that the legislator has to consider the degree of interference required by the pilot, since it is not always necessary to regulate it centrally, moreover, it is possible that the legislator should take no legislative action whatsoever.

Furthermore, it is important to set up a pilot in a way that it is free from unnecessary regulation, and hence from dysfunctions, leaving room for the experiment to take place. It should be avoided that pilots test factors that are not essential to their overall aims, yet it should be made sure that they do test what they are meant to test. This question is not closely connected to legislation, since these issues should be dealt with during the thorough preparatory process preceding the implementation of the pilot.

The responsibility of the legislator lies in offering assistance in clarifying the issues arising from the preparatory process and to reflect on the prerequisites of the pilot.

The importance of the principle of the least possible interference becomes evident when we consider that the main aim of the pilot is to test how the system may be altered in the most efficient way. In this respect, the most important factor is the choice of location; the legislator has to define the territorial level of the law that results the least possible interference.

It seems straightforward that it is unnecessary to regulate an issue by statute if it can be regulated by decree. This issue is not closely connected to the question of pilots itself, it is much rather the responsibility of the legislator arising from the principle of subsidiarity.

In addition, the legislator should bear in mind the requirement of the least possible interference even before the implementation of the pilot. It is possible that it only seems necessary to regulate the pilot by changing the legal context because the executors of the pilot overestimated the

degree of interference, and at the level of the desirable interference no legal action would be necessary. In this case it is the legislator's responsibility to recognise and rectify the mistake.

3.3. Legislation and pilots in practice

Ideally legislation and pilots complement each other. The appropriate legal context may help the implementation of the pilot, while the successful pilot might point out how to make the legal framework more effective.

It is misleading to present legislation and pilots as if they could substitute one another. It is common that a pilot explores the most effective use of the legal framework, however, the problem arises when a pilot is trying to fill in a gap in the legislation.

Pilots are not magical entities which could solve every problem. The experiences gained from the project in the South-Transdanubian region show what happens if one tries to model a completely new legal institution in an unsuitable legal context.

On the other hand, pilots provide a great deal of useful experience besides the possible mistakes mentioned above.

As a conclusion, the following four models may be outlined regarding the connection between legislation and pilots.

- 1) Firstly, one might argue that it is unnecessary to implement any legislative acts prior to a pilot project, i.e. there is no need for prescribing a new conduct of behaviour. In this case the implementation of the pilot takes place within the existing legal framework, and if it is successful, it does not necessitate any changes in the legislation. The purpose of these pilots is to explore how to use the existing legal framework in the most effective way. An example of this might be the Canadian immigration project. However, these pilots can only be successful if they do not require the alteration of the existing legal context.
- 2) According to a different approach, even if there is no need for changing the existing legal framework, it might be beneficial to outline a certain strategy. During the "Biztos Kezdet" (Safe Beginning) project a national strategy was formed, which was accepted by the Parliament in May 2007. In order for

this approach to become successful, the project should ideally concern an area where little or no legal regulation is needed, or where the legal context allows for a smaller scale regulation (concerning the project only).

- 3) The third approach might be considered the most classical one, according to which a separate legislative act is called for in order to create the appropriate legal context. Without this new framework the pilot would yield false results. In this case the purpose is not only the implementation of a new method, but of a new system, and it is this new system which calls for the legislation preceding the pilot. An example of this might be the Spanish home-work pilot, which was preceded by a lengthy preparatory period, impact assessment and a royal decree. Prior to the implementation of the pilot, the legal framework was first adapted, within which the pilot proved to be a success.
- 4) Last but not least, we would like to point out that a pilot might also be misused. In these cases the pilot serves as a type of solution intending to replace legislation without parliamentary approval. This differs from the approach outlined in point 1. because while there the purpose of the pilot is to improve an existing system, here the change is introduced into the existing legal framework from outside, using an inadequate method. Basically, by merging the approaches discussed in 1. and 3., the system is being changed without the authority to do so. A typical example of that would be the South-Transdanubian project mentioned above, in which a desired regional system was modelled in the existing county system outlined by a statute based on two thirds majority.

Hence, such a solution gives rise to a number of different problems. The conclusion has to be drawn that a pilot intending to change the existing system entirely cannot be successfully implemented within the existing legal framework.

4. To conclude

Pilots certainly play an important part in social sciences. Law as well as public administration might make use of pilots for the improvement of certain areas and in implementing new methods.

It should not be overlooked that the same principles of the rule of law have to be followed when implementing a pilot and when using classic legislative solutions.

This might necessitate certain legal regulation prior to the implementation of the pilot. Although one of the aims of a pilot is to avoid unnecessary legislative experimentation, in case it is the legal framework itself that is intended to be reformed, the creation of “experimental statutes” is inevitable, i.e. legislation cannot be avoided entirely.

However, it is worth noting that pilots do not always go hand in hand with legal regulation. In many cases the success of the pilot depends on the absence of legal regulation. The most important criteria in this case are adequate research and impact assessment preceding the implementation of the pilot. All unnecessary legislative steps should be eliminated from the pilot.

As a result, the methodology of the pilot itself does not have to be outlined within the legal framework, while general principles must not be overlooked during the process. By taking all the above factors into consideration, and by not exploiting the existing boundaries, pilots can be successfully used in order to improve the system of public administration.

Possible solutions of controlling and evaluating model tests

Gergely PATYI

1. Introduction

Péter Szilágyi has the following opinion: „Legislation is an activity of state organs expressly endowed with legislator’s sphere of action with the aim to create legal norms formulated in the form of conscious, express, exclusively direct, general and abstract rules of behaviour”.¹ Perhaps it may be added, that it is not one type of activity, but series of activities, i.e. a process of which the characteristic features of a process such as time, quality and costs hold true. Principles and methods of organizational studies were applied and considered in public administration before all by Magyary-school.² András TAMÁS who considered public administration as a technological process was convinced, that the operation of public administration as of any other organization is characterized by utilizing both personnel and equipment.³ Based on life work of Zoltán MAGYARY, the *Magyary Zoltán Public Administration Development Programme* was launched in spring, 2010 and was elaborated with process - oriented approach. ⁴

If we want to change something, but consequences of wrong solutions may be serious, it is reasonable to run first a pilot type of project, which is a research and/or development activity performed first under real

¹ SZILÁGYI Péter: Legislation, enacting process, kódex. 1. - http://www.ajk.elte.hu/file/Kodifikacio_SzilagyPeter.pdf

² András Fluck a colleague of Magyary Zoltán studied processes of public administration based on theory of organization for the purpose of quick, effective and economical work processes within public administration. ALMÁSY Gyula: Organization and technological development of public administration. *Thesis for doctor’s decree*, Budapest. 2012. 32-37.

³ TAMÁS András: *Theory of law on public administration* Szent István Society Budapest, 2005. 368.

⁴ MAGYARY Zoltán Program of development of public administration (MP 11.0) For salvation of homeland and service of the public Budapest. Ministry of Public Administration and Justice, 2011.

circumstances but with involvement of permanent participants, on small pattern to solve a combined problem with small time and cost⁵ and if the pilot project does not *result in expected outcome, there will be a possibility to make effective changes*. In case of Public administration there is however only a limited way to perform model tests and can be used before all in areas of institution maintenance administration and internal self-governing administration.⁶

2. Notion of project and project phases

It is considered to be a project when an organization with own structural background is performing complex activities to prepare and realize a draft with limited time and cost consummation and after the completion of it lessons can be drawn and experience can be acquired. It is a single and at the same time complex activity. Project process consists of cycles and key decisions, responsibilities and need of information are assigned to every phase of project management; it states as a precondition, that the next phase can be continued only after completing the first one; and lessons of evaluation will be utilized when drafting the next projects.⁷ Based on project cycle the performance of operative activities in the project can be broken down in four stages: elaboration of concept, planning, realization and completion.⁸ According to other sub-division the project cycle has three phases: preparation, execution and control. In the stage of preparation problems, limits and possibilities are identified (risk management). Performance is the actual realization and underway checking (monitoring). When the project is completed, the evaluation of the realized project, review of results and drawing of consequences take place.⁹

Project management – Includes setting of aims and goals to be reached, methodical and technical system of conditions assuring

⁵ Unified terminology. Important constructions of tenders on public education www.nfu.hu/download/.../8_melléklet_Unifiedterminology.pdf

⁶ VARGA Zs. András: A közigazgatási modellkísérletek korlátai. (Limits of model tests in public administration- Recent article)

⁷ EGERI Imre: *Project management. Textbook*. Nyíregyháza College: 2012. 3-5.

⁸ CLELAND, David I.: *Project Management: strategic design and implementation*. McGraw-Hill, Michigan:1994. 47.

⁹ http://users.atw.hu/hummen/anyagok/eu/4_Preparation of projects.pdf, 3.

performance. According to Mihály GÖRÖG: “Project management is nothing else but leading, managing, organizing fulfilment of a project that concentrates resources and information, methodical and technical toolbar to reach the defined targets.”¹⁰

Preparation and planning of project – Planning of a project is a process of solving a problem, in which we determine schedule of objectives and tools required and suitable for reaching those objectives. Steps: determination of starting point, preliminary choice of objective(s), examination of starting situation, finding possible solutions, planning of content of project, and feasibility study, control of objectives, amendments, election of appropriate project(s).¹¹ In areas of public administration where tests in connection with models – practical test of model – are generally not possible, it is extremely important to evaluate opportunities and limits, i.e. to perform many -sided risk assessment as detailed as possible at this stage.¹²

Fulfilment process –realization of projects – In the process of fulfilment of the project tasks and activities determined in planning stage and leading, co-ordinating, managing of fulfilment processes take place. Steps of carrying out a project: Survey of project plan, making necessary corrections, setting up and operating of project organization^{13,14}; handling different interests, assurance of co-ordination and cooperation; supervision and managing of project

¹⁰ GÖRÖG Mihály: *Introduction to project management*. Aula Kiadó. Budapest. 1996. 15-16.

¹¹ DÁVID János – MÁTYÁSI Sándor – TAJTI József: *Project management manual* 6.- 7. <http://www.3kconsens.hu/files/Projekt%20menedzsmen%20kezikonyv.pdf?PHPSESSID=cdbcb5f92d6ca0854e8445639cf9fd48>

¹² Father of first model test in public administration Lajos Esztergár similarly realized model test and formation of social co-operatives. ESZTERGÁR Lajos: *By ways of social work*. Kultúra Könyvnyomdai Müintézet, (“Kultúra“ printing house) Mayer A. Géza és társai, Pécs, 1939. 14-29.

¹³ Esztergár Lajos was a pioneer also in this field. He recognized that tools are necessary for solving problems and along with financing, people and organizations are of same importance for successful reaching of our goals.

¹⁴ In the model tests organized by Magyary Zoltán in Komárom county a project organization was a project organization also recognizable. MAGYARY Zoltán: *The social county – Operation of Komárom county public welfare and economic cooperative* Magyar Közigazgatástudományi Intézet. Budapest, 1941. 8.

(program monitoring of content, professional compliance, timing, financial and other aspects¹⁵; communication and PR project¹⁶).

Supervision and project management – Main objective of project supervision is to examine, whether each of the project elements meet the goals set in the project plan. Task of project management is to identify risks and problems occurring during performance, to formulate alternatives of solutions and to prepare them for decisions. Three activities related to supervision of project: *monitoring, control and valuation*.

Monitoring is based on continuous collection of data and serves measurement of results of the project. Control means continuous review of processes and activities reflected in administrative and legal regulations. Valuation is a review of the project as a whole and its aim is to check the impact of activity on social-economic solution of problems.¹⁷

Monitoring activities can be broken down in three steps: First is tracking where we examine in the stage of project planning some defined indicators. Second step is interpretation of results, interpretation of received data and compiling information from those data. Third step is preparation of future decisions on interference, settlement and documentation of decisions on interference in form and with contents in accordance with requirements.¹⁸ Current values of indexes and indicators will be continuously collected and analysed and based on this, it can be decided, whether the project is in progress in accordance with preparatory plans and concept and whether it is necessary to intervene, to make correcting or preventive measures in case of differences.

Based on frequently similar data, the control process has to assure compliance of system of rules elaborated for it or formulated by the

¹⁵ DÁVID – MÁTYÁSI – TAJTI i. m. 27-28.

¹⁶ In the project of Simplification of legal rules and processes in Ministry of Rural Development is a project organization clearly defined. ÁROP-1.2.6/A-2011-2012-0002. Formation deed of Simplification of legal rules and processes in Ministry of Rural Development 2012. 12-14.

¹⁷ Ex Ante Consulting: System and project management of EU tenders National Development Agency Structural and Cohesion Funds Centre for Educational Coordination (in Hungarian SAKK). 2004. 102.

¹⁸ MÁRKUS Béla: Spatial analysis and decision support. University of West Hungary 2010 - http://www.tankonyvtar.hu/hu/tartalom/tamop425/0027_TED3/cho1s03.html

supporter, or compliance with external system of rules, i.e. with local legal rules and community law. Monitoring and control are tasks of operative character directly related to performance of the project and are constantly in progress and accompany the completion itself as a whole.¹⁹

The thought of continuous evaluation of operation can be extended also to the area of public administration, since the activity of an organization can be assessed based on values defined in advance and on indicators. In public administration this way of assessment where rules provided for a system are compared with actual operation is called control.²⁰ Also in this case the control is series of actions, where control is extended to time and place, i.e. it can be considered series of activities built on one another.

While monitoring and control activities supporting performance and carried out through the period of fulfilment, by evaluation the project as a whole is examined upon completion. By evaluating the project is reviewed from the aspects of importance, effectiveness and efficiency and in the light of goals defined upon planning and of elected strategy.

When we evaluate importance, we have to get an answer whether really essential goals have been set and reached. Studying for effectiveness we will find out whether we succeeded in reaching our goals and if yes, to what extent. When finding out if efficiency is reflected in our work, we have to see at what price and what input, resources were needed to reach these goals. As against monitoring, evaluation handles not only the project itself, but also project and environment together, allowing an outlook for analysis and interpretation of the project under given social-economic environment.

The mode of action of the three activities – monitoring, control and evaluation - is different. Operative aim and outcome of a project is the final result in favour of which the project has been launched. Control checks the existence of same.²¹ A specific aim i.e. result is to provide

¹⁹ In case of Magyary Zoltán model test we can already mention monitoring activity, since definition of aims was based on assessments and the elaborated file of families provided a possibility of system to continuously trace realization of the project. MAGYARY i. m. 42-47.

²⁰ TAMÁS i. m. 371-372.

²¹ E.g. Sure Start Programme wishes to provide a chance to children under ages of 14 and their families participating in the programme, so that children in their earliest ages get help to their physical, mental, emotional and social development. http://www.gyerekesely.hu/index2.php?option=com_content&do_pdf=1&id=202

direct benefit to the elected target group.²² Results can have indirect impacts on the target group on the long run.²³

The narrowest interval is covered by the control process. By control we check the determined outcome from first step until the last one and whether carrying out of the project has been performed in accordance with rules and regulations. By monitoring the relation among goals set, ideas and fulfilment is examined and in case of differences it provides an option for decision-makers to intervene. Through evaluation one goes back to the social-economic problem, originally intended to be solved and from this point of view it assesses the project as a whole by reviewing whether aims that were set were really relevant to results and outcome and states the proportion between invested resources, the input compared to impacts. Project evaluation covers the whole project from input to effects and impacts.

The three activities can be separated also based on mode of feedback. If by monitoring differences are found, this means that activities are not carried out as previously planned, factual data are lagging behind planned data. By monitoring the reasons and background of differences detected an option is provided for decision-makers to alter the way of performance of the project. In case of monitoring a feedback will be a kind of fine tuning for the sake of efficiency. When non-compliance is stated upon evaluation, this can be interpreted in the process of evaluation as a deviation occurring with regard to logic, efficiency and effectiveness of the project or to its mechanism of action as a whole. By evaluation attention is drawn to strategic and practical contradictions and insufficiencies.

A good example for fulfilment of project approach is Széchenyi Plan, in the projects of which aims and goals, indicators necessary for

²² Helping children's physical, emotional, mental development, improvement of learning abilities, support to families and parent to stop recurrence of disadvantages, development of health culture, support of families with children with special educational needs, coordination of supporting professions, participation in communities, strengthening local communities, extension of areas of civil participation. - http://www.gyerekesely.hu/index2.php?option=com_content&do_pdf=1&id=202

²³ On the short run proportion of children with multiply disadvantages in kindergartens has increased along with number/proportion of participants in development courses at the age of 5. On the long run proportion of children ready for school at the age of 6 is improving Also the proportion of children aged 1-4 receiving attendance and catering during the day is improving along with successful learning of children with disadvantages and number of children in upper primary schools is decreasing. - http://www.gyerekesely.hu/index2.php?option=com_content&do_pdf=1&id=202

monitoring are clearly defined in order to reach a result and impact in accordance with the project plan. ²⁴

Model test of Lajos Esztergár frequently referred to earlier was a success although we did not find a specific evaluation of it. It tried to solve acute social and demographic problems by elaborating an absolutely new social supporting form based on work where he reached his goal phrased at the beginning of his model test by saying: “Measures are of two directions: on the one hand inferno of life has to be eliminated and on the other hand weakened existence of man has to be strengthened.” The success of the model test was shown by the fact, that almost immediately after completion it was extended to other counties.²⁵

Communication and project PR – During performance of the projects ongoing information and maintenance of good reputation has to be assured as planned in advance. This is very important both to organizations participating in the process (e.g. increasing their prestige) and also important for the project team as it enhances its commitment. Basic requirement is transparency and giving trustworthy information therefore the project manager (the project team itself) has to control information.²⁶

6. Summary

Based on review of pilot projects we can state, that it can be well used both in legislation and by law enforcers after proper adaptation also in project performances with process insight in technical fields based on the fact, that all of our activities are based on elaboration, planning, fulfilment and completion of a concept, or by other subdivision based on preparation, performance and control cycles with the difference, that in various fields length and time period of each of the stages can

²⁴ Pl. ÁROP-1.2.6/A-2011-2012-0002. 5-7.

²⁵ By elaborating a perfectly new form of social support built on work he tried to find remedy to acute social and demographic problems and reached his goal formulated upon launching of the model test, as follows: „Measures are of two directions: on the one hand inferno of life has to be cleared and on the other hand weakened existence of man has to be strengthened” The success of the model test was shown by the fact, that almost immediately after the end he model test spread to other counties. ESZTERGÁR i. m. 15.

²⁶ DÁVID – MÁTYÁSI – TAJTI i. m. 38.

be very different. For example, in case of codification the planning phase should be the longest one, since practically it involves also implementation. At the same time completion and evaluation of the impacts of for instance a social project requires more time as compared to planning.

Applying pilots as a strategic planning methodology, or “picture in picture” nature of planning

György SÁNTHA

1. A Planning Methodological Approach to Pilots

The present work is the summary of the findings of a university research project stretching over a period of one and a half years, supported by the European Union. This research targeted *pilots* as methodological tools for supporting planning in the public sector. The starting point was the basic assumption that a pilot is a unique way of attempting to find a solution for establishing and realizing long-term strategies. In essence, a pilot is constant exploration, trying out methods not applied before or not based on previous research, gaining experience and, ultimately, on the basis of evaluating the results, establishing further conclusions for the future. Thus, in each case, a direct consequence of a *pilot* itself is some sort of strategic decision (so-called “*go*”/“*no go*” decisions), through which the pilot can clearly be defined as a tool for preparing decision-making.

According to our findings, in systems supplying public services the role of a pilot as a means of supporting decision-making may be connected to two macro-level processes: (1) strategic planning, and (2) legislation. To the most part, the present work provides a summary of the findings on the defining characteristics and methodological hallmarks of *pilots*, as well as of the findings on where and in which scenarios can applying pilots be justified, from the perspective of public services planning. That does not imply however, that the present conclusions are inapplicable to the process of preparing legislation. On the other hand, legislation and additional normative principles are viewed primarily as an important means of realizing strategies. That is the reason why, when working out the details of implementation, the significance of precise preparations, that is, operative planning, is greatly enhanced while, at the same time, the responsibility of interfering with social and economic factors is fully appreciated.

It is important to note that, similarly to the notion of planning, the concept of *pilot* is not clearly defined either. It is a characteristic of the legislation processes in European countries that they hardly ever involve planning as a public task or planning as an obligatory and enforceable activity in given situations. Yet, it is a fact that, especially in the Anglo-Saxon and Scandinavian countries, strategic planning applied over large social subsystems is a general method for solving everyday problems and is part of the working culture even without being regulated in detail. Contrary to this, creating legislation on state or governmental planning and institutions with a general scope over planning mechanisms is a characteristic of those countries, typically South European or former socialist countries, where the significance of planning must be highlighted simply because it is not part of everyday practice or if it is, only on a superficial level.¹

Given the above, it can be concluded that the legal foundations connected to public purpose planning, in other words, the definition and methodology of pilots, are currently virtually non-existent. Instead, in connection with *pilots*, what springs to mind in most cases is popular and fashionable project management practice greatly publicised over many forums, rather than a tool for preparing decisions, which is defined normatively and methodically. For these reasons, the phenomenon of "piloting" and a methodical description of *piloting* tools used typically in developmental projects constitute an especially interesting and currently relevant research target. At the same time, as compared to national organizations, the pivotal role played by international organizations (mostly the UN and the OECD) in determining definitions and standardizing the methodology of planning has a great effect on establishing practice and shaping perspectives.

¹ In our research we carried out a comparative analysis of the constitutions of 27 European Union member states and examined whether or not the practice of planning appears in the basic norms determining the operation of the state system and the more important institutions, and if yes, where and in what context. Our findings reveal that in Northern and Western European countries (The United Kingdom, Denmark, Sweden, Finland, Norway), which are considered more developed from a social and economic point of view, there are practically no signs of normative regulations on planning in the constitutions, while in Mediterranean countries (Spain, Portugal, Italy, Greece and Cyprus), as well as in former socialist countries (Romania, Slovenia, Hungary) often there exist separate articles regulating social and economic planning. We believe that the reasons for this phenomenon are rather rooted in cultural differences, which basically means that, presumably, planning must be emphasized and defined on the level of basic norms in exactly those countries, where it is not used systematically in everyday life.

The question of *pilots* belongs to the group of issues of primary importance which inevitably appear at the launch of a series of large-scale social or economic intervention, i.e. the questions of "What?", "Why?" and "How?" need their respective answers. To be more specific, *pilots* answer to the question of "How?", which is always relevant from a methodological perspective. In our conceptualization, the *pilot* is a methodological tool applicable in social and economic planning. In the standard case, "in time of peace", planning is a cyclic process during which organizing and carrying out activities are repeated in accordance with a pace determined in advance. That pace changes depending on the length of planning cycles, therefore different planning and implementation strategies are to be used in short-term and long-term projects.

In short-term projects operative, implementational factors are foregrounded, thus, logically, there is less time for planning. On the other hand, in medium- or long term projects only by projecting current trends on the more distant future and by a professional modelling of the different processes can any conclusions be drawn, which, in turn, may serve as the basis for determining the strategic directions and objectives of implementation. Furthermore, for macro-processes longer than an election cycle, the social and economic risk taken in finding the right directions grows in direct proportion to the length of the projected period of time. For these reasons, emphasis is laid on well-based and methodical planning in the medium- and long-run, which obviously takes more time, moreover, at least theoretically, it necessitates the application of a larger number of more complex planning methodological tools.

The range of tools for planning is relatively wide and is growing continuously, while, at the same time, it changes as well, largely depending on the use of whichever business management method becomes popular in the given time period. In our experience, pilots (programs or projects) are without doubt a tool for aiding medium- and long-term planning and preparing decision-making. In essence, a pilot, done at the request of the entity responsible for making strategic decisions, is a means of empirically studying the practical consequences of large-scale intervention prior to making final decisions, i.e. in the planning-phase, thereby facilitating conclusions drawn on taking further action.

2. The Characteristics of Pilot Projects

The studies done within the framework of our research show that, although there exist numerous *pilot* programs, successful pilots are realized by *projects*. In effect, projects are a series of steps planned for and taken in individual organizational environments, through which actual goals and results must be reached within a given period of time, and for which the client places determined assets (human and material resources) at the disposal of the project management.

In our approach, a *pilot project* is defined as intervention realized in connection with long-term (strategic) planning or in connection with preparing the implementation of strategic plans, with a decreased scope over a specific area and/or time period. As such, pilots are manifestations of experimental or modelling projects within the range of scientific projects in their own right, which, to this very day, bear the trial-and-error, experimental trademarks of a natural scientific approach to research, which attempts to model reality.

Apart from that, pilots display a close relationship to impact assessment projects. Within impact assessment projects, they resemble follow-up impact assessment inasmuch as with pilots it is also actual facts and results of measured data that conclusions are based on. From an analytical or research methodological perspective, the conclusions drawn this way have a more outstanding effect in a large-scale social or economic planning process because they are based on experience, *empirical* facts. As compared with that, in impact assessments prepared in advance, the consequences of certain decisions must be modelled on an abstract level, during which presuppositions, *perceptions* play a major role. On the other hand, *pilots* also make use of this approach as well, because on the basis of the findings gained through the *pilot*, the best way to project the anticipated consequences and results of large-scale projects is mostly by perceptual methods used in anticipatory impact assessment.

The table below provides a summary of the whole of the project *planning* and *implementation* cycle, with characteristic differences between pilot projects and the general practice of traditional projects.

| | Project phase | Traditional projects | Pilot projects | Consequence |
|----|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <i>Terms of reference - definitions</i> | The form or basis of terms of reference are generally decisions of leadership or owners in an organisation. | The form or basis of terms of reference are in many cases comprehensive strategies, programs, or legal norms, international treaties or decisions of different bodies. | In case of pilots, the basis of terms of reference is the interest of wider social clusters (public interest). |
| 2. | <i>Terms of reference - definitions</i> | The terms of reference is a single solution that was considered to be perfect by the project sponsors during situation analysis. | The situation (problem) treated by the pilot project is scrutinized, in many cases scientific methods are used so as to define all possible project scenarios and solutions. | In case of pilots terms of references are elaborated more precisely, because the social and economic risk of missing the only satisfying solution is higher. |
| 3. | <i>Terms of reference - definitions</i> | Term of reference is taken into account as external givens that is elaborated just the rate sponsors (owners) find it to be important.. | Elaborating terms and reference is important, as it is necessary to define scientifically or professionally the thesis precisely which of verification is the reason for the pilot. | In case of pilots the stake of elaborating the perfect terms of reference is higher, as any mistakes may frustrate all the interventions are to be carried out after the pilot phase during the strategic period. |
| 4. | <i>Planning</i> | Planning of project steps are in focus rather than elaborating perfect terms of references. | After elaborating terms of reference precisely planning process managed among narrow time limits as, after the evaluation (decision phase), it is necessary to count with the higher claim of resources during the wider strategic period.. | Contrary to traditional projects, in case of pilots not really planning, rather than elaborating terms of references and evaluation (decision) is the stressful project phase. |
| 5. | <i>Planning</i> | All items of planning process are significant: there are emphasises not only on analysing the situation well as far as covering all the project goals with suitable resources.. | During the planning phase programming (binding resources to goals) and planning realization step by step play a key role, as far as building monitoring and metering tools in to the managing processes. | In case of pilot projects, programming (binding resources to goals) plays a key role during the planning phase as other classic planning functions are constantly applied (from the beginning of elaborating the terms of reference of a wider strategy). |

| | Project phase | Traditional projects | Pilot projects | Consequence |
|----|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. | <i>Planning</i> | At the end of planning ex-ante evaluation serves filtering problems in consistency primarily. In case of projects belonging to wider strategies analysis of external consistency is also generally applied planning tool. | During ex-ante evaluation analysing the consistency with the strategy is to be proven by the pilot is very important, besides the general check phase of internal and external consistency. | In case of pilot projects ex-ante evaluation is more important and wider activity during the planning phase as the risk of being not consistent with the strategy to be proven by the pilot is higher. |
| 7. | <i>Planning</i> | Planning phase generally involves getting and organising resources are to be used during the project; the realization phase starts with appointing the project leader.. | Personal and financial resources are usually provided by the sponsors by the time of having their decision on starting the pilot project. | In case of pilot projects getting or providing resources plays a less important role, as personal and financial resources are usually given from the beginnings. |
| 8. | <i>Management</i> | During realization phase effectiveness, efficiency and serving awaited indicators are the most important management goals; methods and documentation are concerned to be secondary issues. | In order to evaluate and re-enact pilot later, the project is implemented in a strictly controlled and measured environment. Besides effectiveness, recording events and documenting everything are equally important. | In case of pilot projects over the effectiveness, methodologically well controlled and documented management are highly expected from project leaders. (It emerges as a more complex leadership role.) |
| 9. | <i>Management</i> | Monitoring supports project leaders in measuring effectiveness and tracking changes; following all the implementation phase in details plays a secondary role from the sponsors' point of view. | Monitoring tools help not just the project leaders in identifying needed interventions, rather and documenting project developed comparing to other the scientifically based evaluation at the end of the projects, and provides constant systems insight into the project realization for constant phase. | In cases of pilot projects measuring, metering monitoring and documenting systems are more developed comparing to other projects, and provides constant insight into the project realization phase. |

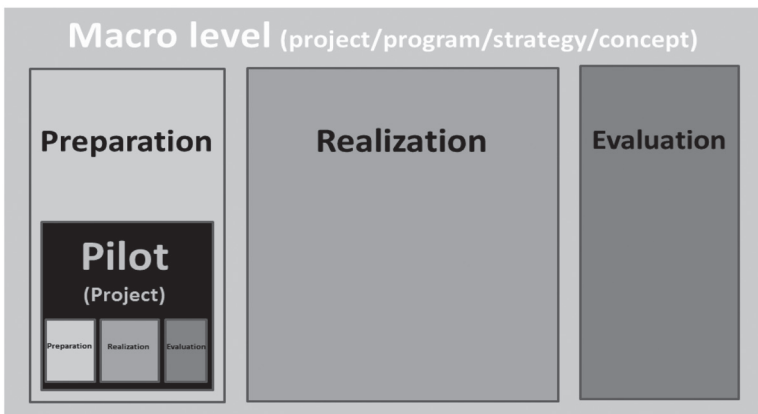
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|-----|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. | <i>Evaluation (feed back)</i> | Oral or written evaluation provides feed back for sponsors about results, personal achievements and other project events. | Implementing the pilot follows profound evaluation work that concluded in a professional written document (report, final study). | Evaluation and feed back phase are more important in pilot projects as these play key role in planning the following program or strategy. |
| 11. | <i>Evaluation (feed back)</i> | The result of evaluation and the quality of feed back have influence usually on the project staff and the sponsors. External communication, public reactions and the question of generating further projects are generally not relevant. | The result of evaluation and the quality of feed back have influence on the whole strategic planning cycle project (decision on go/no go?). Both external communication and the question of generating further projects are relevant. | In case of pilot projects evaluation is to be considered as a kind of a methodologically based preparation work in order to well-found further decisions, projects, programs or strategies. |

3. The "Picture in Picture" Feature of Pilots

When analysing the features of *pilot projects*, and viewing the various possibilities for grouping from an overall perspective, from a planning methodological point of view the most interesting feature of pilot projects is, by all means, their "picture in picture" (PIP) nature.

In order to get a better grasp of that, it is worth approaching the planning project from the perspective of the large-scale program or strategy for which the pilot is used to lay the foundations of or to strengthen, rather than from the perspective of the *pilot project*. From the perspective of strategy planning, the *pilot project* is none other than an exciting planning method, which provides a means of defining strategic goals and a tool for the entity responsible (typically the client) for making sure that the objectives or priorities defined by the strategy are correct and applicable, prior to leading the strategic implementation process down the wrong way into a direction from which there is either no turning back or it would take many years to reverse the process.

Thus, the pilot is realized as a part of an overall strategic planning process, within which, of course, there is a phase for planning the pilot itself. However, the planning period for the pilot must be kept short, just as the realization of the *pilot project* cannot take longer than the strategic planning process itself. The figure below depicts this difference in the timing as well as the "picture in picture" feature of preparing pilots and strategies.



The "picture in picture" nature of pilots and macro level plans (projects, strategies)

As shown above, the pilot is fully realized within the phase of project preparation, which is divided into defining and planning (programming) the task, prior to the starting date of the implementation.

In our fast expanding world, the continuously growing stake of strategic decisions naturally raises the value of planning as a social engineering activity nowadays, both from the aspect of strategies and individual projects. For these reasons, we predict that, along with the application of additional planning methodological tools, the significance of pilots will grow in the next few decades.

Looking at the past few decades in Hungary, in retrospect, a number of strategic decision-making scenarios can be identified, where, in case of a large-scale decision, it would have proved beneficial to launch actual pilots. It would have made interesting contributions in 1989 when decisions had to be made on the dilemma of privatization and re-privatization, or in case of determining the optimal land size during land restitution, or in connection with attempts to save socialist factories, or on reversing negative demographical processes, or on finding solutions to bringing the depopulation of villages to a halt.²

4. The Place and Time for Applying Pilot Projects

It is important to note, however, that pilots are not an effective means in each case in every situation. There is a place and time for their application, similarly to other planning methodological tools. In what follows, we attempt to provide a summary for such scenarios:

- 1) The first characteristic is *having a scope, i.e. a strategic approach*. Whether or not a pilot is necessary must emerge in the context of laying the foundations for a long-term plan, strategy, program or any other series of steps for intervention. Under a short-term planning scenario, there is no point in applying a pilot, given that it has its own time–span, which must be counted with. A strategic approach is typically a guarantee for making strategic decisions in time as well. Indecision,

² In connection with pilots launched in China to handle demographic problems, the pilot program launched in 1995 over six counties must be mentioned (for further details, see: KAUFMAN, J. – ZHANG, E. – XIE, Z. : "An experimental project in the service of population policy", *Studies in Family Planning*. 2006/37: 17–28).

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- foregrounding short-term benefits and a lack of commitment on the part of the management all hinder pilot projects.
- 2) The second characteristic is a *larger-than-average social and economic effect* associated with the interventions. Usually, pilots are carried out in situations of great importance where large amounts of money or some far-reaching social or economic interests (public interest) are at stake. Another typical pilot scenario is created by a situation where, due to the partial or complete irreversibility of processes, only one mistake is tolerated. In the case of interfering by pilots, it is this larger-than-average risk taken that leads up to expanding processes internal to the pilot over the boundaries of traditional organizational or institutional frameworks, furthermore, over the boundaries of certain social subsystems, or even states (global processes). For this reason, as regards micro-level or other institution-internal processes, they are better associated with testing and experimenting rather than with pilots.
 - 3) A third characteristic is *an intention to innovate, or an ambition to constantly improve quality*. Without exception, a certain developmental attitude surfaces in pilot projects, which is rooted in an innovative and experimenting approach striving to perfect the processes and the results of processes continuously. Smaller-scale pilots are run along the cyclically repeated phases of "planning", "realization", "control", "assessment" of larger-scale (macro-) processes, thereby providing an opportunity for the accumulation of findings, constant learning and improvement of quality. As a result, in many cases pilots self-develop, embedded in their own PDCA - cycles.³ Thus, pilots have no bearings on cases where cyclically renewed development or a constant improvement of quality are not objectives or priorities.
 - 4) The fourth characteristic is *openness, partnership, ethical awareness*. Successful pilot projects are typically realised through the co-operation of many participants. That necessitates maintaining constant dialogue and co-operation project-

³ The other term used is SHEWHART-cycle (see DEMING, W. Edwards (1986). Out of the Crisis. MIT Center for Advanced Engineering Study, p 88.), subsequently PDCA-, or PDSA-cycle (see LANGLEY, G. MOEN, R., NOLAN, K., NOLAN, T., NORMAN, C., PROVOST, The Improvement Guide, 2nd Edition, 2009, San Francisco, 24.), which, in essence, is the repetition of the following cycles: plan, do, check, study, act.

internally, and, in the case of public pilots, project-externally as well. In order to do so, nowadays there is a wide range of communication methods available. The situations involving greater risks also involve greater responsibility in decision-making and in ethical awareness. The pilot projects studied within the framework of our research were all characterized by a high ethical commitment on the part of the client or whoever requested the pilot, and they displayed an open intention to set an example, which, in many cases, was coupled with voluntary participation on the part of the other side, the partners.

Pilot projects
in Public Administration Management

Summary of a Research
Vol. II.

Pilot projects in Public Administration Management

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I. PREFACE TO VOLUME II.

On the examined models and the Conclusions

The Ereky Research Group (PPCU, Budapest) studied the pilot-technologies of foreign governments and international organizations, using comparable criteria, thus exploring the limits, method and standards of pilots in the field of administration. We structured this volume, integrating foreign and Hungarian literature and practice, to serve as a textbook and a manual at the same time, providing answers to the most detailed and sensitive questions. As a result, we are proud to say, that we have scrutinized the subject matter from all aspects.

The first volume contained the synthesizing papers and an overview on the research project. This volume is more empiric: all the in-depth analysed surveys can be found hereafter. Moreover, in Chapter IV and V of this Volume we gathered the findings of the two-year-long research project, such is the notion and applicability of pilots in Public Administration.

Each researcher selected either a foreign or a Hungarian pilot, and analysed it using the same method. Each study seeks the answer to the following questions:

First phase of the pilot: Scheduling

- Who is the principal? (e.g. government, local authority, civil society, academia etc.)
- Who is the developer? (e.g. administration, company, academia etc.)
- What is the principal's goal with the pilot?
- Which are the phases of development? (e.g. budget, schedule, personnel)
- Will legislation be necessary for accomplishing the goals set?
- What were the guarantees integrated in the pilot? (e.g. withdrawal, financial, accounting, etc.)

Second phase of the pilot: Accomplishment

- Who is the executor of the pilot? What is their relationship with the principal?
- What is their work method? (e.g. structural, organizational, personnel, project assignment)
- What are the phases of accomplishment? How are the results evaluated?
- What are the monitoring tools used?

Third phase of the pilot: Evaluation / Monitoring

- What were the aspects for evaluating the results of the pilots?
- How were the conclusions made?
- Were the conclusions published?
- How were the results used in practice?

Therefore, the research was rather empirical; we basically relied on the literature published on previously run and completed pilot studies. We intentionally selected representative pilots: both foreign and Hungarian, launched by the government or civil society. However, we did not restrict or focus to successful pilots. We will see that despite their unsuccessful termination, we still can think of these pilots as useful projects, at least in the sense that they revealed the difficulties involved in managing a pilot project.

The answers we found at the end of the research are unique in the literature for the time being, as no such cohesive research available on usage of Pilot projects in Public Administration Management.

II. PILOT SURVEYS FROM ABROAD

Policing Pilots in Finland and Hungary

László CHRISTIÁN

1. Principles

Finland is known to be the standard country in policy matters. Although Finland has one of the smallest police force in the EU, it produces an impressive crime statistics, and more over, a satisfied and safe society is the outcome. The greatest challenge of all is to be effective and economical at the same time.

Finland has the best statistics in the EU with its 681 citizen per police officer (out of 5,3 million), which in accordance with the same representation has the first place in the EU member states. Studies of 2000 and 2005 showed that fear of crime decreased among citizens as police representation increased on the streets and in media campaigns. Fighting crime is not a political issue in Finland, which provides wide boundries for professional police work.

2. Virtual community policing pilot, Itäkeskus (Helsinki)

The standard issue in the Finnish police force is to cope with crime locally and globally at the same time. The new leadership and systematization opened new sources of information and started the virtual community policing pilot. Communication between the communities and police officials brought admiration for the police in members of the society. Through internet based “channels” civilians were able to bring appreciated information for the law enforcement organizations and thus cooperate in preventing crime.

Itäkeskus, the area of the Eastern Police Precint, is the most multicultural area in Helsinki. The pilot took place in 2007-2008 and

in many respects, community policing reform was seen as the best possible police response to the problems of the area.

The pilot project had three main objectives:

- 1) organizational development and integration of community policing in daily police work;
- 2) networking with strategic partners, such as residents' groups, churches and other authorities;
- 3) citizen engagement, such as contacts, visibility, foot patrolling, involving people in safety planning processes, youth work, school visits, events.

The other significant Helsinki Police Department (HPD) community policing initiative was launched in 2008 by three enthusiastic young officers who started to work on what they called "virtual community policing." The philosophy of virtual community policing in the HPD is mainly proactive: listening to young peoples worries while chatting with them, helping and guiding in various security-related issues and last but not least, get real-time information.

After the pilot finished the HPD was reformed in mind of the pilots conclusions, thus the eastern, western and northern police precinct were united. Teams of police officers, social workers and a psychiatric nurse were meant mainly for long-term solutions and problem solving, such as

- domestic violence;
- drug- and alcohol related problems;
- vulnerable families.

The virtual community policing team is more integrated in the work of the Preventive Policing Unit. The Police Academy of Finland accepted the outcome beforehand the pilot had terminated and introduced seminars based on the conclusions.

Hence the improvements of community policing innovations in Finland, the police have moved more toward a "service-style policing". Service-oriented police departments tend to have high regard for the opinion and the needs of community and administrators.

3. Launching of the hungarian pilot

The hungarian law enforcement faced new challenges in the past two decades. After the downfall of communism crime statistics skyrocketed,

meanwhile admiration of police work and the impression of safety evaporated. Statistics and polls suggested that the reactive policing model was not able to cope with the constantly increasing crime rate. Previous methods, proved effective in the past made no difference any more. There stood the example of the US' and other western states' community policing model, which operated on the same budget, but with refocused and local assignments. Development of the hungarian pilot is in process at this time. Evaluation of the conclusions is scheduled after the pilot is terminated, approximately after 2015. However some assumptions should be appropriate at this point ahead.

Both pilots are structured and developed on the basis of community policing. Prevention and particularly targeting the source of crime is much more effective when between police and society a fruitful communication exist. This interaction is the most operational when official and community "channels" are on the same frequency.

The Canadian Immigration Integration Project

Lilla BERKES

The Canadian Immigration Integration Project (CIIP) was an \$8.34M five-year pilot (2005-2010) funded by the Foreign Credential Recognition Program of Human Resources and Skills Development Canada and managed by the Association of Canadian Community Colleges. The project aimed to test a model of overseas intervention which was designed to help skilled immigrants start their new working life in Canada more quickly and effectively than before.

A lot of reports indicated that skilled immigrants were deciding against settling in Canada or were returning to their country of origin after failing to integrate successfully. Canada is a country of immigrants with a steadily developing economy which demand of skilled labour cannot be satisfied only by internal labour. On the field of brain drain Canada has United States, United Kingdom, Australia and New Zealand as main competitors. The failure of integration was great loss to the Canadian economy.

For the Government of Canada, it was socially and economically strategic to support the initiative for numerous reasons: to meet labour market shortages, generate income tax, reduce reliance on social support systems, increase diversity and strategically revitalize all areas and regions of the country.

The program was based in China, India and the Philippines where CIIP staff met with skilled newcomers while they were still in their country of origin completing the immigration process. Presentations, individual counselling and facilitated links with Canadian organizations were provided for them to get the key information sources.

On the first day of the program labour market information sessions were conducted over a six to seven hour period with approximately 20 clients at a time. The sessions introduced the CIIP, provided an overview of Canadian national economy and trends as well as provinces and sectors, a review of integration challenges and options for mitigating risks, job search techniques and tools, resume development

and interview preparation. At the end of the session clients had an opportunity to reflect on what they had learned.

At the following day they had personalized 60 to 90 minute counselling session to develop a customized “My Action Plan”. The session began with a review of how the client’s intended job was described in Canada using the National Occupational Classification. This allowed clients to identify language and skill requirements that may necessitate upgrading. These activities led to the development of labour market goals. The personalized action plan was then used to record required actions in the areas of credential assessment and licensing, language assessment and upgrading, skills testing and enhancement, settlement-related activities and job-search.

The CIIP had a central office in Ottawa and three regional offices (China, India, Philippines). The Ottawa Team originally consisted of a Project Director, two Senior Project Officers, and two Administrative Coordinators. A Client Tracking Officer was added in 2008 following the project’s extension. A CIIP Manager was added in 2009 when the Project Director was promoted to Vice President of the Canadian Partnerships Division at ACCC. The overseas teams comprised a Canadian Field Manager as well as locally-engaged staff, including three Client Counsellors and one Client Services Assistant per office. In 2009, the position of Deputy Field Manager was created. All field offices augmented their staff by employing part-time consultants and Surge Capacity Consultants from Canada.

In four years of the program, more than 9,000 newcomers graduated from CIIP. According to the evaluation the participation in CIIP had led to faster acquisition of appropriate employment. The graduates had a more realistic understanding of the opportunities and challenges in Canada, made better informed choices about their integration process and were better equipped to gain meaningful employment through undertaking preparatory steps with respect to the assessments, foreign credential recognition, language skills, employability training, and focused job-search.

The pilot had exceeded expectations not only in terms of client volumes, participant feedback and graduate outcomes, but also through strengthening the immigrant integration infrastructure in Canada.

After the ending of the pilot the federal government decided to expand the pilot into a program that would provide CIIP services to Federal Skilled Workers and Provincial Nominees in around 25 countries.

Telework Pilot Projects in Spain

Vajk FARKAS

The aim of this paper is to show in the practice how a pilot project can help in the implementation of a reform or a new method. In order to this goal subsequently recent experiences of the Spanish public administration in the implementation of teleworking pilot projects are presented and analysed.

The application of telework in recent years has increased not only in the private sector, but also within the public administration. This phenomenon is justified by efficiency reasons on the one hand, and on the other hand, telework can contribute to make easier for the employees to reconcile their private life with the work obligations. This challenge is highly important in Spain where according to the statistics the workers spend more times in the office than in other European countries, however their productivity is not higher. In the last decades the social changes in the Spanish society had resulted in a both parents work family model. Spain has a different work time schedule from the other European countries because the work begins at nine and there is a long lunch rest during the day so the Spanish workers hadn't left their job at five o'clock in the afternoon like in the other European countries. This makes that parents have few time for their children and this is the on of the reasons why Spain has one of the lowest childbirth rate.

For this reason the Spanish government in 2005 adopted a program called Plan Concilia, which had the primary purpose to help for the public servants to harmonize their public duties and their family life. The Government was convinced in that the conciliation of work and private life even makes the public servant more efficient and enthusiastic, and which even strengthen through their work the quality of the public service. One of the program measures was the establishment of the possibility of teleworking in the level of the central public administration in order to support the conciliation between work and family. As the public administration is used to perform the daily work in the office, the telework means a great change in the working method. Thus made

that the Spanish government had decided to implement a pilot study on teleworking in the central public administration. A pilot study can show the feasibility of a new project and also its obstacles. After the implementation of a successful pilot study the government decided to introduce the teleworking system for many civil servants. The results of the pilot study which was published on the Spanish Ministry for Public Administration's website served as a model for several autonomous communities to follow this example and to implement pilot studies in order to introduce the teleworking possibility in their respective administrations. This paper try to describe the implementation of the pilot study on telework in the central public administration and in one autonomous community, in this case La Rioja. Before starting the presentations of the mentioned pilot studies the structure of the Spanish state and public administration have to be dealt with in order to understand better this topic.

Spain has an extremely fragmented public administration because of its territorial division. Spain has a very particular territorial structure called country of autonomies which is very similar to a federal system. Spain has 17 autonomous communities with very wide range of self-government. Each community owns a legislature body elected by the people of the respective community, and an executive branch elected by the parliament of the community. The basic chart of the autonomous communities is their statute which is adopted by both the community's and the central parliament. The statute contains the basic institutional and symbolical rules with the competencies of an autonomous community. As the part of the community's self-government it can organize freely its public administration which in the most cases is very similar to the central ministerial administrative system. However, the central parliament has the role to establish the basic public servants employment rules, the autonomous communities has the capacity to establish a very different system from the central public servants employment system. This is the main reason why the autonomous communities implemented the pilot studies for their own public administration separately from the central government.

The Concilia program of the Spanish Government mentioned the telework as proper tool for the conciliation of the work and familiar duties. Thus the government decided to introduce the possibility of teleworking in the central administration. In order to the generalization of the telework a pilot project was implemented in the framework of

the Spanish Ministry of Public Administration between the second half of in 2005 and the first half of 2006. The Ministry appointed an independent council of three experts to design, plan and implement the project. The council of experts made it possible to implement the project without the influence of the different sectorial interests of the ministry and it resulted in a credible and objective result. The project did not has any special budget and just the telecommunication tools caused some additional costs. Regarding to the IT tools, the ministry provided a laptop and internet connection for those who had not have it, and an internet platform was developed for the project. The platform made it possible to the participants to reach any of the ministries database through a secure connection and it also had some tools (e.g. chat) which made easier to keep in touch with the colleagues. In the project some 70 ministerial officials were selected to represent the vast majority of functions and hierarchy scales of the ministry. Not only the admitted officials were involved to the pilot project but their supervisors for the respective areas. They had a key role both in the preparation, and implementation of the project and in the evaluation of the project. For this reason the council of experts emphasized their preparation for the project. Both the officials and the supervisors received a training on the pilot project's goals, the advantages of the telework, the use of IT tools and the method of the evaluation.

The council of experts decided to make the pilot experience for three months. According to their opinion this period of time was enough to have a proper experience to make conclusions, and was not too long so the participants will return easily for their daily routine. The period of the effective teleworking begun in October of 2005 and finished in January 2006. The participants made their respective three months long teleworking experience in different time during this period. There was a debate on the rate of the telework within the weekly work duties. Finally the group of experts decided that the participants have to fulfil the 20% of their work duties through teleworking. This amount could be concentrated for one day in the week, but also could be divided through the week, according to the agreement between the participants and his supervisor. The rest of the work the participants realized in the office.

The teleworking period passed without any serious problem and with the general content of the participants and supervisors. During the experience period nobody wanted to leave the program and 77% of the participants said they were satisfied with the teleworking experience

and it helped them to conciliate their family and work experiences. The evaluation was based on the participants and their supervisors comments. They had to fulfil questionnaires after their teleworking experiences and the experts had personal and group interviews where the participants and supervisors could expose their comments and experience on the program. According to the reports during the pilot experience had emerged three mayor problematic questions. The first most serious problem was the complicity of the internet platform designed for the pilot project. According to the participants comments the platform was too complicated to use thus it was replaced by other communication methods like e-mail or phone. The platform had tools which were even not used during the program like the chat. The other problematic question arose by side of the supervisors. They said their preparation for the pilot project was not sufficient and the project meant extra duties for them in order to coordinate the work of participants in the project and the rest of the workers and to ensure the well functioning of their respective areas. And the third problematic question was the colleagues opinion on those who made part of the teleworking pilot project. One participant commented that he would not continue teleworking because of their colleagues' judgments. Other participants also exposed that their colleagues had comments that telework is not doing job but being in holiday. The group of experts made recommendations on how to deal with these mentioned problematic issues. Regarding to the quantity of the work made by telework in comparison with the work made in office, in the case of the 58% of the participants it has not changed and in the case of the 31% of the participants it is even increased. They also experienced the same rate in relation to the quality of the work which for 77% has not changed but for 19% of the participants the quality of the work made by telework is even improved.

The group of experts which was responsible for the design and implementation of the pilot project gave a very positive general evaluation of the project based on the participants and supervisors project. Their conclusion was that using the telework method is a proper way to conciliate the work and family duties. Furthermore the telework is not just able to ensure a same level but in some cases it is even able to increase the efficiency and the quality of the work in comparison with the office work. As a result of the pilot project the Spanish Government decided to generalize the possibility of the telework in the central public

administration. And additionally the experiences of the pilot project were summarized in a handbook on how to design and implement telework pilot project in the public administration. The handbook was published in the Spanish Ministry of Public Administration's website and served as a support for some autonomous communities' governments to implement a similar pilot project in their respective public administration.

The government of the autonomous community of La Rioja made implemented a very similar pilot project on teleworking in its public administration. La Rioja is the smallest autonomous community of Spain with its 300 thousands habitants. In the public Administration of La Rioja some 2800 officials are working. The pilot project was implemented between the second half of 2008 and the first half of 2009. In the implementation of the pilot project the experiences of the central administration were taken into consideration. The most significant difference was the lack of an expert group. In the La Rioja case the Ministry of the Public Administration and Local Policy, where the pilot was implemented, designed and planned the whole project.

The project did not has any special budget and just the telecommunication tools caused some additional costs, like in the case of the pilot in the central administration. Regarding to the IT tools, the ministry provided a laptop and internet connection for those who had not have it, and an internet platform was developed for the project. The platform in this case also made it possible to the participants to reach any of the ministries database through a secure connection and it also had some tools (e.g. chat) which made easier to keep in touch with the colleagues. But in the La Rioja case it was much easier to use and thus it was used with more frequency during the program. In the project some 12 ministerial officials were selected to represent the vast majority of functions and hierarchy scales of the ministry. The selection was made upon voluntary bases. Also in this case not only the admitted officials were involved to the pilot project but their supervisors for the respective areas too. Both the officials and the supervisors received a training on the pilot project's goals, the advantages of the telework, the use of IT tools and the method of the evaluation.

In the La Riojan case the pilot experience was decided to last for three months but finally was extend for an additional month. The effective implementation of the pilot project started in September of 2008 and finished in January of 2009. The organizers of the project

were more flexible regarding the amount of the telework. They fixed that each participant has to fulfil between the 20% and 40% of his work duty by teleworking. The exact quantity was fixed for each participant in order of his agreement with his supervisor. The pilot project was implemented without any serious problem. The evaluation of the project in this case also was based on questionnaires and personal interviews. The results of the pilot study were published in the ministry's website. The general opinion on the telework pilot project was very positive. Thus the government of La Rioja decided to introduce the possibility of teleworking in its public administration. The program started in 2010 with 18 officials.

Data protection and anti terrorism initiatives in the U.S. *The MATRIX pilot project and its aftermath*

István SABJANICS

Ever since the 9/11 attacks the world has changed quite a lot. Not just the tragic terrorist actions on the U.S. had a great impact, but also the latest technological developments opened new aspects both in direct communication and other social activities. Opposing categories have met in the recent years as governments must have maximum effectiveness with budget-oriented creativity on one hand, and permanent scrutiny on the other. The consumer demands the latest technological releases' to be reachable with steady safeguards at hand to protect them while flourishing in the socialmedia-boom of the 21st century.

Combining various commercial databases for exploiting profits go back to the '70s, although its perfecting has a whole new dimension since the late Hank Asher (1951-2013) made his ideas public. His data fusion / data mining companies made him a fortune since the early 90's, but in the shock after 9/11 patriotism evoked in Asher and he suggested that his technology could be used in locating potential terrorists. This was called the MATRIX Pilot Project, the Multistate Anti-Terrorism Information Exchange. This was an idea proposed, designed and carried out by civilians, although it had federal funding as backup and the active support and participation of state law enforcement officers.

In 2003 as the programme was initiated more than half of the population of the U.S. was involved, but soon states backed out one-by-one based on data protection concerns and finally federal funds were cut resulting in the end of the MATRIX in 2005. The MATRIX failed in calming the civilian and legislative fears regarding needless violations of privacy, however the prerogative for data mining maintained an issue of the federal government. This is a topic that occurs all over the western hemisphere, concluding several interesting legal debates. Rasterfahndung in Germany, the Schengen System in the EU or the limits of corporate and civil liability are all actual issues regarding the same matters as the MATRIX.

This short paper discusses some of these questions in view of the MATRIX, both as an attempt to fulfil its duties and as a pilot project. Although the MATRIX failed as a pilot, the goals still remain. The debate on the boundaries of privacy is an ongoing quarrel, the right answers are yet to be found, which could ease everybody.

III. PILOT SURVEYS FROM HUNGARY

The Sure Start Program and Children's Homes in Hungary pilot-interpretation

Hajnalka JAKAB

The history of the national Sure Start Program was another „Sure Start” program in the United Kingdom, which started with similar aim in 1999. A „Sure Start” was such a governmental program package in England, which contained several services, both universal, and targeted form for the underprivileged areas and groups. In this context the childcare in the early years was advocated, linked with early development, education and other, medical and family support services.

The program produced such local children's centres in favour of improving the children's welfare, which are ensured high quality, integrated care for the early years in childhood in the mentioned communities.¹

This local centres are worked with dual purposes. Partly they afford support services for those families, who have 5-year-old earlier children and for baby-waiting couples. On the other hand by building up the relationship between the providers is tried to ensure better access for the family-supports, guidance, the health services and the education in the early years, indirectly in turn to the women's employment too. In the implementation of the program the partnership has key role. The local „Sure Start Children's Centres” do not work as separated services, but cooperated with the available social, health and educational institutions.

In Hungary the national distributed Sure Start Programs competition², which place the early intervention into focus has been prevented by a lot of developing work and experimental programmes in the latest years.

¹ Sure Start Children's Centers, www.direct.gov.uk (15.07.2012)

² TÁMOP 5.2.2.:“program”

The presentation of the Sure Start program in Hungary was a joint organisation of the British Embassy and the Health, Social and Family Affairs in 2003. Then a working team was formed at the ministry to work out the Hungarian program, prepare for the introduction. This team suggested starting the pilot program as a first step. These pilots began in 2003 in different types of settlements and sub-regions (called Ózd, Vásárosnamény and six associated settlements, Budapest Józsefváros, Csurgó and Órtilos). Since 2005 Katymár and Győr have also begun their local Sure Start pilot³.

These pilots were realized typically such an underprivileged areas or part of areas, where the industries and living-forms before the regime were terminated, the unemployment rate is very high, and the services for families with little children can not be provided by the local governments or just can be worked in a minimal standard.

In these pilots 400 families and almost 700 six year old younger children have been taken part. The investigation of experiences and extension of the first Hungarian Sure Start pilots were presented in December 2006⁴.

Also in 2006 with the support of The Ministry of Labour and Social another 52 pilots have been started, mostly in those settlements and towns, which have more than 2000 inhabitants. The aim of the initiation was to expand the program, during this framework Sure Start Klubs were formed in 13 counties of the country. The services of these functioning klubs were got to almost 1000 six-year-old younger children.

The monitoring of these pilots was in 2007, the experiences were also applicated during the planning of the tender 2009.

In the spreading of the programs against child poverty The National Program Against Child Poverty was a determinative point, which grounded the strategic planning.

Between 2006 and 2009 four Children's Homes, based on the principles of Sure Start have also been grounded, which became the grounds of the later developments. The professional management of the program was the Child Poverty Program Office of the Hungarian Academy of Sciences.

³ Sure Start Program, 2007.

⁴ BÁNYAI Emőke: The experiences, extension's opportunities of Sure Start program, www.gyerekesely.hu

From 2009 the New Hungarian Development Plan gave new financial frame to the formation of the common criteria based local Sure Start Programs and their spreading. The working out and spreading of the complex sub-regional programs incorporated the whole childhood, and the support of the local Sure Start programs have also been realized in the framework of the New Hungarian Development Plan. Inside this pilot a lot of projects were realized by the cooperation of the Institute for Social Policy and Labour and the Child Poverty Program Office of Hungarian Academy of Sciences.

As a result of the process has been working since 2004 36 Sure Start Children's Homes were created by tender in 36 settlements of the country in 2009, not to mention that the document contains the principles of Sure Start Program has also been indited⁵. The principles specified by professionals allow that a later evolved rating system, and other programs could also became part of the Sure Start network.

After the round of applications in 2009 properly to the pervious plans more tenders were advertised between 2010 and 2013 to propagate the program.

This was one way of the realization of the Sure Start Children's Home and the Sure Start program. The Children's Home is waiting for those families in which 0-5 year-old children are grown up and they live in underprivileged settlements, sub-regions and could not get or only in a limited way could reach the services in a good-level. The Children's Home ensure integral services for both the parents and their children at the same time in one place. These homes are financed from the TÁMOP 5.2.2 tender construction.

The aim of the complex sub-regional programs like „Making things better for children” is making the operation of services child-and family friendly, improving the access to the key services, and mitigating the segregation. These complex sub-regional programs are financed from TÁMOP 5.2.3 tender construction. The TÁMOP 5.2.1 is an emphasized children's chance project connected with the Sure Start Children's Homes, methodological support and professional foundation of complex sub-regional programs. The New Hungarian Development Plan is also financed from EU sources.

The implementers of the pilots are the Institute of Labour and Social Policy and Child Poverty Program Office of Hungarian Academy of Sciences.

⁵ Sure Start Consensus Paper - www.biztoskezdet.hu

The Sure Start Program was really necessary in Hungary because of the struggle against growing and locally very high concentrated social and economic inequality. The main task should be to intervene effectively the prevention and reproduction of poverty and exclusion. Nowadays the preparing and the network formation of the pilot is made according to the principles.

In the EU financed projects terms other (relieving small children and their families) services can also served the objectives of the pilot, so in that way they can also became part of the Sure Start Project.

**Electronic public procurement system:
from a pilot model to realization**
Pilot models in development of administration

Zsófia ELŐHÁZI

E-Procurement involves the introduction of electronic processes to support the different phases of a procurement process – publication of tender notices, provision of tender documents, submission of tenders, evaluation, award, ordering, invoicing and payment. The efficiency of public procurement could be raised by electronic tools and techniques which were evolved during international trends and European projects. The European trends and rules had typically impacted on the Hungarian legal background of E-Procurement which caused nowadays many compulsory regulations of using electronic tools and techniques in Hungarian public procurement processes.

In the preamble of Directive 2004/18/EC the following is declared: Certain new electronic purchasing techniques are continually being developed. Such techniques help to increase competition and streamline public purchasing, particularly in terms of saving time and money which their use will allow. Contracting authorities may make use of electronic purchasing techniques, providing such use complies with the rules drawn up under this Directive and the principles of equal treatment, non-discrimination and transparency. The definitions ‘written’ and ‘writing’ in the Directive contain the information which is transmitted and stored by electronic means as well. It is considered as significant progress because the Directive allows using the electronic way in communication of a public procurement process. Nevertheless the tools to be used for communicating by electronic means, as well as their technical characteristics, must be non-discriminatory, generally available and interoperable with the information and communication technology products in general use.

The Action plan of the European Commission which was published on 29th December 2004 aimed for the implementation of the legal framework for electronic public procurement. In the Action plan the

Commission proposed measures along three axes:

- 1) Ensure a well-functioning Internal Market when public procurement is conducted electronically;
- 2) Achieve greater efficiency in procurement and improve governance;
- 3) Work towards an international framework for electronic public procurement.

The Green Paper on expanding the use of e-Procurement in the EU declares that there is much more at stake than the mere changeover from paper-based system to ones using electronic communications for public procurements procedures. E-Procurement has the potential to yield important improvements in the efficiency of individual purchases, the overall administration of public procurement and the functioning of the markets for government contracts. The Green Paper declares that the use of electronic public procurement is important because of the reasons below:

- 1) Increase of accessibility and transparency;
- 2) Reduction of administrative costs;
- 3) More efficient procurement administration;
- 4) Potential for integration of EU procurement market.

On 20th December 2011 the European Commission accepted the proposal for a directive of the European Parliament and Council on public procurement. According to the proposal the contracting authorities will furthermore have at their disposal a set of procurement tools and techniques, but these tools have been improved and clarified with a view to facilitating e-procurement. The proposal aims at helping Member States to achieve the switchover to e-procurement enabling suppliers to take part in online procurement procedures across the Internal Market. For this purpose, the proposed Directive provides the mandatory transmission of notices in electronic form, the mandatory electronic availability of procurement documents and imposes the switch of fully electronic communication, in particular e-submission, in all procurement procedures within a transition period of two years.

Act CVIII of 2011 on public procurements is in force since 1st January 2012. This act – just like the former act on public procurements – aims the transplantation of the Directive 2004/18/EC (and Directive 2004/17/EC) into the national law therefore it contains several rules on electronic procedures. This act basically defines the framework of electronic public procurement; the details are specified in the implementing regulations.

The act defines the ‘electronic way’, the ‘dynamic purchasing system’ and the ‘electronic auction’, but the itemized procedural rules and exact criteria of the electronic procurement systems are explicated in the Government Regulation 257/2007. The prescripts of electronic procurement are not explicitly drawn up, but they are explicit enough for specialize the conditions of electronic processes.

Electool Hungary Ltd. started to develop its own electronic tendering system (SourcingTool) at the time of evolving the Hungarian legal background on electronic procurement procedures (2006-2007). Several parts of SourcingTool system are currently functioning but no contracting authorities use it completely. SourcingTool system is a combination of procurement knowledge and technology which aims the following:

- 1) Facilitate to make procurement decision faster and more transparent;
- 2) Simplify the activity of contracting authority and supplier as well;
- 3) Increase of efficiency and resource-allocation, which means managing more public procurement processes in less time;
- 4) Support of environmental public procurement (buying green) and sustainable organizational operation;
- 5) Archiving and rapid retrievability of procurement processes;
- 6) Building a common knowledge base within the organization;
- 7) Faster and more transparent bidding, where the processes are logged by time and acts.

The electronic procurement system developed by the Company is able to manage public procurement processes electronically in compliance with the legal rules. The company is pursuing to support completely both the contracting authorities and suppliers and to ensure such kind of tool thereby the public procurement procedures are progressing transparently, verifiable, automated as far as possible and without human failures.

SourcingTool system was realized in the own project of the Developer. The system is a result of an organic development which was based on the electronic tools of the competitive market, because it typically uses electronic systems for its tenders. The Developer formerly served the needs of the competitive market, but the electronization of public procurement has become a business consideration because of the change of the Hungarian legal background in 2007. Compared to the electronic

solutions for the competitive market managing a public procurement process contains much more special expectations. According to the EU and Hungarian legal rules the Developer started to transform its existing electronic bidding system into a new tool which is able to handle the public procurement processes. The company wanted to satisfy the demands of contracting authorities by this pilot, which primary aim – in addition of profit – was to serve the transparent, supervised electronic public procurement for providing fair competition.

The SourcingTool system was designed and implemented by the Developer since 2007 this is the main project of the company, therefore almost all employees of the company have worked on it. The IT part of the implementation, i.e. designing and testing, meant 70% of the project, the product sales part, i.e. preparing system documentations, meant 30% of the project. During the implementation the Developer followed agile methodology. The followers of agile methodology keep in priority during software development the individual and the personal communication, the factually functioning software (and not an overall documentation), the cooperation with the customers and the reaction for a demand of change. The Developer performed several times smaller software upgrades during the development of SourcingTool system in purpose of implementation of a well-functioning software and serving the demands of the customers.

The Developer is testing the efficiency of SourcingTool system from more points of view. First of all as a software development and sales company tests the functioning of this tool. The testing happens on the one hand by questionnaire method, on the other hand by common usage with the customer. It means managing a public procurement process with the customer together (extra support). The company uses various monitoring tools as well, which are aimed at the measurement of system security. The company applies several defense systems for protecting the IT environment; and it disposes an independent audit sub-system, which logs the acts in the SourcingTool system. The IT security certification ISO 27001 contains the company's defense system in details.

The softwares developed by Electool Hungary Ltd. such as SourcingTool system primary aims to achieve cost saving for the users. According to the company's data the average cost saving means 16%, but it's not rare to reach 35-40%. In addition of the previous facts the

application of electronic bidding systems are raising the efficiency and the quality of the procurement procedures.

In Hungary the biggest problem in electronic public procurement is the mistrust and fear from changing of the existing procurement system. Therefore there is low willingness, especially at non-profit organizations, to use electronic tools. The Developer believes that the SourcingTool system is successful; its implementation is continuous, because the circle of the company's customers is rising. After publishing the new EU technical certification of electronic public procurement tools the SourcingTool system must be improve but this tool is considered to be the pilot of the compulsory electronic public procurement tools.

Pilot projects in Hungarian micro-regions

Márta DELBÓ

The Hungarian local government system is very fragmented. The local governments are relatively small, however they have a wide range of responsibilities. On the one hand it creates a huge cost on the economy and on the other hand the local governments cannot perform their state administration tasks on the same level. These problems mean disadvantage not only to the state but to the citizens as well. As a result of these problems every government tried to stop the tendency of the high degree fragmentation of the local government system.

One of the possible solutions was the support of the association and cooperation of the local governments, for this reason the government initiated a vast pilot programme in 2003: the pilot of the multifunctional association of local governments. The goal of this project was the establishment of a new administrative unit (the micro-region) and the introduction of the future regulation. I would like to stress that it was a not-real-pilot because the projects were realized under the valid and not the planned regulations.

The series of pilots dealt with six different micro-regions, in five different counties. Three of the projects made for the establishment of multifunctional association of local governments in the micro-region. The another three project examined three special scope of administration: public education, budget and management, or conurbation.

The process of the pilots are regulated by a directive of the Minister of Interior. Under this directive the Ministry of Interior assured the professional and methodological assistance to the project, and the public administration offices were responsible for the co-ordination and the fulfilment of the programme. The appropriation of the financial support was controlled by the Ministry of Interior as well. The series of pilots were assisted by the Ministry of Education, the Ministry of Health, Social and Family Affairs and the State Audit Office of Hungary.

The general goal of the programme was the summary of the experience and the spreading of the best practices. The directive promised the continuation of the pilot depending on available sources. The specific goals were the follows:

- 1) to guarantee the access of the high level public services to all citizens
- 2) to reduce the social and territorial difference between the regions of Hungary
- 3) to ensure the condition of the full exploitation of EU resources
- 4) to improve the level of the public administration and public services.

The directive did not meet the deadline of the project but on the basis of the reports the programme started at the beginning of 2003 and the summary of the first experiments was due in February 2004.

In the course of the pilot programme the local governments had to give information on their project on the basis of a well-defined standpoint-system. According to the idea of the project the multifunctional associations fulfilled certain tasks connected with regional development, public duties and public administration.

The project was supported by a theoretical paper: a moot point about the multifunctional associations.

My essay focuses on the pilot of micro-region of Baja. 19 local governments⁶ were involved in this project, which established a multifunctional association and examined its functionality. The headquarters of this association was the local governments of Baja. The participant local governments made an agreement on the association. 3 different workgroups helped the preparation of this agreement. After the signing of the agreement, the association council made the decisions.

Not only the local governments, but the local government of Baja and the public administration office of Bács-Kiskun county made an agreement. This agreement included the factual professional tasks, the scheduling of the pilot, the verifying problems, and procedure.

The public administration office not only supported but also controlled the operating of the project. The office managed the legal monitoring of both the local governments and the association,

⁶ Baja, Bácsbokod, Bácsborsód, Bátmonostor, Bácsszentgyörgy, Csátalja, Csávoly, Dávod, Érsekcsanád, Érsekhalma, Felsőszentiván, Gara, Hercegszántó, Nagybaracska, Nemesnádudvar, Rém, Sükösd, Szeremle, Vaskút.

furthermore established the contacts between the association and the Ministry of Interior. The office took a hand in the completion of the reports as well.

Éva Metzinger – on the basis of the pilot of Baja – felt necessary to emphasise the undermentioned facts which helped to achieve the success of association:

- 1) precise preliminary proceedings,
- 2) legal groundwork of the co-operation,
- 3) proportional bearing the burden of costs of the association,
- 4) establishment of the institution of minority,
- 5) informatical and technical development of the local governments,
- 6) close co-operation of the notaries.

The results of the programme were used in the course of regulation and the national assembly passed the Act CVII. of 2004 on multifunctional association of local government in micro-regions. The programme owed its success to the fact that the places of the pilots were separated from one another, covered the various points of the country and the participant – various characteristic local governments take part in project with pleasure.

Although the Act became invalid on 1st January 2013 and with the establishment of districts the topic of the multifunctional association of local governments is seem to be an exploded theory, but if we examine the pilot-series of the Hungarian public administration, this topic deserves a stressed position. The results and experiences of this project can be a guide to the further pilot-series and improvement.

Southern Transdanubian Sample region

The only acceptable solution to an unwise question?

Gábor KURUNCZI – Ádám VARGA

1. Introduction

The municipal reform along with the reform of the regional system of the public administration is an evergreen topic in the government programs; however, the “how” changes according to the powers that be. While the actual government has put its focus on the centralisation of a number of erstwhile municipal duties and the establishment of the level of district offices, that in power between 2002-2010 aimed at the regional level in the decentralisation process; this – in the planning period, almost as a side effect – entailed the regionalisation of the territorial level of the public administration.

Hungary was in its pre-accession period in the early 2000's. This process involved the re-thinking of the system of state territorial units, having the *region* in its centre. In our study, we look into a pilot that was of strategic importance in the 2002 and 2006 government programs however, looked more like a compromise in the light of its realization. The Southern-Transdanubian Municipal Regional Association (Dél-Dunántúli Önkormányzati Regionális Társulás) came into being in 2005 as a merge of three counties and two cities of county rank; the Association's main goal was to try and model a possible way of carrying out the duties of the future regional municipalities within the legal boundaries.

2. Region and regionalisation – the reasons of the necessity of regionalisation

2.1 The meaning of region

The word *region* has its roots in the Latin word *regionem/regere*, it means “to reign”, “to rule”, “to exercise power”.¹

Regionalisation and regions have gained special importance in the structural policy of the EU since 1988. Sectoral and regional distribution of the finances was in the competence of the governments. Novelty came with the regionalisation of the structural funds. The European Commission called upon the state statistic bureaus to compile territorial data into a system of uniform and comparable aerial units in the late 70’s and early 80’s; these are the so-called NUTS (Nomenclature des unités statistiques territoriales).² This of course brought about a big change in the character, role and aspects of the regionalisation.³

Regionalisation – as a way of building up a strong system of municipal regions – was necessary in order to help to improve the country’s international competitiveness, its closing up in the EU as well as the ideal use of the EU-transfers.⁴

2.2. County vs. region

Counties always played an important role in the subsistence of not just the Hungarian state but the Hungarian self-awareness; the network of counties existed even under the Turkish oppression when most part of the country was lost. It was the 1848 reforms that hit the first hole in the privileged status of the counties.⁵ The introduction of the popular

¹ TEMESI, István: *Regionalizmus és regionalizáció* (Regionalism and regionalization), PhD értekezés, Pécs, 2006. 6.

² SZABÓ, Pál: A NUTS-rendszer ki- és átalakulása (The NUTS system formation and transformation). *Comitatus önkormányzati szemle*, 2005/8-9. 8.

³ ILLÉS, Iván: Régiók és regionalizáció (Regions and regionalization), *Tér és társadalom*, 2001/1. 5.

⁴ ÁGH, Attila: *A régiók jövője Magyarországon és Magyarország jövője az Eu-ban* (The future of the regions in Hungary and Hungary’s future in the EU), In: ÁGH Attila – KIS-VARGA, Judit – KAISER, Tamás: *A régiók Magyarországa I. – A regionális intézményrendszer körvonalai* (The regions in Hungary I. - The outline of regional institutions), Budapest, MTA Szociológia kutatóintézet, 2007. 13.

⁵ PÓK, Judit: *Kísérletek a megyék rendezésére a reformkorban* (Experiments on the

representation put an end to the counties' right to send representatives and giving out orders; this also meant the loss of the erstwhile immense political significance of the counties. As the next step, the establishment of the royal courts in 1871 took the judicial power from the counties; they remained a unit with mere administrative functions.⁶

One important aspect of the requirements of the EU accession was the establishment of the planning, development, financing and controlling institutions and technical capacities.⁷

The shaping of the regions alongside the regionalisation is a question that varies in its intensity but is always present. So to be able and find the right place for the regional municipal association in the conceptual system of regions, one has to do a quick recap on the interpretation and the legal basis of the planning-statistic, administrative and municipal regions.⁸

Planning and statistic regions are the territorial development units of the regional policy of the EU, laid out according to the uniform classification system of the EU (NUTS-system). Its significance is best described if we consider that this is what makes it possible to define the grants of the structural funds of the EU. The administrative regionalisation – ie. the shaping of the administrative regions – set off with the accepting of the government program in the end of 2003, which aimed at the modernization of the services of the public administration. Its core notion was to blend the aspects of territorial development, administrative and municipal structures into one coherent system. From the perspective of public law, the highest level of regionalisation is the regional municipal system since it accomplishes the exercise of decentralised executive power. Its fundamental criterion is the existence of the directly elected municipal council. Municipal regions actualize the citizen-friendly execution, the principle of subsidiarity the best.⁹

county to settle in the reform era), Szabolcs-Szatmár-Beregi levéltári évkönyv. 11. 1995. 160.

⁶ VASS, György: A megye közzogi helyzetének alakulása királyi vármegyétől a modern területi önkormányzatig I. (Development of a public position to the king's castle county department in the modern territorial self-governments I.), *Comitatus önkormányzati szemle*, 2004/7-8. 73.

⁷ LLÉS op. cit. 1.

⁸ VARGA, István: Regionális társulási kísérlet Dél-Dunántúlon (Regional association studies in Southern Transdanubia), *Területi Statisztika*, 2007/3. 222.

⁹ ÁGH op. cit. 15.

2.3. *The necessity of the regionalisation – Goals of the government programs*

Ever since the transition, every ruling party tried to bring about a reform in the public administration; nevertheless, most wanted to touch on only the municipalities – mainly the counties – without decentralising substantially the competences of the government and the ministries. In Hungary, the intention of the regionalisation started in 1996. The program did not feel it necessary to cut on the sizes of the counties and shape smaller units but counted on a structure consisted of fairly large size counties in the long run.¹⁰ The wind of change in the politics came in 1998, when the execution of the government plans was located to the minister of the Prime Minister's Office and the undersecretary for political affairs concerned.¹¹ The possibility of the shaping of regionally elected bodies arose as a new objective in 1999.¹² The government set up a new plan in 2001 in the form of a government decree which was still too cautious to lay down specific measures that could have resulted in territorial structuring or regionalisation.¹³ The Ministry of Interior formed three workgroups within the framework of its IDEA program in the autumn of 2002. One of them was the regional workgroup, which had to elaborate the reform of the regional structures. The implementation – as part of the state reform – was to take place in the parliamentary cycle of 2002-2006. The government program issued in 2002 secured an important position for the objectives “Decentralised and politics-free modern executive power and municipalities” among the state objectives.¹⁴ According to the government program of 2002, it was one of the main targets of the government to sensibly decentralise the highly concentrated executive power. Part of the program was for the county bureaus to transform into regional administrative offices

¹⁰ A közigazgatás reformjáról szóló 1100/1996. (X. 2.) Korm. határozat (1100/1996. (X. 2.) Government's Decision about The Public Administration Reform)

¹¹ A Miniszterelnöki Hivatal közigazgatás- és területpolitikai feladat- és hatásköréről szóló 183/1998. (XI. 11.) Korm. rendelet (183/1998. (XI. 11.) Government's Regulation about The Prime Minister's Office administration and land policy responsibilities and powers)

¹² A közigazgatás továbbfejlesztésének 1999-2000. évekre szóló kormányzati feladattervéről szóló 1082/1999. (V. 21.) Korm. határozat (1082/1999. (V. 21.) Government's Regulation about The government plans to further develop the functions of government)

¹³ TEMESI op. cit. 160-161.

¹⁴ IVANCSICS, Imre: Hozzászólás a megyei vagy/és regionális önkormányzás körül kibontakozni látszó vitához. (Post to emerge in the county or/and regional governance debate), *Comitatus önkormányzati szemle*, 2003/7-8. 121.

after the shaping of the regional municipalities. In its program, the new government formed in 2006 emphasized the forming of a new administrative and municipal structure which functioning is effective and which appropriation of public funds is careful and economic. The program also described the process of the counties gradually losing their competences, these delegated one after the other to the level of local, subregional and regional municipalities.

3. The Southern-Transdanubian sample region

3.1. Preparation of the pilot

The IDEA workgroup finished with the plans of the regional restructuring by 2003. By this time, the wording of the bill had also been prepared. The Ministry of Interior initiated a bridging mechanism in the beginning of 2005, which set the process of regionalisation on its way in the region in question with a pilot that had never been seen before in Hungary.¹⁵

In the beginning of 2005, the Minister of Interior invited the heads of the three counties to a technical meeting regarding the launch of the pilot. The parties agreed that the necessary funds would be provided for by the Ministry of Interior and the municipalities in question; the Ministry guaranteed the sum of 80 million HUF whereas each of the municipalities undertook to contribute with 5 million HUF.¹⁶ The Ministry, the administrative offices and the IDEA workgroup assured the partakers of all possible technical and professional support.¹⁷

¹⁵ HARGITAI, János: A térségfejlesztés illúziója, megyék a mintarégióban (The regional development's illusion, the counties in the sample region), *Comitatus önkormányzati szemle*, 2009/9. 60.

¹⁶ A Dél- Dunántúli Önkormányzati Régió megalakulása (The formation of the Southern Transdanubian Region Municipality), (<http://www.tranzitonline.eu/cikkek/a-del-dunantuli-onkormanyzati-regio-megalakulasa>, 15th January 2013.)

¹⁷ A Dél- Dunántúli Önkormányzati Régió megalakulása (The formation of the Southern Transdanubian Region Municipality), (<http://www.tranzitonline.eu/cikkek/a-del-dunantuli-onkormanyzati-regio-megalakulasa>, 15th January 2013.)

3.2. Selection of the region

The region comprises of the three counties of Baranya, Somogy and Tolna and has three cities of county rank (Pécs, Kaposvár, Szekszárd) on its territory.

The region is rather underdeveloped in both a national and an international comparison, which is mainly down to the facts that its accessibility is rather poor from both national and international economic centres and that it is isolated due to its nearness to the country border.¹⁸

The Southern Transdanubian Regional Development Council was among the first such councils, when, after 1996, it was awarded the Phare sample region program.¹⁹ Besides, multipurpose municipal associations were formed in all the subregions. The above mentioned counties – also after taking part in a number of successful pilots – could play the role of the pilot for the very reasons of these antecedents and circumstances.²⁰

3.3. The objective of the pilot, areas of cooperation

The association agreement listed the aims of the pilot as follows; improving the accessibility of the public services for the citizens of the region; assuring the highest possible level of provision and services; the most thorough, most practical and optimal use of the available funds as well as the joint supply of certain territorial development tasks. The then effective laws provided the necessary grounds for the municipal regional cooperation of the partaker counties and cities of county rank in the association pilot.

The agreement with the Ministry of Interior specifies the targets in more depth. It further details the use of the available funds, assures the long-term regional cooperation, promotes the dynamic development of

¹⁸ VARGA op. cit. 220.

¹⁹ PÁLNÉ KOVÁCS, Ilona: *Dél-Dunántúl, a regionalizmus bölcsője* (Southern Transdanubia, the cradle of regionalism) In: KAISER Tamás - ÁGH Attila - KIS-VARGA Judit (Szerk.): *A régiók Magyarországa I. - A regionális intézményrendszer körvonalai* (The regions in Hungary I. - The outline of regional institutions), Budapest, MTA Szociológiai Kutatóintézet, 2007. 55.

²⁰ Megyék közötti új együttműködés (New cooperation between counties), *ÖNKORKÉP*, 2005/1-2. 32.

the region, just as well as specifying the accessibility of public services.

The government expected the pilot to bring lots of theoretical and practical experience to the surface; that which were to serve as of paramount importance as the grounds for further technical concepts.²¹ The municipal undersecretary for political affairs believed the pilot to provide the basis to assess what advantages and savings the bigger size could bring and also show what duties could be shared within counties.²² Those in the pilot also thought that by the accurate harmonization of the tasks they could better benefit from the allocation of resources and funds.²³

The partakers of the pilot undertook the joint supply of certain tasks in their competences.²⁴ These were mainly tasks from the field of public service, and there was less emphasis on the development policy.²⁵ On the technical and professional side, all support was given by the Ministry of Interior, the IDEA workgroup, the administrative offices and other partners in the cooperation.²⁶

3.5. Execution of the pilot

Every partaker delegated two representatives – who could be substituted with a proxy – into the council, which was the main body of the association. It is clear from this structure that the association was more like a municipal partnership than an elected body. According to the main rule, the council consisted of the presidents of the general assembly and the mayors, made complete with one more representative from each municipality.

²¹ A Dél- Dunántúli Önkormányzati Régió megalakulása (The formation of the Southern Transdanubian Region Municipality), (<http://www.tranzitonline.eu/cikkek/a-del-dunantuli-onkormanyzati-regio-megalakulasa>, 15th January 2013.)

²² Régióra cserélik a megyéket (Changing the counties to the regions) (http://www.localinfo.hu/?module=news_archive&action=show&nid=113111, 15th January 2013.)

²³ PÁLNÉ KOVÁCS 2007 op. cit.64.

²⁴ GYENESEI, István: Együtt, egymásért – Magyarországért (Together, each other – for Hungary), *Comitatus önkormányzati szemle*, 2005/10. 28.

²⁵ PÁLNÉ KOVÁCS, Ilona: A megyék szerepfelfogásának, stratégiájának formálódása a gazdasági (ciklus) programok tükrében [The county's role of shaping strategy in the light of the economic (cycle) programs], *Comitatus önkormányzati szemle*, 2009/11-12. 16.

²⁶ NOVÁK, Nóra: A közigazgatás területi rendszerének átalakítása (The administration territorial's system transformation), *Szín Közösségi Művelődés*, 2005/3. 13.

Out of the tasks undertaken originally, the association concentrated on those which held the promise of a quick progress.²⁷ Accordingly, the main areas of the cooperative, preparatory work of the council were the following: child protection, services regarding the archive, accomplishment of the digital region. The aim of the sample region was to provide a better service in the social sector, in vocational trainings, in the operation of the archives and in the public transport. The method to reach these goals was to build up an administration system with no restrictions of time and space.²⁸

Hereby the attributes of the operation and the realization of the tasks are not being detailed, because during our research we came to the conclusion that the pilot – regarded to the operation – do not show any differences compared to any municipal associations, on the other hand the special child protection service increasingly came into prominence. The association ceased without legal successor in 30th April in 2011.

3.6. Experiences of the pilot

While the regional partnership is very significant and unique, it can also be regarded as a compromise when compared to the chosen regional municipality – as István Varga says. It either proves or denies the hypothesis that the regional reform can be achieved without the need to pass laws that require a qualified majority.²⁹

The competences of the association could only incorporate duties of the county municipalities and cities of county rank; therefore, since this form of partnership could have been used by any partnership of given counties or regions, the experimental aspect could be excluded. If the government wanted to model the municipal regions with the regional associations, it should have created a system of incentives for the common tasks; besides, central competences and funds should have been decentralised in order to run the experimentation. It would have made sense for the subregional associations to be able to partake in the regional associations – the relevant law however did not make this option viable.³⁰

²⁷ VARGA op. cit. 231

²⁸ PÁLNÉ KOVÁCS 2007 op. cit. 67.

²⁹ VARGA op. cit. 218.

³⁰ Ibid. 232.

As for the particular duties, cooperation with the subregions in practice was anything but noticeable; on the other hand, not one expressed their demand for it. Nevertheless, provision of the social duties and those related to the archives was a success.³¹

Another reason why the regional association could not perfectly play the role of a municipal regional model was that the principles built on the lacking identity of the regions could not prevail; basic fundamentals of the municipal associations were simply stronger. All in all, it is the politics that should have decided about the role of the voluntary regional associations; either a transition towards municipal regions or a lasting role model to be extended to the other regions.³²

The pilot therefore can only be evaluated as a temporary solution; it cannot be regarded as a real alternative of the political regionalisation, and cannot be integrated in the structure of the territorial development. It could have been a real experiment only if the circumstances had been shaped in a way that there could have been a possibility for the special – and fit for the region – legal ways to be up for the test.³³

On the contrary, the objectives were questioned, its execution wore on, the partakers took less and less responsibilities; it seemed more and more like an average association. This in itself is obviously not a problem since a good level of cooperation in certain tasks can easily be achieved; however, there is not much point in calling it a pilot. Or is there? Question may still arise, since the establishment of a given pilot cannot be justifiable only from its point of effectiveness. What's more, negative answers can enlighten the fact that the pilot – that is on the brink of introduction – is simply not viable. From this perspective though, one would also question whether or not the objectives set and the means guaranteed were appropriate.

The probably biggest hardship with the sample region was that it came into being as a compromise. The government program in 2002 expressed clearly that the target was the establishment of the regional municipalities. The ruling parties however did not have the required majority to pass the relevant laws, therefore, the endeavour was destined to fail. Running a pilot in such a situation might sound like a good idea, since it can prove the objectives to be appropriate; on the other hand, it may bring on new doubts. Would the government

³¹ PÁLNE KOVÁCS 2007 op. cit. 66-67.

³² VARGA op. cit. 235.

³³ HARGITAI op. cit. 61-62.

have run the pilot had it had the sufficient political support? It is also doubtful if the real cause behind the pilot was to justify the objectives set – or just a way to find a loophole to introduce a new structure. The first question shows the theoretical problem; the second reflects the very political reality notwithstanding. Namely, there is an objective with a given political situation that restricts the room for manoeuvre. If, however, the political will is to force new targets into an old structure, it makes the objective of the whole pilot debatable. That is to say, there is doubt if the government's real reason is the perfecting of the principle of municipality or it is simply down to efficiency (for instance applying for EU grants more successfully). Another circumstance colouring the picture – and strengthening the doubt – is that the ruling parties pushed through the regional transformation in the public administration in the same period even though this was only an additional issue related to the municipal transform (even according to the government program); moreover, the best they could end up with was a compromise due to the lack of political support.

Such a compromise was not an option in the area of the municipal regionalisation, since the pilot demonstrated without the shadow of a doubt that the underlying goal – namely the transform within the then applicable laws – was anything but viable. From this perspective, one could assess the pilot as the only acceptable solution to an originally, already misguided question.

IV. THE NOTION OF PILOT PROJECTS IN PUBLIC ADMINISTRATION

In the course of the research, we attempted to define the subject of this book more precisely. We also intended to deliver an exact definition of pilot projects, since literature did not provide any points of reference. Firstly, we asked the *who, what, why* and *how* of the pilots. The summarizing chapters yielded similar answers to these questions (VARGA Zs., CSINK-KURUNCZI-VARGA, PATYI, GERENCSÉR). An administrative-methodology research will only accomplish its goals, in case we arrive at the same conclusion from any starting point we select. By taking different approaches to assess the same reality, we gathered the elements of the definition of pilot projects in public administration, like pieces of a mosaic.

Project. Perhaps the most important feature of the pilot is that it is a *project*. As SÁNTHA and PATYI pointed out in their studies(see Vol. I.), a project is a complex task to implement an activity of limited duration and cost. Professor TAMÁS also stated in the Foreword to the Hungarian edition that the Pilot is a practice and not a theory, an instrument in the management toolbox. The “*Pilot project*” consists of planning, implementation and verification phases. In the case of any project, close supervision can be observed in the form of permanent planning and monitoring processes, or a continuous repetition of the Do and Check steps of the PDCA cycle. Because of the nature of the projects, small leadership typically operates effectively in evaluation.

Time. Projects are always activities limited in time. The duration of the experiment shall be determined in line with the topic of the Pilot at the phase of planning. According to the samples that were processed in the study, the experiments lasted between 6-18 months on average. We encountered pilots that were repeated after completion (Canadian integration; Sure Start program). We found that the most important aspect of time is the ability of foreseeing the possible impact of the Pilot. If a Pilot is too long, monitoring is difficult; if it is too short there's the

risk that it will not be possible to obtain sufficient data on the subject of the experiment (GERENCSÉR, methodology).

Planning. Besides time, adequate planning is the second important criterion of a successful Pilot (SÁNTHA). Pilots processed in the research were either successful or failed because of the planning process. In the planning phase the following elements must be determined: the scope of the subjects; the availability of time and resources (assessment); the exact scope and conditions of the experiment; and – in relation to the legal environment – the impact of legislation (CSINK-VARGA KURUNCZI). However, VARGA Zs. claims that social engineering, in contrast to “real” (natural) engineering, will not tolerate the “production losses” in the society, which means we must be aware of the limitations at the planning phase.

Similarity. Examining “small scale experimental models” we found that both in engineering and social studies, the pilots are in relation with reality. The model is not the reality, but similar to it (VARGA Zs.). *Perfect similarity is not available, so the “dominant features” must be directed to correspond to reality.* Proportional reduction will definitely distort reality, namely, by inverse relationship (the more size is reduced the more the model distorts). This is an important factor in administrative pilots, drawing attention to the fact that experiments cannot be extrapolated to a 1:1 scale. Only quantitative and qualitative results can be gained through these experiences, where the former is a calculated (exact) result, while the latter shall only reveal certain characteristics. It is important to mention - also referring to the “small scale experimental models” - that the those conducting the experiment must act independently, objectively, without any preconceptions. Otherwise, the result of the experiment may be distorted due to the researcher’s attitude.

Novelty. A pilot project typically aims at assessing a new and more efficient system with the the intention of achieving improvement and development (CSINK-KURUNCZI-VARGA). Novelty is a critical point in these experiments, since the modelling existing reality does not yield scientific results. At the planning phase of pilot projects the designer shall consider the correct relationship between novelty and reality. In the course of our research we encountered such failed experiments,

which ran aground due to the absence of a novum (KURUNCZY-VARGA).

Efficiency. As mentioned above, pilot projects can be considered an instrument for contributing to development in the ambit of public administration. The aim of development is to achieve improvement, that is to render administration and existing social systems more lawful, simpler, faster, cheaper (we might add: more humane). Efficiency has become the holy grail since the eighties' neo-liberal New Public Management. However, its meaning has now transcended beyond the mere notion of cost-effectiveness as put forward early times. Here, we consider efficiency an aim and output of development.

The concepts presented above amount to the following definition:

A Pilot project in public administration is such a design-implementation-evaluation-term project, which is a realistic miniature model of a planned institution or system limited in time, constructed in order to assess the main characteristics and effects of its novelty.

A detailed explanation of the concept of model experiments (pilot) can be found in András Zs. VARGA's chapter as well as the most important question: what are the limitations of experiments in public administration. Here we only refer to the Anglo-Saxon roots of this instrument. The instrument of pilot project has clearly evolved in the methodology of civil management and was later transferred to public management. The "pilot" noun means an *airman*, a *captain*, a *leader*. These are all people who "fly in", "explore", "show the way", whom we can "follow". A pilot project is such a "captain" showing the direction with which he is already familiar, therefore, we can rely on him. The methodological question is, "how did he acquire this knowledge?" The answer is clear from the results of the present research of the *Ereky Research Group*: he travels alone on the road for the first time, "testing" along the way. Reality can only be observed, however, through this experimental methodology we have the opportunity to intervene and establish new systems. We can gather experience from reality's simplified, scaled-down version, or "model", in order to learn and in turn, be able to "extrapolate" the outcome on reality again.

V. ABOUT THE EREKY ISTVÁN PUBLIC LAW RESEARCH GROUP (PPCU, BUDAPEST)

The Ereky Public Law Research Group was founded in January 2011 within the Pázmány Péter Catholic University Faculty of Law and Political Sciences, Department of Administrative Law with the aim to become actively involved in the current trends and development of public administration. The research group conducts joint



and individual research projects, in search for answers to the pressing questions. This way the research group can participate in central and local (governmental) development projects, where knowledge management, scientific basis or international comparison is essential. Research topics are related to the exercise of state power, central and local public administration, and the control mechanisms of public administration. The team is led by Prof. Andras Zs. Varga, Dean, Head of Department, while its members are professors, senior researchers and doctoral students, and, in some phases of the work, even graduate students.

The present project of the Ereky Research Group is an EU funded research, led by associate professor Balázs Gerencsér, in 2011-2013. The main objective of the research is the revitalization of modelling in the administrative reforms of Hungary. Pilot projects in Hungary are traditionally linked to prof. Zoltán Magyary (1888-1945) who organized model experiments in the thirties, the results of which, however, could not implemented due to the nazi and communist regimes following World War II. Model experiments also emerged after the democratic change of Hungary which took place in 1989, however, it did not become a widely used instrument. The lack of knowledge leads to neglect, and for the very same reason, it often gives rise to misguided attempts. However, there is no source related to pilot projects in public administration in Hungarian scientific literature at present, while

references are scarce in foreign literature as well. The applicability and limitations of this instrument have not been developed until this research.

Researchers involved in the project were coordinated individually, since both the subject of research and the methodology was unusual. The authors examined subject matters specifically selected for their research. Doctoral students processed the individual samples, which were reviewed, synthesized and analysed by senior researchers. Although each chapter is the result of independent work, regular and close cooperation of the authors was necessary to finish the research and gain new scientific insights in this new scientific area. The methodology of “teamwork” and the regular workshops are not unique to the projects of the Ereky Research Group, since earlier multi-author research has already proven this method to be successful [Role of Prosecutors outside the criminal law (2012)].

VI. ABOUT THE CONTRIBUTORS

Tamás Vince Ádány (1977) PhD, received his law degree in 2000 on the Faculty of Law and Political Sciences of the Pázmány Péter Catholic University; he has worked for the Department of Public International Law ever since. He was granted a scholarship in 2001 to The Università Cattolica del Sacro Cuore (UCSC, Sacred Heart Catholic University); in its “Alta Scuola Economia e Relazioni Internazionali” centre, he got his master’s degree in international relations. As a temporary lecturer, he conducted researches on the law of contracts and international environmental law in the office of the Danube Governmental Commissioner of the Prime Minister’s Office, and dealt with human rights and equal opportunity issues in the Ministry of Justice. He is a member of the International Criminal Law Network in the Hague. His field of research is the regulation of international criminal law and its borderlands, international peace and security, humanitarian and human rights.

Lilla Berkes (1984) is a lawyer. She received her Master’s Degree at Pázmány Péter Catholic University, Faculty of Law. She is working as an assigned lecturer of the Department of Public Administrative Law since 2010. In 2008 she started to work as a counsellor of the Independent Police Complaints Board’s (IPCB) chairman. Between 2008-2009 she studied Chinese language at Renmin University of China, Beijing. After that she continued working for IPCB. From 2010 she is a legal advisor at the office of the Commissioner for Fundamental Rights. In 2012 she received her absolutorium at the Doctoral School of Pázmány Péter Catholic University Faculty of Law. She is writing her dissertation about multiculturalism.

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Márta Delbó (1985) She is the deputy head of Government Office of the Capital City VI. District Office and PhD student at Péter Pázmány Catholic University, Faculty of Law and Political Sciences. Her research project deals with the legal supervision of local governments.

Zsófia Előházi (1981) between 1999 and 2004 she studied at the Eötvös Loránd University of Sciences Faculty of Law as a law student. After receiving her degree she started to work at the Local Government of Town 'Hatvan' where she was dealing with the legal cases of asset management, public procurements and local public services, between 2006 and 2011 she served as a vice town-clerk. Currently, she is working for ONMERIT Consulting Ltd. as a public procurement specialist and professional leader. Between 2006 and 2008 she studied at Corvinus University of Budapest graduated as an expert in economics on postgraduate level. In 2009 she started her PhD-studies at Pázmány Péter Catholic University Faculty of Law. Her dissertation topic is the public service models at local governments, her consultant is prof. András Zs. Varga. She finished her doctorate studies in June 2012, currently preparing her thesis. In the school year 2010/2011 she taught at Pázmány Péter Catholic University Faculty of Law, then in the 2nd semester of school year 2011/2012 she taught public procurement law and the legal rules of local public services at Károli Gáspár University of Reformed Church Faculty of Law.

Vajk Farkas (1985) He completed his graduate law studies at the Faculty of Law and Political Sciences of Pázmány Péter Catholic University in 2010. He started his Ph.D. studies at the same institute in 2010. Between 2011 and 2012 he studied at the Centre of Political and Constitutional Studies of the Spanish Ministry of the Presidency. After his graduate studies first he was legal referee at the State Secretaries Cabinet at the Ministry of Public Administration and Justice, and from 2012 is a senior researcher at Századvég Political School Foundation.

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