

Public governance

TOWARDS MORE EVIDENCE-BASED POLICYMAKING FOR BETTER RESULTS

- ▶ The Hungarian government aims to improve the capacity of the public service to deliver better public services and raise efficiency in a context of tight budget constraints.
- ▶ To achieve these goals, Hungary has implemented a large scale re-organization of the public sector and carried out important human resource management and digital reforms, including investments in ICT tools and the further development of e-government services.
- ▶ To measure the impact of these reforms and foster continuous improvements in service delivery, further engagement of citizens and businesses is needed in the design, implementation and evaluation of public policies and services.

What's the issue?

In 2010, the Hungarian government started an ambitious public sector reform programme with the aim of modernising its public administration and improve access, responsiveness and quality of public services. According to the Gallup World Poll, the share of the Hungarian population reporting trust in government decreased from 33% in 2013 to 28% in 2015, which is significantly lower than the OECD average of 43% in 2015. Tight budget constraints in Hungary, combined with low trust in government and in public institutions more generally, have made public sector reforms all the more urgent and necessary, but at the same time very challenging.

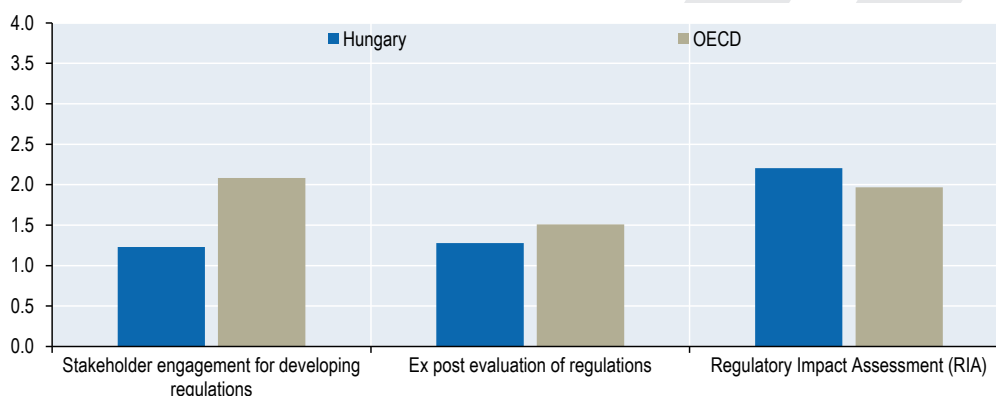
The last wave of these reforms is guided by the Public

Administration and Public Services Development Strategy 2014-2020 (PAPSDS). The PAPSDS intends to create a public administration that is highly professional, customer-centred, and efficient. Based on the legalistic tradition of the Hungarian public service, many of the reforms that support service delivery and competitiveness are carried out by changing current laws and regulations and enacting new ones.

Work carried out by the OECD between 2012 and 2015 suggests that further development of a robust monitoring and evaluation framework is needed to implement the strategic objectives of the State Territorial Administration Reform (see Figure). Rather than relying solely on perception surveys and exit interviews from one-stop

» Hungary has room to further strengthen regulatory management

Score from 0 (least practices adopted) to 4 (most practices adopted)



Source: OECD (2015), *OECD Indicators of Regulatory Policy and Governance*, <http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm>.

shops, monitoring and evaluation should be centred on sound outcome-based targets and indicators. The quality, proportionality and depth of *ex ante* regulatory impact assessment and *ex post* evaluations also needs to be improved in order to properly assess the impact of regulations based on their initial objectives.

In addition, greater use of stakeholder consultations throughout the entire policy making cycle is necessary to achieve the objectives of the reform and improve public service delivery to citizens and businesses. In Hungary, public consultations tend to take place mostly through government websites or ad hoc meetings. However, the use of interactive technologies is still limited. In addition, while both *ex ante* and *ex post* regulatory impact assessments are mandatory for all primary and subordinate legislation in Hungary since 2011, only some *ex post* evaluations have been undertaken in the last three years. Institutional arrangements and capacities are not yet fully in place in Hungary to support open and evidence-based policy making.

Transparency in areas such as public procurement can build public trust by highlighting how resources are used and for what purpose. Public procurement represents 14% of GDP and 28% of all government expenses in Hungary, making it a crucial pillar of strategic governance and services delivery. E-procurement is a key tool to enhance competition, transparency and efficiency of the system. Despite the important steps taken by the Hungarian government to develop electronic procurement systems in recent years, their use by businesses still remains limited and below the OECD average.

Why is this important for Hungary?

Strengthening institutional capacities to monitor and evaluate public policies and integrating performance information to the design and delivery of services is key to supporting inclusive growth, trust in public institutions and improving the delivery of services such as health care and education. Listening to the voice of users and making good use of this information to design and implement policies tends to better support continuous improvement of services delivered to citizens and businesses over the short and long run. Digital tools and technologies provide new opportunities for public administrations to leverage citizens and business feedback for policymaking.

What should policy makers do?

- ▶ Develop effective monitoring and evaluation mechanisms at the centre of government to inform the design, implementation and evaluation of public policies and services and foster continuous improvement.
- ▶ Strengthen line ministries' capacities to conduct evidence-based analyses and integrate performance information in the design and delivery of public policies and services.
- ▶ Leverage the potential of new technologies and digital tools to consult citizens and businesses early in the decision-making process and during implementation.
- ▶ Link the *ex post* assessment of implementation to the *ex ante* evaluation of the impacts of new planned policies and legislation to increase the relevance of *ex post* evaluations.
- ▶ Developing the e-Public Procurement System in line with the 2014 EU directives on public procurement and by applying the principles set in the 2015 OECD Recommendation on Public Procurement.



Further reading

OECD (2015), *Hungary: Reforming the State Territorial Administration*, OECD Public Governance Reviews, OECD Publishing. <http://dx.doi.org/10.1787/9789264232921-en>

OECD (2015), *Hungary: Towards a Strategic State Approach*, OECD Public Governance Reviews, OECD Publishing. <http://dx.doi.org/10.1787/9789264213555-en>

OECD (2015), *OECD Regulatory Policy Outlook 2015*, OECD Publishing. <http://dx.doi.org/10.1787/9789264238770-en>

OECD (2015), *Government at a Glance 2015*, OECD Publishing. http://dx.doi.org/10.1787/gov_glance-2015-en