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**HUNGARIAN LOCAL GOVERNMENTS AND  
LOCAL COMMUNITIES IN THE AGE OF  
DIGITALIZATION**

Theses of the PhD dissertation

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## **I. The subject and aim of the dissertation**

The question of the future always fills people with curiosity. In many cases, it appears as a cloudless utopia without problems and difficulties, while in other cases it carries fear and doubts as a dystopia. Digital transformation, urbanization, globalization and changing social needs all present difficulties for local governments that can change the foundations of the existing social and legal system. In most cases, the question is, do we see change as a difficulty or as an opportunity?

A number of new circumstances have arisen for the local governments, especially from the side of the cities, which fundamentally change the procedures, mechanisms and traditional administrative arrangements related to the administration and management of the settlements.

During the research, I examine how the administration of local governments is able to adapt to the phenomena caused by digitalization and global change, and whether it is possible to improve its activities related to local public affairs by involving the "broadly understood" local community.

During the research, I am looking for the answer to what opportunities the digital transformation can offer for the relationship between the local community and local governments, and how the relationship between local governments and local communities can change as a result of a transformative process.

Digitization and the development of technology are of course essential in order to be able to talk about this new dimension of urban planning, however, in addition to external factors, "internal motivation" can also prove why this modern approach to development is becoming more and more attractive for settlements.

The purpose of the research is to examine, on the one hand, whether we can consider the existence of local communities as the cornerstone of local governments, and on the other hand, what the new type of "smart" settlement development means - from a regulatory and strategic point of view - for domestic local communities and local governments.

I approach the examination of this from the side of the following research questions:

1. The key to the functioning of local governments is the active role of the "broadly understood" local community.

2. The regulation of settlement development is both global and insular, which, in addition to multi-level regulation, also requires the simultaneous publication of modern settlement development and digitization legislation and strategies.

3. 56/2017 on the amendment of individual government decrees related to the definition of the concepts "smart city" and "smart city methodology". (III. 20.) The concept of smart city defined by government decree is – in my opinion – an excessively broad and general definition, which is not suitable for fulfilling its actual function from the point of view of legal application.

## **II. Structure of the dissertation**

In the course of the research, three main directions were identified, in which primarily the examination of the relationship system of local governments and local communities, secondly the issue of settlement development, and thirdly the topic of social participation play a role.

When examining the relationship between local governments and local communities, I first deal with the constitutional and administrative legal aspects of the autonomy of local governments and the right to local self-government, and then, in order to answer my research questions, I review the topic of the performance of tasks by local governments. Among the tasks that must be carried out by local governments, I consider settlement development and settlement planning to be of particular importance, as I believe that they represent the framework of the mandatory municipal tasks stipulated in the law.

Digitization had (and still has) a strong impact on the operation of local governments, which is why I consider it essential to examine the topic of "smart" settlement development. During the research, I focus on the development history of smart cities, with which I also examine how the role of local communities and other participants has changed over the years (thus creating a connection between the first and second research directions). There is a kind of conceptual confusion related to smart cities, so my goal is to lay a dogmatic foundation, and also to examine the theoretical and practical experiences of "smart" settlement development.

In order to answer the second research question defined above, I consider it essential to review the digitalization strategies and settlement development strategies created by the European Union. In addition to the analysis of strategies, I would like to pay special attention to examining the effects of EU regulation on Hungarian strategy-making and legislation. After reviewing the domestic regulations, I put the tools and institutions of social participation at the center of the research, with which I aim to point to the tools that ensure actual participation by collecting good practices.

### **III. Methods used in the research and evaluation of the topic in the literature**

In order to lay the foundations of the research, in the first chapter I consider it important to record the basic concepts related to the research, for which I primarily prepare a dogmatic foundation and apply a descriptive method. With the dogmatic foundation, my goal is to define the framework of the thesis. As a result of the topic, I examine the concept of self-government and self-governance, the narrow and broad interpretation of the local community, as well as the conceptual cornerstones of urbanization, globalization and info-communication effects that are the antecedents of smart cities.

In the second chapter of the dissertation, I examine the relationship between local governments and local communities specifically from a constitutional and administrative law perspective. My goal is to explore how the autonomy of local governments and the right to local self-government have an effect on the relationship between local governments and local communities, presuming the existence of an interaction between them.

In the framework of preliminary research, applying a historical method, I established that the divided public administration system was already established in Hungary in the 19th century. Despite this, primarily due to reasons of scope, the investigation of the characteristics of the referred relationship is the subject of investigation only starting from self-government in the Western sense, i.e. from 1990.

With regard to local governments, as their name already shows, independence and autonomy are of particular importance. During the creation of the Hungarian legislative framework, the issue of autonomy and local democracy was given a prominent role, and the standards appearing in international regulations were also integrated. When analyzing the rules on the autonomy of local governments, I use a legal and critical method, with which my aim is primarily to examine domestic and international legislation that has an impact on it.

The third chapter of the dissertation focuses on settlement development and its "smart" implementation. From the point of view of settlement development, I first

examine the theoretical foundations - focusing on administrative and planning issues, as well as its relationship with the local community - using a basically descriptive method.

My task is to investigate the conceptual foundations of smart cities, primarily in order to dispel the dogmatic ambiguity that appears in the literature and in actual practice. In this phase of the research, I apply historical and concept analysis methods in parallel. Within the framework of the conceptual analysis, I pay special attention to the joint examination of the international and domestic literature. It is a significant step forward and an outstanding result that the concept of the smart city has been fixed at the legislative level in Hungary, and I will use a legal and critical method during its investigation.

In the fourth chapter of the thesis, I examine the complexity of smart cities based on the results collected so far. I will shed light on what I consider to be complexity from several points of view. First, in line with the historical stages of development outlined in the previous chapter, I apply an analytical method and review the changes in the subsystems of smart cities, as well as the related models.

In the fifth chapter of the dissertation, I once again apply the possible grouping methods and the principle of examination according to the related subject circle. In this chapter, I review top-down and bottom-up models. In this phase of the research, I will focus on the cities of Vienna and Amsterdam and their functioning, using an international perspective. My main goal in preparing this chapter is to create a model that can serve as a guideline for other settlements as well.

The next, i.e. the sixth, chapter focuses on the overview of the settlement development strategies of the European Union, in the framework of which I use an analytical and descriptive method. In this phase of the research, I would like to fill in the gaps by collecting the major milestones of the European Union's settlement development strategies and their effects on domestic legislation. My goal is to examine my research question, according to which the legal regulation of settlement development is both global and insular.

In the seventh chapter - using a critical and analytical method - I continue to examine the strategies adopted by the European Union. During the research, I focus on

digitalization-related strategies, thereby expanding the research aspect indicated in the previous chapter.

The eighth chapter of the dissertation is also related to my research question, according to which settlement development requires global and insular regulation at the same time. The present chapter examines the transformation of regulations related to domestic settlement development and settlement planning primarily by applying a normative method, in the framework of which, in addition to the descriptive nature, I also strive for a critical analysis.

The European Union and Hungarian regulations both focus on the principle of partnership and the strengthening and support of the active role of the local community. That is why, in the final chapter of the dissertation, I examine how the participation of the local community in the operation of the local government can be realized.



#### **IV. Summary of the research results and its utilization**

The importance of the role of settlements is indisputable, whether we examine them from an economic, political, social or legal point of view. It is also decisive from the point of view of the population living there, as well as the legal entities operating in the given settlement, since it is an unavoidable task to provide them with adequate living conditions.

The relationship between the local government and the local community is extremely important from the point of view of development, however, as a result of the research, I came to the conclusion that the local government is not the same as the local community, and the two entities must be treated separately, however, the operation of local governments is essentially incomprehensible in terms of without a local community.

Another scientific result of the research is that the dissertation examines a special aspect of the modernization of the Hungarian self-government system, the relationship between "smart" settlement development and local communities. It comprehensively processes the administrative and public administration aspect of the topic of smart cities. In order to establish a theoretical basis, it examines the issue of the autonomy of local governments, which is essentially the premise of the development of modern municipalities. Without autonomy, we cannot talk about the free will of local communities, that is, approaching from the local community's side, we can apostrophize the existence of autonomy as a prerequisite. In connection with this, the smart trend is a tool that aggregates developments.

It should also be noted that as a result of the research, a new model was created that can serve as a guideline for any settlement during modernization.

In the following, I detail the main conclusions of the research:

1. By examining the legal foundations of local government autonomy and self-governance, I found that many people have evaluated the current situation, and the literature is relatively uniform in that the Basic Law placed local government regulation

on a completely different basis and thus limited the autonomy of local governments. The biggest difference is in who evaluates the results of this change.

Through the investigation, I came to the conclusion that, based on the current rules, the right to local self-government is protected by fundamental law. Looking to the future, however, it is definitely a concern that by amending a pivotal law, the National Assembly may substantially reduce the rights of local governments and thereby limit local government autonomy or revoke it in certain areas.

2. The investigation into the performance of tasks by local governments pointed out that the performance of tasks by local governments mostly means the provision of local public services, which may differ from settlement to settlement.

During the research, I established that the strategies created by the Union basically regulate the issue from two directions, in which the range of political strategies summarizing theoretical foundations and principles appears, on the one hand, and the group of operational documents and programs supporting them, which are of an implementation nature, is also growing stronger.

In my opinion, the development strategies of the European Union are based on a dual political practice, which is essentially based on the duality of target selection and programming adopted at the central, supranational level, and the related national level action plans. However, this type of approach still carries the risk that individual member states will be able to achieve the set goals to a different extent and with success.

From the point of view of the domestic regulation, a significant amendment was made, which was justified in my view, given that previously the development of numerous concepts, plans and strategies was required for settlements. Compared to the previous regulation, the procedures become more transparent and the bureaucratic burdens are reduced, as the creation and maintenance of consistency between them was previously a problem in addition to the number of documents. This new type of approach is the biggest benefit of the transformation of the regulation, but for now it is an open question whether its benefits will actually be realized in practice or not.

3. Settlement development in Hungary is a joint task of local governments and the Hungarian Government, a possible alternative to which is the application of smart urban development. From the point of view of the thesis, it was essential to explore the conceptual background of the smart city, given that completely different smart city concepts were defined and accepted in the literature and based on practical experience.

I think that it was a particularly big step forward in the domestic context, that the concept of a smart city was fixed at the legislative level, which has undergone significant changes and modifications compared to its initial "state of time". During the investigation, I came to the conclusion that the currently effective normative text covers the scope of the developments well, defines the guidelines broadly and, in contrast to the previous definition, also indicates the scope of the subjects involved in the development, focusing on the local community.

4. With the emergence of smart cities, I considered it necessary to examine how the range of actors involved changes in this new type of settlement development approach. My preliminary assumption was that one of the cornerstones of the operation of local governments can be the active role of the "broadly understood" local community.

I believe that my preliminary assumption was fully justified, since whether I examined the issue of the right to local self-government, which is the instrument system of local governments, or the autonomy of local governments or the performance of their tasks, the role of the local community appeared in each case.

In the past few years, the previous trend has begun to change, and the population is increasingly becoming the focus, since, based on practical experience, the natural and legal persons living and working in the settlement are the key success factors. In the course of the research, I came to the conclusion that whether I was examining the conceptual transformation, operating models or financing issues, it was always noticeable that the broadly interpreted concept of the local community formed its basis, in which the economic actors, the civil sphere, and the the population showed up alongside the government actors, which clearly proves that without the involvement of the local community as a partner, it is not possible to properly fulfill the desired goals.

The broader interpretation of the concept of the local community was also confirmed by the domestic smart city definition.

The basis of well-functioning urban development projects is that they constantly communicate with the population living there, i.e. they assess the needs of society, ask for and receive feedback on services. Examining the operation of smart cities, it can be concluded that they involve people in the city, and the city in people's lives, and build on the organic relationship between the two parties, where both actors have more and more information about the other.

In connection with this, I formulated a *de lege ferenda* proposal. Social participation does not only involve participation in the actual decision-making, but also participation in the preparation phase, in opinion-making, in the preparation of the decision, and in the execution of the implementation. This kind of approach reflects a broader way of thinking, which I think provides an excellent opportunity for settlements and local governments to involve not only the actors of the state administration in various development issues, but also other members of the community to take an active role. Of course, this requires openness and commitment from both sides, i.e. the creation of the legal framework cannot be neglected in itself, which further proves the outstanding role of the local community.

5. Examples of the smart city come in many forms, sizes and types, the reason being that the concept is relatively new and broad. Each city is unique, with its own historical development, characteristics and future dynamics, and adapts the concept in different ways.

During the research, I proved that studying other successful smart city projects can be an important aspect of planning, but for understandable reasons, it is not possible to transfer an existing, well-functioning project to another city one by one, since every city has different features and specific characteristics. That is why, instead of transplanting ready-made models, it is more expedient to consider different principles during development.

As a result of the research, I have created a model, which I believe can serve as a guideline for any settlement that wants to embark on the path of development, as a proposal de lege ferenda. I summarized the essence of the model I created in five points.

The biggest challenge for cities is to be able to assess their resources and the needs of their population, and to develop a consistent, conceptual smart city plan.

After the completion of various development projects, it is often found that they do not produce the expected results, but the reasons for this are often not to be found in the design or execution. The problem is often caused by the fact that the project does not pay enough attention to communication, so it does not have a proper relationship with the end users either when formulating goals or when handling feedback.

Through the research, I came to the final conclusion that the creation of legislation, the existence of legal frameworks and strategies are essential in order to modernize the settlement development tasks performed by local governments, the key to success lies not in the smart city, but in the smart city dwellers.

## V. List of publications related to the dissertation

- RITÓ Evelin: Az okos városok gyakorlati megvalósulásának sokszínűsége. *In: Varga Zoltán (szerk.) Jogi kihívások és válaszok a XXI. században*, Miskolc (2022) pp. 78-89.
- TORMA András – CZÉKMANN Zsolt – NYITRAI Péter – SZABÓ Balázs – RITÓ Evelin – CZIBRIK Eszter – CSEH Gergely: Gondolatok a magyar közigazgatási stratégiaalkotásról, különös tekintettel a központi szervekre. *Pro Publico Bono: Magyar Közigazgatás, az NKE közigazgatás-tudományi szakmai folyóirata*. 10:1 (2022) pp. 46-64.
- TORMA András – RITÓ Evelin: Az EU intézményrendszer és működés XXI. századi sajátosságai magyar közjogi nézőpontból. *Közigazgatástudomány* 1:1 (2021) pp. 104-115.
- TORMA András – RITÓ Evelin: Discussion paper on the European Administrative Space – Hungarian viewpoint. *Przeglad Europejski* (2021) pp. 113-127.
- CZÉKMANN Zsolt – RITÓ Evelin: A digitális állam hazai megvalósításának stratégiai alapjai. *In: Lapsánszky András (szerk.) Közigazgatási jog: Szakigazgatásaink elmélete és működése*. Budapest, Wolters Kluwer (2020) pp. 355-372.
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- RITÓ Evelin – CZÉKMANN Zsolt: A magyar digitalizációs stratégiaalkotás helyzete. *Miskolci Jogi Szemle: A Miskolci Egyetem Állam- és Jogtudományi Karának Folyóirata* 15:3. Különszám (2020) pp. 150-164.
- RITÓ Evelin: Közigazgatás és politika. *Miskolci Jogi Szemle: A Miskolci Egyetem Állam- és Jogtudományi Karának Folyóirata* 15:2. Különszám (2020) pp. 125-133.
- CSEH Gergely – CZÉKMANN Zsolt – RITÓ Evelin – SZABÓ Balázs: The possibilities of local governments in the digital age. *Publicationes Universitatis Miskolcensis Sectio Juridica et Politika* 37:2 (2019) pp- 144-155.
- CSEH Gergely – CZÉKMANN Zsolt – RITÓ Evelin – SZABÓ Balázs: Does the municipality have a digital footprint? *In: Kékesi, Tamás (szerk.) MultiScience - XXXIII. microCAD International Multidisciplinary Scientific Conference*. Miskolci Egyetem (2019) pp. 84-89.
- CSEH Gergely – CZÉKMANN Zsolt – RITÓ Evelin – SZABÓ Balázs: Digital visibility of micro-municipalities in a convergence region (case study). *In: Kékesi, Tamás (szerk.)*

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- CSEH Gergely – CZÉKMANN Zsolt – RITÓ Evelin – SZABÓ Balázs: Do local governments need the digital space?! – Szükségük van-e a helyi önkormányzatoknak a digitális térre? *In: Belügyminisztérium, Önkormányzati Koordinációs Iroda (szerk.) A helyi önkormányzatok fejlődési perspektívái Közép-Kelet Európában: Gyakorlat és innovációk = Perspectives of Local Governments in Central-Eastern Europe: Practice and Innovations: Konferencia kötet = Conference volume. Budapest, Magyarország: Belügyminisztérium Önkormányzati Koordinációs Iroda (2019) pp. 22-37.*
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- RITÓ Evelin – CZÉKMANN Zsolt: Okos megoldás a közlekedésszervezésben – avagy az automatikus döntéshozatali eljárás egy példán keresztül. *Miskolci Jogi Szemle: A Miskolci Egyetem Állam- és Jogtudományi Karának Folyóirata 13:2 (2018) pp. 104-108.*
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- RITÓ Evelin: Élhetőbb város – avagy Smart City. *Közép-Európai Közlemények 2:41 (2018) pp. 42-53.*
- HALÁSZ Csenge – OROSZ Flóra – RITÓ Evelin: Egy rövid tanulmányút tapasztalatai, avagy nyolc amszterdami nap margójára. *Miskolci Jogtudó: Hallgatói Online Jogtudományi Folyóirat, 2018/2, pp. 40-44.*
- RITÓ Evelin: A folyamatos fejlődés útja. *Infokommunikáció és jog. Különszám (2017) pp. 55-59.*
- RITÓ Evelin: Városfejlesztés a mindennapokban. *In: Bragyova, András (szerk.) Miskolci Doktorandusz Konferencia Tanulmánykötet. Miskolc, Bíbor Kiadó (2017) pp. 204-211.*