Doctoral School of International Relations and Political Science

Thesis Outline

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Performance Management in the Hungarian Public Administration

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1. Introduction

Increasing the quality and efficiency of public policies has been one of the main puzzles for politicians and scientists alike for several millennia; dozens of public administration reform attempts have tried to enhance public service delivery. When facing a new challenge, it might seem logical for decision-makers to rely on already existing examples and best practices, however the transplantation and transfer of existing ideas and mechanisms usually fail or do not lead to the desired end result.

My thesis looks at a special type of policy change, which is policy transfer. The assumption is, that policy transfer cannot permeate different public administration traditions easily due to the different set of formal and informal institutions, and path dependencies originating in the different decision-making logics. Hungary is a subtype of the continental public administration culture, and within that it falls into the Central European country group (Kuhlmann & Wollmann, 2019), where legalism and not efficiency is driving the decision-making logic (Gajduschek & Hajnal, 2010). Based on this my thesis assumes, that Performance Management's (PM), as an efficiency-promoting (van Dooren, et al., 2015), dominantly Anglo-Saxon public management instrument (Bouckaert & Halligan, 2008) appearance in Hungary is contra-intuitive, due to the theoretical (G. Fodor & Stumpf, 2007) and practical (Hajnal, 2014b) *modus operandi* of Hungarian public administration, as these are not conducive to the existence of a PM system in the country.

My goal is to understand, that desipte these constraining factors how PM can enter the Hungarian discourse and whether it can be successfully implemented (Hajnal & Ugrósdy, 2015), and what contextual factors are promoting the appearance of PM. To achieve this goal, I apply the concept of policy transfer, which acts as the conveyor belt of policy ideas and best practices within and between countries, and I assume that policy transfer will lead to the implementation of PM at the three observed organizations. I hope that answering my research questions will promote the understanding of policy transfer between different administrative traditions, as many of the recent and current reform attempts are traveling across time, space and cultures, just as PM appears in Hungary. I intend to reflect my observations to the wider public policy reform agenda.

My primary focus is to prove or falsify whether PM can take a root in Hungary through policy transfer, as it is considered alien to Hungarian public administration culture.

2. Conceptual and theoretical framework

One of the basic assumptions of the policy transfer literature is that transfer leads to better policies, because nobody would like to copy failing policies (Dolowitz & Marsh, 2000), however learning from the mistakes of others still has a value for decision-makers.. This assumption is very optimistic though, as most of the transfer literature is trying to explain the root causes of failed transfers and not on the successful and working examples (Stone, 2012).

I consider policy transfer as a part of the concept of policy change. Policy change – not surprisingly – is the change of one of more policies to one or more new policies, by creating new or changing or terminating older policies (Lester & Stewart, 1996, p. 136). Policy change is not happening to governments, but governments are actively shaping the change itself, being one of the most important actors in the process (Bennett & Howlett, 1992, p. 275). Policy change can be not only the result of exogene pressure, but cultural determinants as well as the nature of the policy sector, the interest of the actors and the configuration of the institutions have a significant impact in the process of change (Capano, 2003).

It is possible to differentiate between five distinct theories within the concept of policy change. Incrementalism (Lindblom, 1959) claims that public administration decision-making does not take all alternatives into account but the closest ones to the *status quo*, and hence it concedes the possibility of finding the best solution. These decisions contain less risk and uncertainty as change itself will be not so dramatic and bureaucracy will cooperate. Neoinstitutionalism traces back change to the overall features of institututional design, political agency and perceived performance (March & Olsen, 2011). Historical experience significantly decreases the scope of policy change, and it depends on the nature of the policy area how quick and deep change can be (Howlett & Ramesh, 1998). Kingdon's idea of policy streams and policy entrepreneurs focuses on the constellation of different factors which he terms "policy windows" (Kingdon, 2014). The Advocacy Coalition Framework identifies interest groups as the source and driver of change (Sabatier & Jenkins-Smith, 1993). The theory of punctuated equilibrium claims that the shift of political attention will be the source of policy

change, and this will break the policy monopoly of bureaucracy over the policy issue in focus (Baumgartner & Jones, 2009).

Policy transfer is a possible model for policy change, which is rooted in neoinstitutionalist theories. I chose to focus on institutions due to the assumption based on Kuhlmann and Wollmann (2019), who claim that in the Central European administrative model institutions are significantly different from those of the Anglo-Saxon or even the Continental Napoleonic models. This difference in administrative culture makes Hungary a least likely case of the appearance of PM. My objective is to find out how PM, as a policy tool rooted in the Anglo-Saxon administrative tradition can permeate the Hungarian context I must look at the differences between the institutional framework and how – despite the differences – PM can exist in Hungary. Within the neoinstitutionalist approach, I focus on policy transfer, which I consider the conveyor belt of policy ideas and practice across different jurisdictions.

Policy transfer is a process, when "knowledge about policies, administrative arrangements, institutions and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political setting" (Dolowitz & Marsh, 2000, p. 5). This concept describes how policy ideas, tools or just the thinking about certain policy problems and solutions travel across time and space, especially between different jurisdictions domestically and internationally.

Within the concept of policy transfer there several, often sinonymous and a bit confusing terms: policy transfer (Dolowitz & Marsh, 1996), policy learning (Evans, 2006), policy diffusion (Simmons & Elkins, 2004), a lesson-drawing (Rose, 1993), and europeanization (Radaelli, 2003).

Based on the literature, I consider policy transfer as the main concept, which describes how public policy ideas, instruments, and management tools travel from one place to another both in time and space. Policy learning is a special form of policy transfer, which Dolowitz and Marsh described as voluntary transfer, hence policy learning is still a broad concept, but narrower than policy transfer which can be coercive as well (Dolowitz & Marsh, 2000). Policy transfer can be further broken down to different

models, two of which are voluntary, namely policy diffusion (Weigrich, 2009), and lesson drawing (Rose, 1991), while europeanization (Radaelli, 2003) is coercive.

Strang describes diffusion as the process „where prior adoption of a trait or practice in a population alters the probability of adoption for remanining non-adapters" (Strang, 1991, p. 325). Wasserfallen claims that the research of policy diffusion focuses on how policy decisions taken somewhere influence decisions somewhere else with the modethods of learning, competition and emulation (Wasserfallen, 2018, p. 622).

Radaelli posits that Europeanization consists of the processes, with which formal and informal rules, regulations, policy paradigms and styles, as well as problem solving methods, common beliefs and norms are being set first at the European level, and how these later become part of national discourses, identities, political structures and public policies (Radaelli, 2003, p. 30).

Lesson drawing, according to Rose is the model of how a certain policy program can move from one place to another, and not what has to be done according to the politicians (Rose, 1991, p. 5). According to Rose's approach, the main objective of lesson drawing is to decide whether an already existing best practice is appropriate for adoption at another jurisdiction.

I look at PM primarily as a public management tool, even though I have to underline that PM as a principle have existed at least for a hundred years, which aims to rationalize and quantify public decision-making (van Dooren & Hoffmann, 2018). Following a strong positivist tradition PM claims that political and social processes can be understood, and they follow a certain logic, and if we understand this logic, we can make better and more effective decisions (van Dooren, et al., 2015). Performance movement have thus become a doctrine which influences public management to a large extent up until today (van Dooren, 2008), and dominated public administration reform discourse at least from the early 2000s.

van Dooren and his colleagues define PM as a "management style which incorporates performance information in decision-making" (van Dooren, et al., 2015, p. 37). Askim theorizes that PM means performing three routine tasks, 1) the measurement of organizational outputs and outcomes, 2) processing the results of the measurement, benchmarking them against prior performance or normative standards and 3)

communicating the results to decision-makers and citizens (Askim, 2008, p. 125). Bouckaert and Halligan consider a PM-oriented public administration to take and delegate responsibility for the performance of the entire system, and thus the administration becomes accountable for the success of failure of the public policy programs (Bouckaert & Halligan, 2008, p. 2). Vigoda-Gadot and Mizrahi thinks that PM is an approach which focuses on the outputs and outcomes of public organziations, and uses performance data in decision-making and public policy-making (Vigoda-Gadot & Mizrahi, 2014).

Finally, some words about the context within which the entire research takes place. PM is considered as a primarily Anglo-Saxon public management tool which is deeply rooted in the public interest-based administrative tradition (Bouckaert & Halligan, 2008), but it can be found in certain Western European developed countries, where the administrative tradition is still continental (van Dooren & Hoffmann, 2018). However, due to the influence of international organizations like the OECD or the EU, or various public administration reform waves it influenced countries where this primarily results- and process-based approach does not have any historical or cultural roots (Bouckaert, 2012).

I chose the case of Hungary, because the dominant Central European administrative culture is very distant from the Anglo-Saxon administrative tradition (Jenei, 2008), which is considered the natural habitat of PM. My claim is that despite of these cultural differences, PM can effectively function in the hostile Hungarian context (Hajnal & Ugrósdy, 2015). Following the neo-institutionalist approach, this assumption is against the expectations as the most probable observation based on the literature should be the appearance of incrementatlism and the logic of appropriateness.

Earlier, Éva Révész has been researching PM in Hungary (Kiss & Révész, 2014) and identified policy transfer as a possible source of the appearance of PM (Révész, 2015), but her research had other objectives, and this justifies why a more thorough investigation of the role of transfer is necessary, so my research fills an existing gap in the literature about how PM can get a foothold in Hungarian public administration.

3. Research questions, hypothesis and methods

The definition of PM and efficiency found in the international literature differs from the definitions of the Hungarian public administration. Furthermore, compared to public interest-based polities that first led to PM's functioning and evolution Hungary follows the Central European model, which differs from the Anglo-Saxon model both in its tools and objectives (Kuhlmann & Wollmann, 2019). Based on this difference, I consider Hungary as a least likely case for the appearance of PM, mostly due to the different administrative culture and the contextual factors which I will detail in the Findings. My goal is to understand what makes PM appear and function in such a hostile environment, and whether policy transfer plays any role in that. Further to the arguments laid out in Chapter 2, Pollitt and Bouckaert's 4M typology reinforces my claims as according to the authors Central European bureaucracies rather belong to the modernizers (Pollitt & Bouckaert, 2017), which discover the necessity for change but not because its novelty but rather because of the need for better public service delivery (cf. the Magyary Reform Programs of the Hungarian Government), while PM clearly falls into the marketizers category, underlining the importance of private management methods and the empowering of public managers (ibid). These claims make Hungary an even less likely case in my opinion.

My assumption is that policy transfer can cause the appearance of PM in Hungary. This makes policy transfer the independent and the appearance of PM the dependent variable in my study (cf. Marsh & Evans, 2012). Following Weigrich's (2009) criteria I must make sure that a) policy transfer induces significant policy change and b) outside influence must be decisive in the process of change. Benson and Jordan (2011) claim that the subject of policy transfer might be not only entire policies, but rather policy elements and instruments as well, which supports my claim PM can be a subject of policy transfer. Benson and Jordan's findings underline that domestic policy transfer can be even more effective and important as the international transfer (ibid.), which highlights the importance of my local government embedded case. I must pay attention to the contextual factors, especially policy and administrative capacity ,which is needed to operate complex and expensive management instruments like PM, and I have to uncover the conditional determinants as well as the factors which support and hinder the appearance of PM in Hungary.

Out of the several possible policy transfer models I intend to test three on the Hungarian empirical data, based on neo-institutionalist theory: policy diffusion (logic of consequences), lesson drawing (logic of appropriateness) and Europeanization (isomorphism) with comparing my three embedded cases to the theoretical predictions. These three seem to be applicable to the Hungarian context: Europeanization was the main driver of policy change for the last at least 20 years, while the two logics are deeply rooted in the literature.

I chose the neo-institutionalist approach because I believe that social and political institutions preset what might the appropriate way to follow, but they also narrow down the possible sources of transfer as well, pre-setting which rules can be transferred and how they should be interpreted (March & Olsen, 2011, p. 482). If doubt emerges about what best practices are the most appropriate, the main filter will be similarity, and decision-makers will adapt the most appropriate solution to their problem. In addition, already existing best practices will reinforce the assumption that those programs exist because they are functioning better and lead to better solutions (ibid, p. 486). The Rechtsstaat-tradition which influences Hungary to a large extent is deeply connected to the logic of appropriateness, even though the ever-expanding welfare state is more focused on the logic of consequences (ibid, p. 490). This puzzle will be one of the core questions of my thesis as well.

The logic of consequences is applied to decisions where the expectations about the possible results were driving the decision-making process, while decision-makers are rather focused on their own or their communities' interests and have a general tendency to disregard institutional boundaries. The logic of appropriateness on the other hand follows a rules-based logic, in this case political actors will base their decisions on socially constructed, well-known and accepted rules and practices (Goldmann, 2005, p. 36). The two logics are not mutually exclusive though: even Goldmann warns that the logic of appropriateness encompasses a wider motivational spectrum, and therefore it may contain the logic of consequences at certain times (ibid., p. 44).

Based on these considerations I have two research questions:

> **RQ1: what causes the proliferation of PM in Hungary despite being a contra-intuitive case?**

and

RQ2: if proliferation happens, then which transfer model and with which enabling and disabling factors explains it best?

The two RQs set the theoretical ambition of my thesis too: as on the Hungarian case all of the three transfer models have limited explaining value, I intend to identify those enabling and disabling factors, which make the appearance of PM possible in the Central European administrative context. My expectation is that using the findings of my thesis, it will be possible to understand how administrative reforms alien to the domestic administrative culture can be successfully implemented in Hungary or the wider Central-European context.

According to William Trochim (1985) social science research is about matching the patterns of ideas and reality. Even experiments follow this logic as in that case there is an original theoretical pattern which describes how a property of the treatment group will change as a result of the intervention, the observed pattern will be the change itself. Yin (2009) claims that pattern matching is the most desired logic for case studies (Yin, 2009, p. 161). In this case, the empirically observed patterns will be compared with the predicted patterns derived from earlier theory. A matching pattern strengthens the internal validity of the research. Predicted patterns however must be defined even before data collection commences. Data collected during the empirical research can influence predictions too: some theories can be discarded even during the data collection phase of the research. Pattern matching can be useful to identify gaps in existing theory, as well as to construct new explanations (Almutairi, et al., 2014); this is clearly my ambition too.

Sinkovics claims that pattern matching requires the researcher to explain their thinking and applied mental models, and calls for a strict and appropriate contextualization and operationalization, which reinforces the methodological solidity of the research (Sinkovics, 2018). An early theorist of pattern matching, Donald T. Campbell (1966) conceded that patterns of theory and data naturally influence the thinking of the researcher, but in order to test theories, theories and observations should be separable.

Hak and Dul (2009) underline the most important definitions of pattern matching:

- a pattern is any constellation of observations while constellation means that the pattern itself is not random;

- theories "predict" the patterns of certain values or variables, these predictions are usually called hypotheses;

- "expected pattern" is the pattern derived from the hypotheses, which will be later compared with the "actual pattern" based on the observations.

Following the pattern matching logic I apply the expected patterns based on the – theoretically – rival explanations. This logic can uncover the role of different independent variables in the observed change. As Yin highlights: this method is suitable to discover why that certain outcome happened which was observed (Yin, 2009, pp. 163-164).

My research is an embedded case study, where the case is the Hungarian public administration and the embedded cases are the local government of Eger, the Higher Education Information System run by the Education Office and the Ministry of Foreign Affairs and Trade's Strategic Performance Management System. My research is mostly based on semi-structured interviews conducted with key informants (27 interviews over five years), and partly on the documents which were kindly shared by my interlocutors. The thesis follows a qualitative research strategy, and has a primarily explanative, but partly explorative ambition. All three embedded cases were chosen via informed sampling, following the exemplary case logic.

I will test the three – supposedly – rival explanations on the classic Dolowitz-Marsh (2000) transfer model, which is the most cited one of its kind. Rows will contain the three transfer mechanisms, while the columns will contain the different dimensions of the Dolowitz-Marsh model.

According to Dolowitz and Marsh (2000) if transfer is to be used to explain any kind of policy change, then it has to be established why the transfer took place after all, and one must understand the transfer process using the questions of the transfer framework. The main questions are: who participates in the transfer; what is being transferred; what is the source; to what extent something is transferred; what are the enabling and disabling

factors; what are the motivations (Dolowitz & Marsh, 2000). I will be using only four of these questions to establish the dimensions of the prediction matrix.

Based on the literature and the Hungarian context the following predictions can be made about the presence of PM in Hungary. My assumption is that out of the three models europeanization will not be present as there is no central regulation to introduce PM to Hungary (with the possible exception of different European Union funded projects). EU accession undoubtedly played an important role in the development of Hungarian public administration, but in the case of PM I do not think this would be the case, and the claims of the literature support this prediction as well.

The appearance of diffusion seems less likely too. None of the three organizations observed in this study have any competitors domestically, therefore group pressure or the race to attract consumers/taxpayers is not a motivating factor for them. The lack of policy, but especially administrative capacity will be a futher disabling factor, the computing capacity and political enabling factors which could support the logic of consequences will be lacking due to organizational culture. Another claim which makes diffusion less likely is that Continental public administration traditions tend to be closer to the incrementalist approach.

Based on the literature, the most likely theory to explain the presence of PM in Hungary is the logic of appropriateness. The issue of "what might work", tensions within the organizations, path dependencies based on the similarity with other programs and the primarily incrementalist approach of Hungarian public administration all point towards lesson drawing as the most plausible explanation out of the three tested in this study. This leads me to my hypothesis as well:

> **H: due to the dominant role of the Central European administrative tradition the logic of appropriateness, thus lesson drawing will describe best how PM will appear in Hungary.**

Mechanism	Nature of the transfer	Source	Enabling / disabling factors	Motivation
diffusion (LoC)	voluntary	copying leading jurisdictions (push factors), role of political principals (legitimacy, cf. motivation)	political and administrative capacity (or the lack of it); domestic and international networks; possible political and legitimacy gains from transfer; PM as a social construct – introduction might be a(n implicit) expectation; alien to Rechtsstaat-culture	making and demonstrating rational decision-making; satisfycing solutions; learning from other jurisdictions
lesson drawing (LoA)	voluntary / mixed (peer pressure)	bureaucrats dissatisfied with the status quo, looking at programs working elsewhere, but bureaucratic logic prevails based on similarities	transfer is an iterative process, slow and comfortable, but sometimes creative; only minor changes to existing institutional framework; fits better into bureaucratic logic; most common development model of Rechtsstaat-type administrations	convergence based on the logic of „what might work" instead of „what might be ideal"
Europeanization (isomorphism)	coercive	*acquis communautaire*	adaptive pressures (but playing the system might also occur – establishment of NUTS2 regions in Hungary), isomorphisms	EU requirements; pressure to access EU funds (conditionality), but the local leadership might have their own goals too

The prediction matrix based on the three mechanisms (Source: own compilation)

4. Findings

The three embedded cases are providing a good overview of the Hungarian public administration system. Eger is a fairly well-off and mid-sized Hungarian town, which is also a county seat therefore it can afford to have a sizeable public service – this enables the presence of the much-needed administrative capacity for PM to function properly. The Higher Education Information System (FIR) of the Education Office, a single-purpose central government agency is an online platform which contains all the data of university students and lecturers, and it is daily updated automatically with the most recent data from the higher education institutions. The Strategic Performance Management System (STMR) of the Ministry of Foreign Affairs and Trade is monitoring the operations of Hungarian diplomatic missions abroad based on the categorizations of the different telegrams the missions are sending home every day.

In the embedded case of Eger policy transfer is voluntary, and largely based on the decision of the mayor, however public managers on the lower level are always on the lookout for working best practices which they can adapt to their own operations. There is a major difference between service areas as far as PM is concerned: the more quantifiable a service are, the more PM will be expected to provide better results and support the management. In the field of urban services (road maintenance, cleaning of ditches, gardening, solid waste disposal) as well as in the municipal library there is a significant awareness of PM. The library is clearly an exemplary organization as it not only runs its own PM system, but regularly published performance information – even benchmarked results – on its website. Human services on the other hand are rather resistant to any kind of measurement, therefore PM has still a long way to go in that service area. The source of transfer is mostly domestic, the main objective is to solve existing problems quickly, cheaply, and effectively. The only interviewee who mentioned the role of PM in promoting legitimacy and transparency as well as citizen trust way the mayor – but ironically, he was not reelected in 2019.

It was clearly visible during the interviews that on the lower managerial level the most important motivation was to optimize financial resources, and PM was perceived as a tool to serve this objective. Continuous depletion of local government responsibilities, funds and resources forced local governments to do more with less, while citizen expectations about service delivery have only risen in the last few years, even though the average

citizen does not know what is the responsibility of the LG, and what is the responsibility of the central government. This was a challenge frequently mentioned by the mayor and public managers in Eger, and due to this the main objective of PM is to avoid the spectacular waste of resources, and to establish technocratic legitimacy. Supporting the activities and results with numbers was an objective that all interlocutors wanted to reach by using PM in their service area.

In the embedded case of FIR, transfer seems to be voluntary. When asked about the source of PM knowledge though, interviewees have highlighted the importance of a World Bank-sponsored program which started in 1998, so transfer was conditional back then, and even though the Management Information System which was to be built using World Bank funds did not become fully operational until a major overhaul in 2012 which led to the establishment of FIR, it has influenced thinking within the organization to a large extent. Enabling factors include the usability and reliability of data, high level of data generation automation and the presence of the necessary administrative capacity, but there is a general disappointment in the staff of the Education Office that decision-makers are not using the data that is being produced. Motivations include push-pull factors (foreign examples, lack of funds), but there is a need for technocratic legitimacy as well, which would enable the leaders of higher education institutions and bureaucrats to counter ad-hoc political decisions.

The embedded case of FIR is a good example of how ideas and practices from a different time and place influence the thinking of the senior bureaucrats, leading to a very high standard reporting system which – theoretically – could be used a proper PM system as well if there was a need from the political principals to base their decisions on reliable data.

STMR of the Ministry of Foreign Affairs and Trade is a highly complex system which was introduced after years of research and joint work with a consulting company. The caveat in this embedded case is that participation in STMR and producing data is not mandatory for all foreign missions, therefore the system itself remains incomplete. Despite of these challenges, the awareness from PM is clearly visible in the professional leadership of the Ministry: the desire to make better decisions, to learn from others and the overall level of moral and technical support from the senior management sets this embedded case apart from the other three. Problems exist however: like the two other

embedded cases and in line with the observations of the academic literature, we see that the resistance towards measurement, playing the system and institutional inertia / resistance clearly exist. Transfer is voluntary, and before designing the current system a widespread effort was made to identify relevant benchmarks and possible best practices, but these acted only as a form of inspiration for the Hungarian version at the end. Many assumptions of the performance movement can be discovered in the embedded case of STMR even though the operative arm of the ministry is also led by diplomats who do not necessarily have a background in (public) management.

5. Discussion

Looking at the four dimensions, I was able to make the following observations.

Nature of the transfer: voluntary in all three embedded cases; conditionality was present only in the original, 1998 World Bank-sponsored origins of FIR. Isomorphism is clearly not present at either of the cases, we do not see any kind of peer pressure or the fear of being left behind, which rules out mimetic isomorphism. There are no central government regulations which mandate the introduction of PM at any level of the Hungarian public administration, which makes coercive isomorphism impossible. Normative isomorphism would be possible if we knew the background of the decision-makers, but looking at them more closely we will find that there is nothing common in their education or social background, therefore they cannot have the same belief systems. Furthermore, while both Eger and the higher education sector have seen their funds shrink during the last years, the budget of the Ministry have been increased six-fold between 2010-2019.

Source of the transfer: in all three embedded cases sources are most likely to be the similar organizations at home and abroad. In the case of the local government similar LGs have a significant impact on the thinking and source-seeking behavior of Eger. Almost all Hungarian local governments are facing the same problems (scarcity of funds, ever-changing regulation), and all interlocutors have underscored the importance of learning from other municipalities, and this was augmented by the inputs of the representatives of the national associations as well. Access to foreign sources is usually limited due to the lack of foreign languages spoken, and the unreliable availability of travel (mostly due to financial reasons). In the embedded cases of the two other, central government organizations the source of transfer is obviously foreign, but it serves rather as source of inspiration than a direct blueprint. The most decisive factor seems to be the accessibility

of existing best practices, and which are close to the Hungarian administrative tradition as well. Administrative capacities (or the lack thereof) obviously plays a significant role, my observation is that the more specialized, PM-oriented staff works in the organization, the more likely it is that they will produce a reliable PM system which can serve the needs of the political principals too.

Enabling and disabling factors were easy to find in all three embedded cases. Reliable and up-to-date data is crucial for PM, and if these are regularly produced and used that helps to establish the legitimacy of PM within the organization. Knowing this, it might come as a surprise that during the transfer, data generation and processing skills are not in the forefront. In the case Eger, the existence of administrative capacities was an important factor, as the organization must be large enough to be able to afford the work of a few data analysts. Furthermore, the availability and affordability of ICT tools helps the spreading of PM as well. The coordinating efforts of the national associations (where applicable) further promotes PM-oriented thinking especially in the embedded case of the LG. Support from political principals is a key factor in all three embedded cases, while the "dashboard" of the Ministry's PM system is a prime example of how data can be presented concisely to the senior management of an organization.

Looking at disabling factors, the negative cultural attitude of the Hungarian public administration context to measurement seems to be the most serious obstacle, which is clearly visible in the debates around PM introduction. The lack of data processing capabilities (despite the desire to develop it and the available administrative capacity) seems to limit the possible impact of PM within the organizations. In the Ministry we can see that the lack of sanctions seriously limits participation in the reporting process, and this undermines the robustness of existing datasets as well.

Motivation is the key question regarding my hypothesis and the assumptions that the logic of appropriateness will drive policy transfer in the Hungarian case, and this is where the empirical results were the most surprising. The overall expectation form the principals who have been interviewed was focusing on the consequences of policy transfer, most importantly the expectation was that their organization will work more effectively leading to better and more efficient public service delivery. In order to achieve this goal, they were ready to look at solutions fairly alien to the Hungarian administrative tradition and take personal and political risks. The reason senior managers were looking for working

best practices somewhere else was thus rooted in the logic of consequences instead of my original expectation, which assumed that due to cultural factors the logic of appropriateness will prevail. Another sign indicating the logic of consequences was that all of the interviewees have wanted to leapfrog their arrears in management practices, and there was no outside pressure to introduce PM, therefore these organizations did not have to look for the appropriate answers to their problems.

Looking at the prediction matrix, I found the following answers:

Mechanism	Nature of the transfer	Source	Enabling / disabling factors	Motivation
diffusion (LoC)	Proven	Proven	Proven	Proven
lesson drawing (LoA)	Partly proven	Proven in the case of FIR	Not proven	Not proven
Europeanization (isomorphism)	Not proven	Not proven	Not proven	Not proven

Thus, the answer to RQ1 is that all of the major arguments of the transfer literature appear in the Hungarian case, but most importantly the openness towards best practices, the role of professional networks and organizations, as well as management needs. Support from the highest political level is critical for a successful PM introduction to the Hungarian context, which is augmented by the appearance of a rational actor who wants change to happen based on the logic of consequences, the possible outcomes of transfer. This means that progress may take greater leaps forward at a time, overcoming a significant gap in administrative culture.

The answer to RQ2 is that the most similar mechanism to the Hungarian case is policy diffusion, but in reality it is really hard to find a "clean" version of any of the three mechanisms, as they tend to mix based on the needs of the jurisdiction at hand.

The hypothesis was falsified, as the main logic of transfer in the Hungarian case was the logic of consequences, which was a highly unusual observation based on the literature I have reviewed for this study. Despite the overall experience of the Hungarian

administrative culture, its closeness to the incremental and appropriate steps and reform attempts, in the case of PM as a result of policy transfer the logic of consequences has the most convincing explanatory power.

6. Conclusion

My thesis focused on the role of policy transfer in the Hungarian public administration innovation process. Contrary to my expectations, the logic of consequences prevailed instead of the logic of appropriateness despite the claims of the literature that the Central European PA model is closer to the incrementalist tradition where only small changes are likely to happen. I consider this finding the most important one and clearly this should be my contribution to the overall scientific discourse about policy transfer. Based on my embedded case studies, I was able to highlight several enabling and disabling factors which influence policy transfer, the most important being political support from the senior management as well as the necessary administrative capacity to run the PM system. Out of the three transfer mechanisms checked, policy diffusion is the closest to the Hungarian empirical data.

Based on my findings, I can confidently claim that despite being a contraintuitive assumption, PM can enter the Hungarian PA context and work within the unhospitable environment. This is a significant observation, as the Hungarian government officially rejects NPM, but party due to the influence of NWS, and partly due to the management needs of public organizations some tools from the NPM ecosystem can survive within the new Hungarian setup as well, and will be mentioned in strategic documents as well. The role of transfer is not omnipotent though, best practices are rather serving as a form of inspiration for decision-makers rather than exact blueprints to be copied in other jurisdictions.

The Hungarian case resembles the idea of "policy bricolage", coined by Diane Stone (Stone, 2012), in which transfer acts is an important, but not crucial part of policy change. As Gajduschek and Hajnal (2010) underline, it is absolutely rational to expect decision-makers to look for mental shortcuts and thus existing best practices which are working somewhere else, therefore policy transfer is not a rarity even in the Hungarian context.

My research has obvious limitations: sampling methods do not allow for representativity therefore I relied on a qualitative research strategy and used the method of embedded case

study. The conceptualization of PM in the Hungarian context is very weak, and this might have led to measurement bias and swimsuit issues in the empirical phase of my study. A further form of criticism may be the fact that all of the three embedded cases are exemplary ones, and they do not represent the Hungarian reality of the ground, despite the fact that some of my conversations – which are not used in this study – have clearly indicated the resistance of everyday bureaucrats to measurement in general and PM in particular. Future research may focus on further exploring why PM exists in Hungary, and how best practices influence and orientate the thinking of public managers. Another avenue for inquiry might be to study how changes in the political leadership influence the functioning of PM: the higher education sector was moved to another ministry after the reorganization of the government in 2018, while Eger elected a new mayor in 2019, it might be worth revisiting both embedded cases to see whether the approach towards PM has changed after this.

7. References

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