The Impact of the Theory of Max Weber on Bureaucracy to our Present Day

Summary
The study highlights the role of Weber’s family background in his young academic career. It then details one prominent theme in Weber’s multifaceted and defining history of influence, which is the impact of Weber’s theory of bureaucracy on modern public policy and organizational theory. The study details the varied impact of Weber’s theory of bureaucracy. The study also focuses on simplifications, misunderstandings, effects that facilitate debates, and critical moments. The paper also focuses on the impact of Weber's theory on the history of the Hungarian public administration, with its disabilities and distortions. It discusses the influence, as well as the role of Weber's theory in the public policy approach.

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Introduction
Max Weber's oeuvre had - in the twentieth century, but even today -, a prominent influence in various branches of the social sciences, including sociology, philosophy, economics, history, and public administration. This effect was not always based on the authentic Weber oeuvre. One reason for this is, although Max Weber's works were written in German, the followers

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and critics of Weber's theories argued their points based on the English translations. The impact also contains creative misinterpretations, and the history of this impact is still being written today.

The other reason is that Max Weber’s oeuvre does not always contain clear answers to the problems he raises and analyzes. Furthermore, due to the voluminous and diversified afterlife of his works, the influences stacked on top of each other. As a result, those researchers who did not even read the original Weber works, but knew only his interpretations, were considered Weber followers as well.

**Max Weber’s Family Background and its Impact on The Specific Nature of His Work of Life**

Emil Maximilian Weber was born in Erfurt on April 21\textsuperscript{st}, 1864, as the eldest child of a family of seven. He came from a bourgeois family known as one of the richest families of German-English origin in the 19\textsuperscript{th} century; they belonged to the German merchant elite. His paternal grandfather was a smart and reliable entrepreneur in the textile industry who had significant international connections. His maternal grandfather (his mother’s maiden name was Fallenstein) came from one of the most successful German-English merchant families operating in Frankfurt am Main.

His maternal side owned the majority of the companies of the Frankfurt-based Souchay clan who were in the textile industry in London and Manchester As a result the family was one of the richest families in Germany in the mid-19\textsuperscript{th} century. His paternal side was the international weight of the Bielefeld-based Weber clan who was represented by Hamburg’s trading and shipping companies (the 150-year-old Weber Schäer in Hamburg is still one of the most prominent importers of raw rubber and exporters of machinery).

It is noteworthy that on his maternal side, the Fallenstein clan was related to the Bunge family, who had firms in Antwerp and South America. Even today, the Bunge family-businesses are among the richest private businesses in the world in grain growing and shipping (see: Roth, 2002:64-68 for details).

During Christmas 1879, one of his relatives presented Max Weber with a Goethe calendar, which contained the biographical data of many relatives of his family. Weber also obtained a G.F. Fallenstein biography written by Georg Gottfried Gervinus. From these sources, 15-year-old Weber made a large family tree thus, he was clear about his family background from a young age (Roth, 2002:65). Based on his family background and the family’s current relationships, the young Weber was knowledgeable about South American wheat exports, as well as North American railroad construction capitalism and related customs matters. This makes it easy to understand why he chose to begin his initial studies in commercial law, the topic of his dissertation, as well as his first works.

The foundations of his approach can also be explained by his cosmopolitan family background, but Weber’s father and many members of the family were influential political figures in the politics of the Wilhelmusin Germany. Roth therefore calls Weber a “cosmopolitan nationalist” (Roth, 2002:64).
They were featured as German liberals in their political life, but this liberalism cannot be understood without the national liberalism of Friedrich List. They opposed the liberalism of Adam Smith and shared the views of Friedrich List, as List sharply emerged against the fact that economics completely neglected the nationalization of mankind and the aspirations of the nation as a higher unity (Heller, 1943:24). The essence of classical school can be characterized by the two famous theorems of Adam Smith. His first theorem says that state intervention in the economy is not needed, because when the whole system of privileges and restrictions has been eliminated, the clear and simple system of natural freedom will automatically recover. On the other hand, Adam Smith justifies the state non-intervention by assuming an invisible hand. According to him, each person is led by an invisible hand to pursue a goal that he has never been set for himself (Smith, 1952).

In contrast, Friedrich List forms the German version of liberalism (List, 1841). According to Antal Balla, List was the first among the scientists who reconciled purely national views and goals with the new production order of economic liberalism (Balla, 1926) (Quoted by Hegedüs, 1938). Contrary to the principle of non-intervention by the state, he considered it necessary for the state to intervene. This meant creating a system with protective tariffs. He believed that Smith’s liberalism favored the economically advantaged, and did not give the weaker a chance to advance. However, government intervention was not seen as an eternal condition for development, and that the protective tariff system should be taken over by free competition as soon as the lagging countries progress with the leading countries. (In the Hungarian Reformation, Gergely Berzeviczy and István Széchenyi followed the teachings of Adam Smith, whilst Lajos Kossuth followed the trend of protective tariffs and founded a defense association – in addition, he knew Friedrich List personally).

The Hungarian National Liberals initiated and led the Compromise of 1867, which resulted in the establishment of the Austro-Hungarian Monarchy. Prominent amongst them was Ferenc Deák, the initiator of the compromise, Count Gyula Andrássy, the first prime minister of the Hungarian government, who soon became the Foreign Minister of the Monarchy. It is also important to mention the names of the Minister of Education and Culture, Baron József Eötvös, and the Minister of Finance, Kálmán Széll.

In Weber’s case, I wouldn’t dare label the oeuvre. His oeuvre was labelled as liberal imperialism, social imperialism, and Roth even called it “cosmopolitan nationalism” (Roth, 2002:64), as Weber always considered throughout his life the peaceful integration of Germany into the world economy without war, based on competitive advantages, even in practical politics.

**Some Characteristics Regarding the History of His Work of Life**

The historical impact of Weber’s theory is roughness. Much of his work did not have a significant impact, and even remained unknown for a long period of time. For example, two parts of his studies entitled “The Exchange” (Die Börse, 1894:17-48; 1896:49-80) were published in 1924 - four years after his death - by his widow, Marianne Weber, in the
“Gesammelten Aufsätze zur Soziologie und Sozialpolitik” (Weber, 1924). Weber wrote his works on the stock exchange between 1894 and 1896. Two excerpts of this were first published in 1905 in a 514-page manual (Volkswirtschaftliches Lesebuch für Kaufleute, 1905:614-657) with the knowledge and consent of Weber, then living in Heidelberg. Even this was not known until 2002, when Borchardt published them (2002:239-241).

Another historical feature of Weber’s work of life is that the interpretations of different trends contained both debates and contradictions; furthermore they also build on each other, while obscuring the content of the original Weber oeuvre, and unintentionally distorting it. By the end of the 20th century, the picture of Weber’s oeuvre often differed from the original. This meant that researchers who declared or classified themselves as Weberian were by no means likely to take positions based on the original Weber oeuvre. Reviewing the history of sociological impact, Ágnes Erdélyi writes that researchers have read more about Weber, than from Weber himself (Erdélyi, 1993).

Bence Marosán’s summary during the conference on the 90th anniversary of Max Weber’s death at the Institute of Philosophical History of Eötvős Loránd University in 2010 (Marosán, 2010:4-7), contains various moments discussing the differences between the history of influence and the authentic oeuvre. In our study, we examine only one moment of the impact history, which is the bureaucratic organization and the place and role of bureaucracy in modern societies.

**Weber’s Theory of Modern Bureaucracy and the Modern Public Administration**

The place and role of modern bureaucracy is a prominent chapter in the impact made by Weber’s oeuvre. This history of impact covers a wide range of social science disciplines. The present study focuses on the public policy as well as the organizational theory dimensions.

At the end of the 19th century and during World War I, many social scientists addressed the importance of bureaucratic organizations in industrializing societies, and argued that bureaucracy was gaining increasing social and political power. Of these theories, by far the most influential was Max Weber’s theory of bureaucracy. It is unavoidable in both the public policy and public management spheres. This theory has provoked controversy, and the evaluation of the growing power of bureaucracy in the 20th century and the 21st century is of paramount importance.

There are a number of differences between the original Weber theory of bureaucracy and the history of its effects.

One of the starting points of the bureaucratic theory is Weber’s doctrine of social action. In the doctrine of social action, Weber distinguishes four types of action. These are: traditional, emotional, charismatic, and rational-legal action.

The basis of power based on traditional action, according to Weber, is the inviolability of traditions that have prevailed since the start of time and the legitimacy of the persons whose power prevails (Weber, 1947:328).
Power relating to emotional action is based on the emotional legitimacy of the majority of society, manifested in the direction of the person or persons exercising power.

The basis of power based on charismatic action, according to Weber, is free from criticism towards a person endowed with a special and exceptional inviolability, heroism, or individuality to set an example (Weber, 1947:328). Weber sees this type of power as a temporary phenomenon that characterizes a period of social unrest. The charismatic nature of the relationship between the leader and society makes it impossible for stable institutions to develop. While the weak point of charismatic power is instability, the weakness of traditional power is in its static nature.

Weber infers from this, that power based on rational-legal action is superior to any other types of power. Weber justifies this on the grounds that this power is based on a belief in the legitimacy of normative rules, and on the fact that persons elected to power under the rules have a right of disposition in the political system. This type of power rests on a bureaucratic system of administration in which long-serving civil servants run, following rules, of course.

Weber links the development of a rational-legal bureaucratic system to the development of a modern industrial society.

**Weber Theory of Bureaucracy in Practice**

Two types of legal-rationality and rule of law were developed in practice during the 19th century, the French and the German.

The French model is also known as the Napoleonic model, and the essence of this model is that the state is unified and enforces the public interest, and the public administration is centralized, hierarchical, unified, and accountable; civil servants are also highly trained (Wright, 1990). This model has had an impact on Mediterranean countries such as Italy, Spain and Portugal.

The German rule of law primarily affected Austria and subsequently with that, Hungary was affected. In contrast to the French model, the Prussian state, which embodied the German model, was not based on the bourgeois revolution that abolished the monarchy, but on the power of the Prussian ruling elite. This meant that the Prussian ruler followed laws and rules – considered “enlightened” in that sense – and applied those laws and rules equally and fairly to different social groups and individuals, demanding the neutrality of civil servants and judges.

That is, the essential difference was that while the French principle of legality (principe de légalité) was an expression of the will (volonté générale) (Ziller, 2003), in Prussia and the Habsburg Empire it represented the absolute power of the ruler.

Later, after 1945, the liberal constitutional rule of law (Rechtsstaat) was a fundamental turning point in the development of many European states, (Kickert, 2008), and the Napoleonic and Prussian rule of law converged.

Legislation had become the basis for state functions. Administrative activity had to be based on the enforcement of the requirement of legality and the efficiency of the administrative actions on the establishment of the rule of law and the capacity to act, as well as the functioning of a professional, modern bureaucracy.
Weber’s theory of bureaucracy had been put into practice. According to this, civil servants were no longer at the personal service of the king, or the service of an impersonal statehood. They had appropriate qualifications and experience-based expertise, and professional formally prescribed duties, with lifelong employment, regular pay and a pension (Weber, 1922).

Weber sees the spread of a rational bureaucratic system as a consequence of the emergence of complex economic and political systems.

Weber makes clear the superiority of bureaucratic administration over all previous types of administration when he set out the criteria for bureaucratic administration. These, in Weber’s ideal approach, are as follows:

- a permanent organization with a special function or functions that comply with rules in their actions. Durability and consistency are ensured through written rules and decisions within the organization,
- the organization is built on hierarchical personal relationships. The area of power is clearly defined within the hierarchy and the rights and responsibilities of civil servants are defined at each level,
- staff are separated from the ownership of administrative assets. Members of the staff are free in their personal capacity and are only liable to their superiors for their impersonal official duties,
- appointed on the he basis of the qualifications of the staff (i.e., not elected) and promoted on the basis of merit,
- staff are assigned a fixed salary and are appointed for a fixed period. The level of salary depends on the rank in the hierarchy. Employment is continuous for a specified period of time and usually means until retirement (Weber, 1947:329-341).

In the politically changing history of the 20th century, a trend prevailed unbroken, and it is the growing power of bureaucracy.

**The Relationship of Weber’s Theory to the Weberians**

Theoretically, on the other hand, there are a number of differences between Weber’s original theory and the position of the Weberians, that is, the Weber followers. At first, Weber did not evaluate the principle of the worthlessness of social sciences, based on the methodological principle he created, but only logically analyzed the necessity; whilst the Weberians considered bureaucratic control and its fulfillment to be positive.

Ontologically, by Weber, there is no asymptotic approximation to the ideal type. His approach cannot be understood without the prerequisite of knowledge of the South German version of Neo-Kantian theory of value, and without the works of Heinrich Rickert and of Wilhelm Windelband (as a side note- Weber was a colleague of Rickert at the University of Freiburg and had a friendly and working relationship with Windelband in Heidelberg).

What is the essence of the Neo-Kantian theory of value? According to this, the values do not exist, they only prevail.
Their function is the comparative analysis of social historical situations and processes. The Neo-Kantians distinguished nomothetic sciees, (that is, the natural sciences) and ideographic, that is, event sciences (these were the social sciences). The natural sciences revealed regularities and the social sciences established uniqueness. The ideal type, according to Weber, is apt to typify uniqueness, but never value it.

The social sciences cannot establish regularities, but instead they are stuck in the essential generalization at the level of typification. So in the original theory of Weber, the ideal-typical level of legal-goal-rational governance cannot exist, but serves to typify uniqueness through comparison.

Weber followers also misunderstood the requirement of rationality. Weber’s conception of rationalism was complex. He distinguished four kinds of rationalism. These are: practical, theoretical, value, and formal rationalism.

The practical rationality of human action of the individual follows pure, pragmatic and individualistic interests. According to Weber, the practical rationality of social life has equal importance in all field of society (i.e., no sphere), including the economic one.

Human actions can and should be evaluated on this measure of rationality.

While enforcing theoretical rationality, people consciously dominate the growing reality using precision abstract concepts (this type of ‘Weber’ was also known as ‘intellectual rationalism’). The theoretically elaborated theories are confronted with the practical experiences with logical deduction and induction, with the exploration of causal relationships, and with their symbolic ‘meaning’. That is, theoretical rationality is formed by the processes of abstract cognition. Weber argues that people have a need to transcend habits and randomness by exploring connections. This is a human’s “metaphysical need”.

He was convinced that the confrontation of theory and practice has repercussions on human actions, and may even initiate the introduction of new rules of action. Thus, a ‘religious doctrine’ such as ‘Karma’ in the Hindu religion, or the doctrine of the Calvinists ‘predestination’, - in certain circumstances - have a significant impact on people’s daily lives.

Thirdly is the value rationality - similar to practical rationality, but unlike theoretical rationality, it “directly” organizes human actions into patterns (this is also what Weber calls essential rationality).

However, it is not based on a pure intention-consequence calculation, but on the basis of an evaluation on the past, the present, and the ‘value requirements’ of a better option. A value requirement is not simply a single given value, but it refers to groups of values that differ in terms of overall validity and internal consistency.

Value (essential) rationality “standardizes” the individual processes of human actions.

Fourth, formal rationality - according to Weber, with few exceptions, such as Roman law – is generally related to industrialization, mainly to economic, and to the legal and scientific spheres, but above all too bureaucratic rule. In contrast to the practical rationality, which is an intended-consequence calculation based on pragmatic, personal interests. Formal rationality performs calculations against generally accepted rules, laws and regulations.
It is technically indisputable that the “most rational” type of domination is bureaucratic control. This type of rationality only exists if expert lawyers can create laws that take into account the clear and general characteristics of each case, purely on the basis of the feasibility and legal logic of the processes (types of rationality are described in detail in Kalberg, 1980:1151-1159).

It has already been mentioned that Weber did not questioned the need for bureaucratic rule, however, he sought equilibrium. To create a balance to the necessity of bureaucratic domination, it must be reconciled with the individual autonomy of practical rationality (failing which, the individual inevitably would be schematized - what Weber considered a real danger), the sovereignty of theoretical rationality, and the everyday effects and demands of value rationality. Weber was sceptical and anxious because he could not find a way to balance these four kinds of rationalism.

In the English translation of Weber’s works, rationality was equated with efficiency. Weber, on the other hand, considered the correct predictability of administrative actions to be a requirement, which meant not only a cost-benefit calculation - otherwise bureaucratic administration has an indisputable advantage in this respect - but also a consideration of social consequences in addition to the technical dimension. (Albrow, 1970:157). In other words, in addition to efficiency, he also considered the requirement of effectiveness to be a guide. This is a significant difference. Between the two principles, the principle of efficiency is more traditional than the principle of effectiveness. Efficiency means critically evaluating and measuring the cost-benefit of a public service. In this case, the critical measure basically uses an economic-technical toolbox. The principle of efficiency is essentially a managerial principle; in other words, it seeks to optimize the relationship between costs and benefits.

The principle of effectiveness, on the other hand, assesses the extent to which a public institution is able to achieve its goals and the extent to which it is able to solve existing social problems. That is, it perceives what is the direct or long-term consequence of a decision or action made by a public institution. This principle rarely can be applied to a single action because decisions or actions of public institutions are generally not isolated. In reality, there is always a coherent line of decisions and actions, and therefore public policy programs and action lines need to be analyzed and evaluated in order to have a starting point for further action. Enforcement of the principle of effectiveness requires a multidisciplinary approach to public administration, in which, in addition to administrative law, a public finance, public institution management and public policy approach is also required.

Weber’s notion of rationality is thus complex, with multiple caveats. This concept includes both formal and material rationality, which sometimes can mean the opposite. Illustrating the difference can be made with the example of a train timetable: if someone wants to travel somewhere, there is a formal rationality based on the timetable, which can be misleading if the selected train is regularly delayed, because then material rationality prevails. That is, in such cases, knowledge of material rationality is important to adapt, and following formal rationality can be problematic.
By unilaterally enforcing formal rationality, we can even cause harm. This can be demonstrated by a number of examples (Osborne-Gaeble, 1992:350-354; 1994:334, 337).

The first example is the case of the training of welding workers in a school in the state of Massachusetts. In the story, the school released skilled workers of equally high quality at ever-lower costs. Therefore, the number of trained workers had increased year on year. They set the standard ahead of other vocational schools as an example to follow.

However, once they looked at the state’s unemployment lists. It turned out that the number of unemployed welding workers increased during the period in question. Formal rationality (i.e., efficiency), did not show this problem. It was also necessary to enforce the criterion of material rationality (i.e., effectiveness). A review of the employment situation revealed that more and more unemployed people were trained with an increasingly favorable cost-benefit ratio.

Another example is when driven by the intention to increase votes; the cost of education per student was reduced, which in turn reduced the personal tax. This seemed favorable when compared to the level of taxes in other countries. However, the exclusive application of the efficiency measure in this case is also misleading. If it turns out that, in the meantime, the standard of teaching lags far behind other countries, it becomes a source of public dissatisfaction. In other words, in addition to measuring educational costs, the criterion of effectiveness (i.e., material rationality), must also be applied.

In the history of impact, however, Weber’s notion of rationality is often simplified and identified with formal rationality.

There is a significant difference in the perception of the relationship between bureaucracy and politicians. Weber’s prophecy is that the influence of modern bureaucracy, both in character and complexity, will increase as a result of its management expertise. As a result, Aberbach distinguishes four types - these can also be considered stages of development - in the theories characterizing the relationship between politicians and civil servants.

The basic formula of the first theoretical type is simple: the politician decides, and the civil servant implements in politics. Aberbach also marks the theory by the name of Woodrow Wilson. For example, with the following quote from Wilson: “governance is outside the real realm of politics. Government issues are not political issues… They are part of political life just as the methods of accounting offices are part of the life of society” (Wilson, 1887:209-210) (Cited by Aberbach et al., 1981:4). The message of the first type is clear: civil servants obediently serve their political superiors.

On the other hand, according to Weber, discretionary decisions and non-discretionary decisions are inseparable in practice. Other researchers share this view. Paul Appleby, for example, believes that according to Weber, the theoretical separation of the work of politicians and civil servants is obscured and displaced in practice, and that anyone who believes in this separation is ridiculous (Appleby, 1949: XII,174).

Many researchers point out that the information and expertise of politicians is not enough to make decisions about emerging social problems. Politicians have comprehensive visions of the problems of the future, but regarding how to put their visions into practice
and how to transform their goals into relevant, achievable plans, as well as how to implement these plans, and how to respond to new unexpected developments; in these matters politicians largely depend entirely on civil servant advisers.

This basic formula allows civil servants to arbitrarily interpret the laws and rules that apply to them under the guise of anonymous neutrality. This is detailed by Guy Peters when he writes, “The supposed separation of politics and implementation gives civil servants the opportunity to engage in politics without being accountable for the consequences of their political actions” (B. Guy Peters, 1979:137-138) (Cited by Aberbach et al. 1981:5).

Over the course of the 20th century, Weber’s conceptual approach was realized, which is not the mentality of the “politician decides” and the “civil servant executes” model. Weber laid the groundwork for the public policy decision-making model, which already developed at the end of the 19th century. The essence of this model is valid also in the 21st century, which means that top-level civil servants have a decisive influence on the thematization of decision-making, and its effective implementation requires a “flexible” interpretation of laws and rules. Civil servants do this rarely out of self-interest, but because they see it as a requirement for effective and efficient implementation. Many civil servants prefer “bureaucratic politics” to be dominant rather than the term “party politics”.

In modern historical processes, the political role of the bureaucracy is increasing in the civil servant-politician relationship. In the new type of political decisions, civil servants emerge as representatives of facts and knowledge, whilst politicians represent interests and values. With this, a new moment emerged that was in line with Weber’s prophecy about the increased role of bureaucracy. In addition to the “shadow” bureaucracy, which used the “parliamentary back entrance”, the bureaucracy is already openly involved in public policy decisions.

Karl Mannheim (1946) developed a theoretical basis similar to Weber for the open role of bureaucracy in public policy decisions by separating “political rationality” and “administrative rationality”. Mannheim goes straight to the point where the civil servant does not even take into account political rationality but approaches all political problems solely on the basis of administrative rationality (Mannheim, 1946). However, Aberbach goes further and includes a third moment in analyzing the political decision-making role of politicians and civil servants. This means a further increase in the role of bureaucracy and covers the whole process of public policy decision-making. According to him, the essence of the difference is that politicians articulate the vague, overarching interests of disorganized individuals, and bureaucrats do the same with organized social groups. An essential feature of the division of labor, according to Aberbach, is that politicians are ideologically driven and bureaucrats, by contrast, are practice-oriented and pragmatic (Aberbach et al., 1981:9).

This is a further fulfillment of Weber’s prediction of an increase in the role of bureaucracy. This, in turn, forces politicians and civil servants alike to consider the political and administrative consequences of their intentions and actions. This already foreshadows the need for the appearance of the next, fourth moment, which Aberbach calls a true, unmistakable “hybrid”.
The fourth moment, and with it is the fourth historical stage, during the end of the twentieth century and is characterized by a convergence of political and civil service roles. This stage is also called the bureaucratization of politics and the politicization of bureaucracy. Senior civil servants are placed in a dual position because they simultaneously play a Janus-faced role; bureaucrats inward, and political leaders outward. This dual requirement also applies at the middle level of the bureaucracy, where tasks require both technical skills, and knowledge and flexible alignment with policy direction and strategy. In the hybrid phase, the career ladders of politicians and civil servants are no longer isolated and they are no longer just parallels that meet only at infinity. Although career ladders “slip together,” there are different variations in different modern political systems. For example in Britain, in 1964 the hybrid type was indicated when, Harold Wilson appointed leading party members to senior civil service positions who were ‘outsiders’ in the sense that they were neither civil servants moving up the career ladder nor Members of Parliament.

In Germany, regular party activity is quite common among high-ranking civil servants, and at the same time there are former senior civil servants among the members of the Bundestag.

In France and Japan, there is a high level of transition between political and civil service career ladders. For instance, a civil servant may reach the Cabinet of Ministers for membership based on managerial expertise, where tasks also require political skills. In a few years, after the development of political skills, they will be able to hold political leadership positions. This is usually the case for ruling parties - a typical example of this was the French President Giscard d’Estaing - but it is also the case for opposition types in opposition parties.

However, this historical process does not dispel Weber’s concern either, because the dominance of bureaucracy prevails here as well. Instead, the problem arises even more generally: how different social groups are able to control and influence the political decision-making and implementation process in which the same person appears, sometimes as a politician, sometimes as a senior civil servant. This also means that political party activities and administrative activities overlap or intertwine, appearing to social groups as a “mechanized fossil”.

A fundamental characteristic in the history of influence is that we must place Max Weber’s theory in a bucket consisting up of controversial theories. As in public policy pluralist theories see bureaucracies as agencies that seek to respond to the needs and demands of social groups and individuals, while also attempting to assert their own interests. Elitist theories naturally see bureaucracy as an important source of power alongside other large organizations. Marxist theories regard bureaucracy as an instrument of the ruling class.

Corporatist theories focus on the process of policy-making and assume the autonomous and dominant role of bureaucracy in this process. Even at this level, it can be stated that elitist and corporatist theories took over certain moments of Max Weber’s theory of bureaucracy by emphasizing the dominant role of bureaucracy. The starting point and approach of Marxist theories, on the other hand, is contrary to Weber’s theory.

Pluralists, on the other hand, develop both a sympathetic and a critical relationship with Weber’s theory in such a way that this critique is not realistic in every aspect. The theoretical fabric is further colored by the lack of homogeneity in all four basic theoretical trends;
we may encounter different - and often contradictory - approaches within each of the basic theoretical trends.

One example is that of the prominent neo-Marxists, Miliband (1969), says that bureaucracy is not neutral, but instead serves the interests of the economically dominant capitalist class. Miliband is clearly an “instrumentalist”. Among the Neo-Marxist critics of Miliband, one of the prominent authors is Poulantzas (1973). According to him, it is impossible to assert economic dominance directly as a social power. Bureaucracy, therefore, expresses the relationship of classes and groups within society and is relatively autonomous in relation to economic dominance. This also means that the bureaucracy can also take action in favor of oppressed classes.

Despite the controversy, Neo-Marxists take the view that bureaucracy serves the interests of the economically dominant class in a strategic perspective over the long run. They do not take into account that the class of capitalist entrepreneurs is not a monolithic block, but consists of groups with different interests and taking on tension with each other, which significantly influences the functioning of the bureaucracy. Both their “instrumentalist” and “structuralist” approaches run contrary to the theory of bureaucracy by Max Weber, who seeks to offset the trend of increasing power in bureaucratic organizations through reforms in the democratic political system due to shortcomings in democratic control and influence.

Another example is the elitist tendencies. In the elitist view, unlike the pluralists, political power is not divided among social groups, but is concentrated in the hands of a minority. And bureaucracy is an instrument of this political power.

This is explained by classical representatives of the foundations of elitism such as Mosca (1939) and Pareto (1935). In the United States, the debate between the elitist Hunter (1953) and the pluralist Dahl (1961) has resulted in a position in which elitism also includes a moment of pluralism. This can be called democratic elitism, where opposing and different opinions between social groups are governed and led by different elites. The competition of the elites is expressed in the regular elections, which are also manifested in the exchange or even circulation of the elites.

According to the elitists, the elite tendencies are structured. This is explained in detail by Bottomore (1966). It distinguishes a structured political elite who exercises power from the alleged political class. This elite is made up of government, bureaucracy, military leaders and, in some cases, families with political influence, aristocrats, royal families, and leaders of large economic enterprises. It distinguishes it from the political class, which, in addition to the political elite, includes leaders of opposition parties, trade unions, economic leaders, and politically active intellectuals.

**The Impact of Max Weber’s Theory of Bureaucracy in The Hungarian Public Administration**

After 1920, the independent Hungarian state followed the principles of the rule of law, following the path of the Prussian model. The rule of law was fragmented. This meant that special legislation was prescribed for the operation of the various legal institutions.
This was a common European phenomenon during the 1920s. Trianon, the annexation of the country’s territories, required the reorganization of the Hungarian public administration. The National Savings Committee was assigned with this task. Efforts had been made to simplify and streamline public administrative activities. Comprehensive arrangements were provided in the 1929 Act on the Unified Arrangement of Public Administration (Marsovszky, 2018:91). Max Weber’s theory of bureaucracy prevailed only by fortune.

Max Weber’s theory of bureaucracy and the principle of effectiveness was attempted to be implemented by Zoltán Magyary from 1930, who chaired the inter-ministerial committee dealing with the reorganisation of public administration between 1930 and 1931. Prior to that, during his more than two decades of administrative work, he became acquainted with internationally influential theories. He was influenced at the same time by American scientific management, the organizational sociology of administration based on the theory of Max Weber, and the classical German-Prussian public administration and law.

Whilst getting acquainted, primarily with his proposals for improving the administration of scientific life, he received a mandate from the Prime Minister István Bethlen, requesting a government commissioner to rationalize the entire Hungarian public administration. Zoltán Magyary submitted a detailed program, but in the preparatory work phase the implementation of the program was interrupted because “the executive and the managerial elite of the government was contrary to the values of the political and administrative rationalization at that time” (Ilión Pálné Kovács, 2011:175). Magyary resigned from his administrative reform function and retired to Tata. He began to deal with empirical research on the operation of local governments.

Imre Verebélyi summarized the essence of Magyary’s ideas of reform, as he writes: “Zoltán Magyary considered the simultaneously the importance of legality, economic efficiency, and effectiveness in the field of public administration. In the conditions of Hungary at that time, the emphasis was on improving efficiency and reducing the one-sided legal approach. This was because the approach of formal legality was much more important than managerialism in Hungarian administrative traditions and contemporary administrative practice. Zoltán Magyary tried to reduce this disproportion in Hungary between the two world wars, by working to improve the efficiency of public organization, which was in the background at that time” (Verebélyi, 2010:17).

Imre Verebélyi chose a suitable Magyary quote, in which Magyary himself explained in detail regarding the need for a turnaround, saying: “The great achievement of the 19th century was the establishment of the rule of law. The rule of law means protecting the individual against the administration, ensuring the individual’s authority, and protecting him or her by an independent court. It was a great and valuable achievement, and it will not be given up again. However in the post-industrial state, it isn’t only in the individual’s interest anymore… The more that the public administration expands - and this trend, as we have seen, is expanding everywhere, and at a more rapid pace since the war - the more important are the results, and the more the public directs their attention to them. The rule of law was unilaterally exaggerated, and this led to a fading of all aspects other than the legal aspect in the admi-
nistration; the public administration was also conceived solely as law and the application of legislation… Of course, it is easier to be a lawyer than to meet the requirements of economy efficiency and effectiveness by complying with the law. It requires more; a different kind of relationship with citizens. So in many ways it requires a new attitude, a sense of responsibility not only to comply with the law, but also to meet the legitimate needs and requirements of citizens, the public, and the people. Economic efficiency and effectiveness must be achieved within the framework of legislation; it can be reconciled with it” (Magyary, 1937. Quoted by: Verebélyi, 2010:17).

In his program, Magyary marked the tasks he considered to be the most important. These were:

- establishing cooperation between administrative levels,
- the separation of the organizational and individual performance appraisal system,
- encouraging institutional reform initiatives,
- arrangement of the powers of public administration institutions,
- balancing central and local administrations,
- enforcement of the efficiency and effectiveness criteria,
- promotion of public activity,
- the need for appropriate expertise,
- favoring justice over the administration of justice,

Zoltán Magyary’s approach was also valuable because it not only integrated the three already established disciplines of public administration (public administration law, public economy and finance, and public institution management), but also anticipated the public policy approach, which had international effect from the 1950s, due to the works of Harold Lasswell (Lasswell, 1951).

We can illustrate this statement with several Magyary’s quotations from the work entitled “Hungarian Public Administration”. To justify our claims, we selected the following two quotations: “However, in the public administration, the state is interested in not only the legal effects of the action, but also in the action itself” (Magyary, 1942:84). “So the state must also be interested in how to organize, how to achieve results, when to act, and which of the various possible solutions are better than the other, and why?”

It means that during the action of the state, the state is not only interested in the legal aspects of its action, but also in the way of action, the technique of action, and the value of action” (Magyary, 1942:84-85).

Magyary consciously continued the scientific tradition founded by Lorenz von Stein, which clearly went beyond the approach of public administration law. The science of public administration (German: Verwaltungslehre; French: doctrine administrative) is in Magyary’s view, a complex approach to the world of administrative problems. He emphasizes that the public administration is not an executive institution, but instead an action of the state. That is, public administration is not only legislation and law enforcement, the operation and relationship system of institutions and organizations, and the budget and public finances; but also a series of decisions and actions.
Magyary’s proposals fully reflected Max Weber’s theory of bureaucracy, but these proposals were not implemented.

After Magyary’s resignation, Gyula Gömbös first planned to restructure the public administration, which he did by following fascist patterns. World War II disintegrated the public administration, decimated personnel, and caused enormous losses. This is especially true for the period during Szállasi’s reign, as a result of which Hungary became a largely devastated and losing country. As a consequence, the country’s state power, army, and administrative elite left the country.

Hungarian Public Administration between 1945 and 1949

After 1945, reconstruction and restoration tasks were on the agenda. Self-activity, the momentum of local and spontaneous organizations was enormous. Local administrations began to function, but there were parallelisms, tensions, and clashes between the National Committees - consisting of party nominated persons- and the re-emerging municipalities, and opacity and uncertainty were caused by the intervention of the occupying Soviet troops.

In 1946, István Bibó, the Head of the Public Administration Department of the Ministry of the Interior, formulated two proposals for the reform of public administration („The reform of the Hungarian public administration” and „The problems of the Hungarian public administration reform”). He emphasized two moments in counterbalancing the party’s political aspirations; they were the legitimacy and the decisive role of the local government level. These circumstances were not conducive to the enforcement of the Weberian administrative approach, nor the ideas of Magyary’s reform.

Socialist Public Administration (1949-1989)

After 1948, a socialist administration was built following the Soviet model, which meant a totalitarian dictatorship and a system of councils implementing the will of the party power. With this, local governments were abolished and completely centralized control prevailed. Power was based on a one-party system and on arbitrary repression. The government only implemented the party’s resolutions. Civil servants were selected on the basis of political allegiance and ideological commitment, without having expertise. The party power developed a holistic planning system, with theological and ideological foundations. They were formed by the theories of the four “new evangelists”: Marx, Engels, Lenin and Stalin.

Neither formal, nor material rationality prevailed in public administration. Weber’s criteria of efficiency and effectiveness were not interpretable in these circumstances either. An important step towards formal rationality after 1956 was the Consolidated Administrative Procedure Act, which came into effect in 1957. However, the criteria of material rationality, efficiency, and effectiveness still did not apply. The decision-making model had not fundamentally changed. In concrete terms, this meant that the state party made decisions that formed a “basic political direction” and were always right. At the same time, civil servants were no longer bound only political loyalty, but also professional leadership and organizational
expertise. Thus, from a formal-administrative point of view the legitimacy of rationalism was recognized and demanded. On the other hand it provided an opportunity to blame implementation errors and disabilities, because the “core policy direction” was always considered infallible.

Before 1956, if the construction of the metro in Budapest did not proceed at the desired pace, it was either political sabotage or, to quote Sartre, “the ground was counter-revolutionary” because it did not adapt to the goals of voluntarism. After 1960, however, if there was a lack or deficit between the party’s decision-making goals and actual results, there were never any decision-making mistakes in the background, but inconsistencies or organizational shortcomings of the implementation or the administrative leadership.

That means that the implementation phase was essentially a disciplined implementation, without any autonomy.

In the 1980s, a change began in the relationship between decision-making and implementation. The autonomy of public institutions and civil servants increased, they influenced the preparation of decisions, the schematization of decisions, the elaboration of the content of decisions, as well as the timing of decisions. Based on this, the former totalitarian system was transformed into an authoritarian system in which the party’s basic function and leading role in decision-making remained, but the requirement of professionalism increased. During the transitional period of 1989, the autonomy of the Hungarian government gradually developed, such that it became a significant factor in the change of regime.

Previously, everyday political practice was characterized by a detailed government decision based on the decisions of the higher party bodies, which were cast into a legal form that complied with the requirements of legislative codification.

However, since May 1989, governmental autonomy has developed, in which the government has taken on an independent political role, became independent from the party, and has become a decisive factor in the peaceful and constitutional transition to a market economy, liberal democracy, and the rule of law. The main stages of government independence were:

- From March 1989, no government intentions were received in the form of preliminary proposals to the party’s governing bodies, nor was the government receiving “executable” instructions from the leading party bodies. The party and governmental mechanisms were separated.
- The government prepared decisions and submitted them to parliament through internal consultation, coordination, and conciliation mechanisms. A government that was accountable to parliament had been formed.
- It meant that the development of governmental autonomy when it was announced that the Central Committee of the Hungarian Socialist People’s Party and the Patriotic People’s Front had waived the right to nominate ministers. With this, the Prime Minister was given a free hand to transform the government. This happened in May 1989.
- The National Round Table, which met in June 1989, gave final political legitimacy to the model, the conditions for which the government had already established by then.
- This meant that in addition to formal rationality, there was already a shift towards objective rationality. The government has also enforced the criterion of effectiveness.
Public Administration After the Change of Regime

At the time of the change of regime, the organizational and institutional framework of the rule of law was established. The practical implementation of Weber’s theory of bureaucracy has begun. However, the dynamics of development differed from the development pattern of developed market economies.

In these countries, at the end of the 19th century, the positive economic and social policy functions of state redistribution appeared. It was necessary by the fact that the dominant role of market redistribution resulted in opposite social tensions, and its inability to develop the social policy resources for the operation of the economy in the long run.

State intervention first took place in the Bismarckian state. After that, the state redistribution increased implemented by the activities of the bureaucracy. During the 20th century, the role of bureaucracy grew unbroken, while political systems changed many times. Max Weber’s vision of the necessary increase in the power of bureaucracy became true.

However, from the eighties in the 20th century, state redistribution was in crisis. A paradigm shift had begun, the essence of which was that market participants and private companies that had been excluded from public services 100 years earlier, had been involved in the provision of public services. The bureaucracy also began to use market methods, because only the effectiveness of public service activities could legitimize welfare states, and the political systems of developed market economies.

Competition has unfolded in the provision of public services, with the participation of public institutions, private companies and NGOs.

The transformation began with making public institutions fit for competition by separating regulatory-supervision from the service function, and incorporating incentives that made public institutions fit for competition. Only then, in the second phase, were market participants involved in the provision of public services. Different service providers entered the multi-player competition with equal opportunities. In practice, public institutions had proven their ability to compete.

The participants in the competition also formed associations in which public institutions, private companies, and non-governmental organizations participated as partners. The goal was to build a strong, flexible, and adaptable government. It turned out that a larger government is not stronger, just as a minimized state is not weaker. Weber’s theory has become partial, but it has been unbroken in the field of regulation and control and its requirements have become more complex due to the multi-player competition. Privatization in the area of separating the regulatory and supervisory function, have not proven to be effective.

In Hungary and in the Central-Eastern European region, on the other hand, the introduction of New Public Management (i.e. the involvement of market participants in public services) began at a time when the rule of law, and the regulatory and control function of the bureaucracy had not yet been consolidated and public institutions were not ready for competition. Although the complete dismantling of the socialist administration could only be carried out in a space of time, the abolition of the council system and the establishment of an independent system of self-government resulted in the formation of organizations that
would have required a strong, consistent system of regulation and control. On the other hand in Hungary the building of the rule of law and using New Public Management tools are accumulated to each other.

This has made the functioning of the public administration unstable and has created uncertainty that has paved the way for corruption and necessitated ad hoc adjustments. As a result, as Ilona Pálné Kovács states: “Although the need for transparency, quality and cost savings appeared in almost all government programs, voicing the criteria of “good governance”, the public administration still had to be reorganized cycle by cycle under the slogan of either reform or modernization. It was the basic position of all governments to deny the former, not only conceptually but also personally. This is also the fate of the expert works that proposed changes of the foundations of public administration” (Pálné Kovács, 2011:176-177).

A typical example of dysfunctionality had also emerged in the area of privatization. It was a unique innovation when it was called privatization, when Hungarian public institutions sold to the German and French state public institutions. Question: How can this procedure be called privatization at all? After 2002, a situation with crisis symptoms emerged. They disrupted and impeded the efficient and effective functioning of the public administration. The main features of the crisis were as follows:

- Consensual democracy has been replaced by confrontational democracy. Competition between the parties, which is one of the essential features of liberal democracy, has intensified to such an extent that the political system had become fragmented. This reduced the problem-solving capacity of the political system. Fragmentation had resulted in an “internal” political life in which actors in the political system invented problems for themselves. The cardinal problems of the political system were mostly peripheral for society, and the public resonance was therefore low for the events of political life. The passivity of society was increasing.

- The legal-institutional mechanisms of participatory democracy functioned irregularly and became vacant, and the political institutions with an integrative function (trade unions, professional chambers, churches) were unable to counterbalance the fragmentation of the political system.

- NGOs did not have the strength to force representative democracy in the direction of participative democracy. In fact, the inadequacy of civil dialogue and the emerging political patronage have created a duality among NGOs. Some NGOs became less and less involved in the aspirations of civil society, and party dependence became increasingly stronger. Many times, the price of state support was an increasing dependence from the parties. This has resulted in NGOs being placed in a secondary, vulnerable position in public policy-making.

- Although the legal-institutional framework of the rule of law (Rechtsstaat) has developed, there were serious shortcomings in their day-to-day operation, which were reflected in the shortcomings of the separation of powers and the dominance of the executive. Party-state, political patronage, and client systems were emerging, for which the term “democracy,” seemed to be not adequate.
Public institution management reforms have been linked to an ideological premise that private institutions are inherently more efficient and effective than public institutions. This practice has not been proven anywhere in the modern world, because the essential driver of reforms is precisely the competition with many participants. It has also been shown that a public monopoly is a factor limiting the efficiency of public services, but replacing it with a private monopoly has no efficiency-enhancing consequences. It has the same effect. Moreover, the assumption of the supremacy of market mechanisms has ignored the value orientation, which is necessary at the public services, and it ignored the requirements of openness, transparency, and accountability, all of which are essential in liberal democracies.

At the central level, the line between the ruling parties and the government has blurred, and reflexes and instincts about party statehood have revived in public opinion. The situation was more favourable at the local level, because local governments were not always directly linked to party aspirations.

There was a real danger that, if the trends would have been continued, a neo-patrimonial state would emerge that would lead us to the periphery of the EU. The danger of a turn off process emerged, similar to that which had already occurred in Hungarian history, firstly during the Turkish occupation, and secondly after having been part of the Soviet empire. Only the transition to a market economy, political democracy and Legal State that began after 1990, prevented the turn in the Hungarian province of the Soviet empire from moving towards the hopeless depths of the economic periphery.

It was a particularly serious symptom that the principle of the rule of law and the efficiency and effectiveness of the public administration were violated many times. That is the reason why Lajos Lőrincz writes: “The task is still what Magyary pointed out: among the aspects of legislation concerning public administration, the aspects of efficiency must be placed in one of the first places” (Lőrincz, 2010:42).

**The Széll Kálmán Plan and the “Zoltán Magyary Public Administration Development Program” from 2010 to the Present**

In 2010, the number one task was to eliminate the danger of turn off. It was necessary to treat the external and internal imbalances stemming from past flawed economic policies, the rising public debt, the missing balance of payments deficits. Not only that, but the increasing dept of local governments and a significant part of the population together with the needs of international creditors demanding austerity due to high foreign currency debt also had to be treated.

The Széll Kálmán plan implemented structural reforms in important areas, which prevented the turnaround, and opened the way for sustainable economic development. The increase in the number of employees has begun and tax reforms have taken effect. The construction of an economic growth model that relies on internal resources instead of indebtedness had begun. It has averted the debt risk and reduced external vulnerabilities, a new balance
has been struck; growth-friendly fiscal consolidation, and complex support for families and childbearing has taken place.

The realization of the goals of the Széll Kálmán plan made it possible for the Hungarian economy to deal with the economic difficulties caused by the COVID-19 pandemic, and the plan is currently in a bullish trajectory. The ten year balance sheet shows that the basic strategic directions have essentially been achieved, if not always at the planned pace. There are some backlogs in the current situation.

The fundamental economic task in the near future is to make a shift from the level of medium development in the direction of developed market economy, with the activation of new resources of development dynamics. At the beginning of 2010, the response to the threat required a comprehensive reform of state power, which was accompanied by reform steps that included the transformation of the constitution and the basic branches of power.

This laid the foundations for catching up in sustainable development, and thus opened the way for the implementation of the Széll Kálmán plan in the last decade, but the branches of power and the constitutional reform also necessitated a comprehensive reform of the executive, with a clearly defined strategy, and with action plans.

The Széll Kálmán plan already included measures aimed at the cheaper and more efficient operation of state institutions, and also addressed some of the problems of the social care system. The first version of the Magyary program (Magyary program 11.0) is a comprehensive public administration development program that has developed an efficient and effective public administration, and resulted in the simplification of the lives of citizens and businesses in four areas. This restored and consolidated the requirement for the regulative and control function of the bureaucracy.

- First, the Magyary program 11.0 prepared an organizational cadastre, on the basis of which it settled the issues of competence and management, reviewed the outsourcing, the physical and IT equipment.
- Secondly, it created a public task cadastre, which was the basis for deregulation and implementation-level legislation and administrative strategy-making.
- Thirdly, it developed a new concept and type system of administrative procedures, covering both internal and external office procedures and the procedures of the clients.
- Fourth, it renewed its staff by enforcing a comprehensive target system.

The Magyary program 12.0 analyzed the previous implementation of the Magyary program, and defined the conceptual essence of the transformation. It was the service of Public Good, which best serves the needs of individuals, communities and businesses.

Further versions of the Magyary program have not been published. Instead of that, for the period 2014-2020, two programs specified the tasks. They were the “Public Administration and Public Service Development Operational Program” and the “Public Administration and Public Service Development Strategy”.

The main system-level goals of the Hungarian program are:
- Effectiveness; Efficiency; Efficacy;
- Flexibility (security);
- Accountability and transparency; Adaptability (development).
György Jenei: The Impact of the Theory of Max Weber on Bureaucracy to our Present Day

Its main organizational goal is to implement new public management in the public sector, among the tools of which it also uses the results of the New Public Management movement and uses its toolbox.

According to Per Lagreid: “New Public Management (NPM) reforms have been around in many countries for over the past 30 years. NPM is an ambiguous, multifaceted, and expanded concept. There is not a single driving force behind it, but rather a mixture of structural and polity features, national historical-institutional contexts, external pressures, and deliberate choices from political and administrative executives.

There is no convergence towards one common NPM model, but significant variations exist between countries, government levels, policy areas, tasks, and over time. Its effects have been found to be ambiguous, inconclusive, and contested (Lagreid, 2017).

The Magyary program cannot be considered as a model of the New Public Management movement. The Magyary program is rather a combination of Weber bureaucracy theory and the tools of New Public Management (Rosta, 2012). It separates steering from rowing. In the application of the regulatory-control function, due to the multi-stakeholder public service and privatization, it will further develop this function along the Weber Trail. At the same time, in the field of “rowing”, the state is retiring, and other actors (private companies and NGOs) are gaining ground.

Of course, there is no perfect administration, just as Weber’s ideal type does not exist. Economic and social needs require further progress in two points: in particular, in the involvement of local governments and the active involvement of the population (Pálné Kovács, 2011:178). Both steps would increase resources.

The Hungarian movement has unfolded and will continue without a unified theory. Theories are different, but they do not hinder the development of the movement. The movement is called neo-Weberian synthesis by some and post-new public management by others. However, a theory that encourages the movement, summarizes its results, and develops a strategy and action plans for moving forward has not yet been born. Nevertheless, a requirement can certainly be set in the words of Marcel Proust: “The real voyage of discovery consists not in seeking new lands, but in seeing with new eyes” (Osborne-Gaebler, 1992: xxii).

References


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