

Telecottages in Hungary¹

1. History and foundation

The first telecottage in Hungary was established in 1994 in the village library of Nagymágocs. It was organised as one of the services of the library and was called the telecorner. However, it only lasted for approximately three months.

Later the same year, another telecottage was created in the village of Csákberény. This telecottage proved to be more permanent. It still operates today and offers a broad range of services, e.g. tele-training and tele-work. The telecottage at Csákberény was established by local inhabitants as a community centre in order for people to get access to information, support and training via electronic communication means. It was not the result of any external initiative. However, the telecottage initiative gained support from the Ministry of Welfare.

On the basis of this first initiative, the Hungarian Telecottage Association (Magyar Teleház Szövetség) was established as a civic organisation in 1995 with the purpose of disseminating knowledge about telecottages and of helping in the establishment of new telecottages.

The next big step was taken in 1996 with the help of USAID via United Way International (UWI) with the launching of the Network for Democracy programme. The aim of this programme is to support civil society organisations. The funding of the programme is 100 mill. Hungarian Forints (HUF) which equals approximately 0.4 mill. USD. In 1997, 14 telecottages were established on this basis, and in 1998 another 15 telecottages are planned to open.

¹ We would like to thank Mátyás Gáspár, honorary president of the Hungarian Telecottage Association and project leader of the the National Telecottage Programme, and Lars Qvortrup, professor at Aalborg University in Denmark and vice-president of the International Association of Community TeleService Centres. The first section of this chapter

By the end of 1997 there were 23 telecottages in Hungary. In December 1997 the National Telecottage Programme was announced at the first Hungarian Telecottage Symposium, "Network for Democracy - Telecottages Online", which was organised by the Hungarian Telecottage Association, the Network for Democracy programme, a number of ministries, and other public and private organisations. The symposium was attended by some 250 persons, among them a number of ministers and other representatives of ministries, and the symposium was widely covered by the press - all these things being an indication of the widespread interest for telecottages in Hungary.

The National Telecottage Programme is based on a government commission report and has received a funding of 100 mill. HUF from the government. In addition, it is expected that the programme will receive another 200 mill. HUF from other sources so that the total funding will reach some 300 mill. HUF.

The programme funding will be used for hardware and software and for training of staff with an average support of 2 mill. HUF per telecottage. There should thus be room for supporting 150 new telecottages. The plan of the National Telecottage Programme is to help establish 100 new telecottages during 1998. In January 1998, already 27 new telecottages were under construction. If the 1998 plan is successful, the idea is to continue supporting the establishment of another 100 telecottages before the year 2000. There are 250 local areas in Hungary that have declared their interest in establishing a telecottage if appropriate financial support can be provided.

In order to apply for the 2 mill. HUF support, there must be local support of at least 1 mill. HUF and an adequate building must be provided. Furthermore, a number of other conditions must be met:

- Establishment of a public body for the telecottage
- A strategy for the integration of the telecottage into local development plans securing that local demands are met and that sufficient future local income is likely
- A three year development plan
- Institutional integration of the telecottage into existing public and private organisations

builds extensively on information from these two persons. The following sections build mainly on information from Mátyás Gáspár.

- A minimum scope of ICT based services
- A network co-operation plan
- Identification of a responsible person

The objective of the National Telecottage Programme is to modernise the rural regions of Hungary and to provide equal opportunity for all. There is thus a keen interest in telecottages being deeply imbedded into local communities. Furthermore, there is an interest in setting up services both for broader community purposes and for business interests.

From 1994 to 1996, the number of telecottages in Hungary was at a low level (1994: 1, 1995: 2 and 1996: 2). However, the National Telecottage Association was built and contacts, both national and international, were made. There was thus a structure to build on when economic support came, first from USAID and later on from the Hungarian government. It was only then (in 1997) that the large growth of telecottages started.

All this points at some of the important elements in a successful establishment of telecottages. The leader of the Hungarian Telecottage Programme, Mátyás Gáspár, emphasises the following success factors: Personal initiative, first operating telecottage as an example, publicity (conferences and publications), contacts with high ranking persons, national and international co-operation and contacts and economic support².

From the part of the government, telecottages have not only received financial support. Mátyás Gáspár emphasises, in addition, government participation in the establishment of a nation-wide network service in co-operation with the national Telecottage Association, the inclusion of telecottages into the national IT strategy which has given prestige to the telecottage movement, and the organisation of public services for delivery through the telecottage network³.

In the future, the idea is to scale down financial support. The National Telecottage Programme plans that while income for telecottages today comes from 70% grants and 30% local income, the aim is

² Answer to a questionnaire from the MPCIC-project, January 1998. Regarding the first point, a network service provider for telecottages is being set up with 80% government ownership.

³ Op.cit.

that in 2-3 years, total income will be equally distributed between local service income and income from delivery of services for central, regional and local governmental institutions.

In addition to the National Telecottage Programme, a plan of the Hungarian Post Corporation deserves mentioning, namely a plan to transform a number of economically non-sustainable small rural post offices into telecottages with postal services and e-mail, access to public data bases, credit card terminals, etc. The budget of this TelePostCottage project is 200,000 USD, and the aim of a pilot project is to establish **10** TelePostCottages.

2. Services and technology

The telecottages in Hungary offer a multitude of different services, pointing at the many different interests that find an expression in telecottages. Mátyás Gáspár (see note 1) lists the different services offered in the following fashion.

Table 1: Services offered by telecottages in Hungary, February 1998

	Percentage of telecottages offering this services in February 1998	Percentage of telecottages expected to offer this services from the beginning of 1999
Agricultural information service	29	82
Almanacs, catalogues, encyclopaedias	35	76
Second hand book store	6	35
Coffee, tea	29	59
CD-ROM rent	6	71
Civic service centre	82	94
Public e-mail service	71	94
Tourist information centre	41	76
Newspaper reading room	65	88
Translation service	41	82
Sale of books, postcards, etc.	29	76
Local advertising and information services	88	100
Local homepage redaction	41	82
Local calendar and other publications	29	76
Local phone book publishing	12	35
Local radio broadcasting	-	35
Local cable TV redaction	18	59

Local newspaper redaction	59	88
Public Internet access	82	88
Office services (office space, fax, computer, copy, etc.)	100	100
Local stationary exhibition	53	65
Trade, business intermediation	41	82
Information services	59	100
Local area development services	29	65
Computer assisted school training	18	59
Local competencies information service	24	76
Public information service	88	94
Community development and program services	88	94
Job finding assistance	76	94
Multimedia access	65	82
Education, training services (computer, language and other courses)	53	88
Information booklets	53	76
Computer use consulting	71	88
Computer game	94	100
Computer working	94	100
Social services assistance	41	71
Consulting	59	71
Telebanking	-	12
Teleshopping	-	35
Telework assistance	6	76
Teleeducation	12	71
Teleadministration services	29	76
Televillage centre	12	41
Carpool and other transport services	24	65
Local information centre (database)	47	94
Local development centre (assistance)	35	88
Local development project management	35	76
Tourist information centre	35	88
Public administration client service (assistance)	82	94
Blood pressure measurement	12	29
Videoconference	6	29
Others: Children programmes	6	16

Source: Mátyás Gáspár, Hungarian Telecottages Association and Programme

Note: Based on a survey of 17 out of 24 telecottages.

The most striking thing about this list is the multitude of services offered. Telecottages in Hungary are really multi-purpose community centres. Some of the services are, of course, only offered in a few telecottages and a couple of services are not offered yet, but are only being planned. However, the general picture is a broad variety of services and an ambitious plan on the part of the Hungarian Telecottages Association to help develop a wide spectrum of services in most telecottages.

As present, the most widespread services (80% and above) are civic service centre, local advertising and information services, public Internet access, office services, public information services, community development and program services, computer games, computer working, and public administration client services. In a year's time, other widespread services are expected to be agricultural information services, newspaper reading room, translation services, local homepage redaction, local newspaper redaction, trade and business intermediation, information services, job finding assistance, multimedia access, education and training services, computer use consulting, local development assistance, and tourist information centre.

In terms of technological solutions offered in Hungarian telecottages, table 2 provides an overview. Today, the most widespread technologies are computers, CD-ROMs, black & white printers, phone lines, modems, faxes, and copiers. In a year's time, additional widespread services are expected to be advertisement boards, colour printers, and scanners.

Table 2: Technological solutions offered by telecottages in Hungary, February 1998

	Percentage of telecottages offering this technological solution in February 1998	Percentage of telecottages expected to offer this service from the beginning of 1999
Advertisement board	71	100
Computers	4.5 (average number of computers)	6.3 (average number of computers)
CD-ROM	2.0 (average number of CD-ROMs)	3.2 (average number of CD-ROMs)
Colour printer	65	88
Black & white printer	88	82
Phone lines	1.6 (average number of lines)	2.1 (average number of lines)
ISDN lines	-	47
Modem	100	100
Videoconference	6	35
Fax	82	82

Copier	100	100
Scanner	29	94
TV set	29	76
Video recorder	35	76
Video camera	41	71
Video projector	6	53
Flipchart	18	76
Overhead projector	6	65
Refrigerator	41	82
Coffee, tea machine	41	76
Minibus	24	53
Server	-	12
Other: planning board	-	6

Source: Mátyás Gáspár, Hungarian Telecottages Association and Programme

Note: Based on a survey of 17 out of 24 telecottages

An important aim of telecottages in Hungary is to become - or play a role in developing - local information centres. At present, telecottages are gathering information for immediate use, e.g. property sale, jobs, buying-selling offers and many cottages are planning for local territorial development databases for local and external use. However, these efforts need methodological and technical assistance from the not yet existing regional and central network centres.

The development plans of the Hungarian Telecottage Programme for local Internet-based telecottage information services are⁴:

- Village homepage services
- Social help information
- The future village (village problems, solutions, best practices)
- Local area development services
- Televillage (building a new virtual village for network users)
- OK case (public teleadministration)
- Telework services
- Small entrepreneur assistance
- Civic organisation assistance

⁴ Cited from Mátyás Gáspár's answer to the project questionnaire.

- Gesta 2000 (writing local multimedia chronicles by children)
- Teletrade and telebanking
- Agricultural information system
- Tourist information system
- "Small worlds information system" (collection of information from the local regions concerning attractive individuals, groups, small communities, etc.)
- Teleeducation system
- Provision of shared referenced multimedia resources
- Let's Build a Telecottage! (teleeducation programme for telecottage staff-members)

3. Other factual information

The actual and planned telecottages in Hungary are located in rural areas. The Hungarian Telecottage Programme is also considering the possibilities for assisting in establishing telecottages in urban areas. However, it is not among the top priorities.

The scale of villages in which telecottages are located is between some hundred and some thousand inhabitants. A survey of users of telecottages has not been performed in Hungary. However, based on experience, it is estimated that they in average have 20-30 visitors per day.

Regarding training of staff-members, actual users and prospective users, the opinion in the Hungarian Telecottage Programme is that training of personnel is absolutely necessary. There is no special training for the actual users of telecottages, but conferences and other forms of presentation are used to disseminate knowledge and ideas regarding the possibilities in using telecottages. Concerning the broader public, conferences, workshops, newsletters and other publications are used to attract attention and to spread information. It is not uncommon that telecottages in Hungary publish local newsletters and also provide traditional local advertisement services like mailing and notice boards. Some telecottages run or plan to run cable TV and/ or radio services.

4. Inspiration for other East European countries

Hungary is the country in Eastern Europe where telecottages have had the widest take-up. Building on the experience of the Hungarian telecottage movement, the International Telecommunication Union (ITU), in co-operation with the Hungarian Telecottage Association and the International Association of Teleservice Centres will organise two symposia in Hungary - the first one in the Autumn of 1998 with invitations to the Central and East European countries and the second one in 1999 with invitations to the CIS countries⁵.

5. Conclusions

The explicit goals of the Hungarian telecottage movement is, on the more general level, rural modernisation, economic development, and a strengthening of democracy and civil society. More specifically, the goals are provision of services to as many as possible with the help of telecottages as an infrastructure.

The Hungarian Telecottage Association emphasises the importance of the community base of telecottages. They must be deeply imbedded in local communities and they should serve both business and residential needs.

The significance of a national organisation must also be stressed. There is no doubt that it is a great advantage that there is a national organisation in Hungary that can gather support for the local initiatives.

Finally, the support from the government must be emphasised. In the case of Hungary, the government has inserted the telecottage programme into its IT strategy and has provided funding for the establishment of telecottages.

⁵ This section builds on information from Johan Ernberg, Counsellor in ITU/ BDT.