Inexperienced and Impotent: Rural Local Government in an Eastern European Meso-Area in Statu Nascendi

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Introduction

The article is split into two parts. The first section examines developments in local government reform in Central and Eastern Europe within the framework of the concept of the Eastern European meso-area developed by staff at the Slavic Research Center, Hokkaido University. The second half of the article examines what this meant on the ground at a relatively early phase in the development of the meso-area, the mid-1990s. It is based primarily on interviews conducted in 36 Central European villages (nine each in the Czech Republic, Hungary, Poland, and Slovakia).1

Members of staff of the Slavic Research Center, Hokkaido University, launched the concept of “mega-areas” and “meso-areas” as an approach to the study of the former Soviet Union and its satellites at its conference on Emerging Meso-Areas in the Former Socialist Countries: Histories Revived or Improvised? in January 2004.2 In the conception of Osamu Ieda, there are developing on the margins of the Slavic-Eurasian mega-area (the former Soviet Union and socialist countries of Eastern Europe) three meso-areas: Eastern Europe, Central Eurasia and the Far East and Siberia. With the weakening of the mega-area ties, each of these is coming under different pressures. In the Far East and Siberia the key pressure is economic and systemic in nature: East Asian economic

1 The interviews were part of two related research projects supported by the ESRC (L309 25 3037) and the European Commission (CIPA-CT92-3022), which support is gratefully acknowledged. Researchers involved in the project were: Andrzej Kaleta, Marzena Sobczak and Grzegorz Zablocki in Poland; Helena Hudečková, Michal Lošták, Cyriła Marková, and Věra Trnková in the Czech Republic; Mihály Andor and Tibor Kuczi in Hungary; and Gejza Blaas, Stanislav Buchta and Iveta Námerová in Slovakia. I am grateful to them for their contributions, as I am to the two anonymous referees of Acta Slavica Iaponica for their thoughtful comments on the first draft of this paper. I take responsibility of course for such errors as remain.

growth. In Central Asia, the pressure is at a more individual level, manifesting itself through networks: Islamic revival. In Eastern Europe, however, the pressure is institutional and communal: European Union and NATO membership, and in particular the specific conditions imposed by the \textit{acquis communautaire}.\footnote{Osamu Ieda, “Regional Identities and Meso-Mega Area Dynamics in Slavic Eurasia: Focused on Eastern Europe,” paper presented to 2004 Winter International Symposium on Emerging Meso-Areas in the Former Socialist Countries: Histories Revived or Improvised?, Slavic Research Center, Hokkaido University, Sapporo, Japan, 28-31 January, 2004.}

Although there may be grounds for questioning the utility of constructing all-embracing abstract theoretical models of this kind, the characterization of the Eastern European meso-area as one where the conflicting forces of the requirements of European Union and NATO membership and legacies from the socialist past play themselves out is a fruitful one precisely because of its requirement for concreteness. We are confronted not with a “transition,” but with a force field in which the starting point is concrete and the outcomes unknown. What is required by EU membership, the \textit{Sollen} dimension in Ieda’s terminology, is known, but whether states will achieve it is not. Unlike the “transition” perspective, this approach does not require a teleological assumption about end-points, a distinct advantage given that the “transition” is almost a decade and a half old and many states appear conspicuously not to be arriving at their presumed goal. Nor, will it let us get away with caricatures about the starting point, the nature of the socialist “totalitarian” system. “Transitology” all too easily is reduced to checking off progress from one fictional social universe to another, from totalitarianism and central planning to democracy and market economy.

The meso-area approach, by contrast, at least as far as the Eastern European meso-area is concerned, puts the focus on realism and historical processes. The external pressure on the region is not to create democracy and a market economy in the abstract, it is to do so within the particular framework of NATO, the EU and the \textit{acquis communautaire}. The problems that individual countries encounter achieving these very concrete goals, and the trajectories that they take towards it, are explained not by abstract failings of totalitarian politics and centrally planned economies, but by concrete legacies, some system-wide, others country-specific, of the socialist years.\footnote{For a more extensive discussion of socialist legacies, see Nigel Swain, “An Anthropological Perspective,” in S. Minamizuka and I.T. Berend, eds., \textit{Legacies of Socialism in an Age of Globalisation} (Sairyusha, forthcoming).} The meso-mega area approach for all the abstract connotations of the terminology, requires historical precision in three key areas: the nature of the socialist legacy or socialist legacies (the imprint of the mega-area), the nature and changing nature of the institutional pressure (the \textit{Sollen}), and the trajectories that these create (the characteristics of the meso-area). The meso-area approach with its focus on a force field where outcomes are not predetermined but played out is also rescued from the whigist
fallacies of progress towards a necessarily better world. The Sollen is not “democracy” but the acquis communautaire, much of which might be inappropriate for the countries of the region.  

**LOCAL GOVERNMENT REFORMS IN THE EASTERN EUROPEAN MESO-AREA**

**General**

This article then deals with local government reforms and the experience of rural local democracy in four countries of the Eastern European meso-area: the Czech Republic, Slovakia, Hungary and Poland. The overall pattern of change can perhaps be characterized as follows. Until a date somewhere in the mid-1990s, each country followed its own reform agenda, which focused at the lowest level of local government and stalled somewhat when it came to middle tier structures. Thereafter, the stark judgment in the official “opinion” of the European Commission of 15 July 1997 that, for different reasons in different countries, none of them had the capacity to participate in European Union structural and cohesion policy focused the minds of politicians. Money talked. With different cadences, a combination of local pressures for democratic reform and, most important, European pressure to conform to EU norms for the reform of public administration brought about middle tier restructuring which corresponded with the NUTS nomenclature and European Commission requirements.

Publicly, the pressure in fact was rather oblique. Although adoption and ratification of the European Charter on Local Self-Government (the document that enshrines the principle of subsidiarity and thus requires devolved self-government) was often referred to as a requirement of membership, the Charter was not technically part of the acquis: the Council of the Regions was lobbying for it to become so as late as June 2002. Indeed, none of the formal opinions or progress reports published by Brussels openly instructed the applicant countries to adopt additional tiers of self-government. The documents referred rather to the need for robust institutions and improving legislation concerning the civil service and the technical need for NUTSII and NUTSIII levels of territorial

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5 Although there is a general literature on the EU’s requirements of the accession countries, there is little on specific requirements. An example of the general approach is, Mike Mannin, ed., *Pushing Back the Boundaries: The European Union and Central and Eastern Europe* (Manchester, 1999). For inappropriate EU policies in agriculture, see Nigel Swain “Saddling a Cow: the Accession States and the European Model of Agriculture,” in Shinichiro Tabata, ed., *Slavic Eurasia’s Integration into the World Economy and Community* (Sapporo, 2004), pp. 199-228.


organization so as to be able to distribute Objective One (NUTSII), Objective Two and Interreg (both NUTSIII) funding. On the other hand, camouflaged hints on the desirability of an additional tier of self-democracy were dropped in the Chapter 21 sections on “regional policy and the co-ordination of structural instruments” and comments on public administration within discussion of the executive under section 1.1, “democracy and the rule of law.” Slovakia’s final introduction of such a tier was welcomed in its 2001 progress report because it had been “an important priority of the 1999 Accession Partnership,” yet this was by no means apparent in the wording of the partnership document itself. That the introduction of a self-governing tier was a condition of membership was only made clearly publicly after the event, when it was in place.

**Czech Republic**

Following the “velvet revolution” in Czechoslovakia, the initial concern of the anti-communist forces was to undo the socialist bad. This took three key forms. First, a Co-optation Act was passed, valid for the first months of 1990 only, which allowed for the removal of the personnel of the past, the most distrusted representatives of the old regime on all local and regional National Committees (councils). Second, on an institutional level, the communist era regions of Central Bohemia, Southern Bohemia, Western Bohemia, Northern Bohemia, Eastern Bohemia, Northern Moravia, Southern Moravia and Prague, which had replaced the historic areas of Bohemia, Moravia and Silesia in 1949, were abolished. Third, more important from the point of view of rural local authorities certainly, local authorities began to de-merge into their constituent parts. From the 1970s onwards, there had been a process of rationalization both in the spheres of local government and co-operative farm organization, such that previously independent local authorities had been merged into larger units. Such rationalization of local authority structures was hardly unique to the socialist world in the 1970s, but, whereas in the West it was associated with an improvement in the level of service provision throughout the newly consti-

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8 All key documents regarding enlargement can be located by following links from http:// europa.eu.int/comm/enlargement/candidate.htm.
tuted unit, in economies of shortage with virtually no sources of autonomous financing, it inevitably resulted in the new “center village” hogging what meager resources central government made available. The formerly independent villages understandably interpreted all their woes as stemming on the decision to merge, and therefore demanded autonomy in the hope that it would restore to them a more adequate flow of resources. As a consequence, the number of municipalities increased by 40% between 1989 and 1991, and the process continued at a somewhat reduced rate until at least 1996 by which time there were over 50% more municipalities than there had been when socialism collapsed. Each municipality was run by a council (municipal assembly) which elected a board and a mayor who was both the political and administrative head of the local authority.

But enthusiasm for undoing the socialist past was not matched by policies for a post-socialist future, perhaps because, once they had the reigns of central power in their hands, the anti-communist forces suddenly had reservations about devolving it. No measure was passed to regulate local authority finance until January 1993 (an attempt at reform in 1991 had to be abandoned because of unexpectedly high disparities), when the 1993 Act ensured municipalities revenues from: shares of taxes levied by the state (50% of personal income tax, and 100% of taxes on unincorporated businesses), grants from the central budget, income from municipal property and municipal funds, local fees and dues, income from entrepreneurial and other activities; credits and loans and other income fixed by legal provision. Furthermore, rather few responsibilities were devolved to the autonomous municipalities: pre-school education, the maintenance of primary and secondary school buildings, nurseries, health care, social welfare, culture, sport, physical planning and a number of other similar services. But the “deconcentrated state” in the form of District Offices kept responsibility for regulatory and quasi judicial matters, registering births, deaths and marriages, the application of building but not planning regulations, and preparing regional or district economic plans. District Offices also created new sub-offices in smaller communities which were somewhat confusingly located in municipal offices and came under the supervision of that municipality’s mayor. In addition to acting as territorial units of the deconcentrated state, the District Offices also supervised the activities of the municipalities. The District Offices themselves were superintended by district assemblies elected by

17 ILGPS, Local Governments, p. 63.
municipalities in proportion to their population size which also decided about the distribution of state grants between municipalities. Central government also continued to be represented by a variety of “deconcentrated” offices of a variety of ministries from the Ministry of Finance through the Ministry of Agriculture to the Ministries of Health and Education.

While the situation of the municipal level of local government in the Czech Republic, in Michal Illner’s words, could “be considered successful (which does not imply that all problems of local government have already been solved)” by the mid 1990s, this was not the case for regional government. There reform was more protracted and required carrot and stick from Brussels to achieve progress. The question of the introducing a regional level of self-government became something of a political football in Czech politics. The central government, even though adamantly opposed to communist centralism, was reluctant to devolve power. Indeed, the Klaus government “excluded and undermined alternative poles of opinion such as NGOs, the media and an independent civil service,” and, one might add, local government. Such views began to change as, on the economic side, unemployment began to increase, while, politically, the Klaus government came under increasing pressure from the social democrats following the June 1996 parliamentary election results, and their commitment to extreme neo-liberalism weakened.

The first outcome of this debate was the creation of a Ministry for Regional Development in November 1996. The second was what Illner describes as the “half-hearted” decision in December 1997 to create fourteen “higher territorial self-governing units” by 1 January 2000. The timing of this announcement, a matter of months after Brussel’s first official “opinion” on the Czech Republic’s application for membership on 15 July 1997 in which it stated that the country had “no regional policy,” was hardly fortuitous. The influence of Brussels was felt again over the course of the next year as Brussels and Prague disagreed about the status of the new regions. The European statistical office considered that the new regions were too small to be categorized as NUTSII and should rather be designated NUTSIII. This had two consequences. First, because having the NUTSII level in place was a 

21 For a full list, see ILGPS, Local Governments, p. 62.
24 Blažek and Boeckhout, “Regional Policy,” pp. 303-304, 313.
Second, the 14 Regional Co-ordination Groups which the Ministry of Regional Development had already created at the regional level had to be restructured. When it was agreed with Brussels in January 1999 that the regions were in fact NUTSIII, these bodies became eight Regional Monitoring and Management Committees.\textsuperscript{28} Despite misgivings on the part of some commentators that the reforms would not be ready on time,\textsuperscript{29} the new structure did come into force on 1 January 2000, and the first elected councils, which took over responsibility for elementary and secondary education,\textsuperscript{30} began their operations on 1 January 2001. With the creation of these new regional bodies, the district authorities were abolished on 31 December 2002 and their functions taken over by 205 extended municipalities.\textsuperscript{31}

\textit{Slovakia}

The initial stages of local government reform were similar in Slovakia to those in the Czech Republic. Although there was a tendency for municipalities to “demerge,” it was much less pronounced in the Czech Republic, partly because Slovakia had fewer tiny settlements. The number of municipalities increased, but only by four percent between 1980 and 1991, a figure which was only 5.2\% when 1996 was compared with 1980.\textsuperscript{32}

Given their common origins and overall similarities in approach, it makes sense to focus on areas where Slovakia differed from the Czech Republic. In Slovakia, there was an even greater proliferation of “deconcentrated” central state offices than in the Czech Republic, which was causing “some concern” in the mid-1990s.\textsuperscript{33} The new sub-district offices were entirely separate from the municipal organization and not under the supervision of a mayor, which at least removed the conflicting responsibilities of the Czech approach, but at the expense of greater concentration of state powers.\textsuperscript{34} The Slovak municipalities had responsibility for rather little. In addition to the management of municipal property and administering minor local taxes and fees, they had responsibilities for pre-school (but not primary or secondary) education, clubs for pensioners, meals for pensioners, laundries, social care centers (but not health care), local libraries, “maintaining the local historical record” (archives), local roads and a few others.\textsuperscript{35} With regard to mayoral election on the other hand, Slovakia

\begin{itemize}
  \item \textsuperscript{28} Blažek and Boeckhout, “Regional Policy,” p. 312.
  \item \textsuperscript{29} Blažek and Boeckhout, “Regional Policy,” p. 311.
  \item \textsuperscript{30} Ministry for Regional Development of the Czech Republic, National Plan 2004-06 (Prague, February 2003), p. 89.
  \item \textsuperscript{31} Myant, “EU accession and Czech Regional Differences,” p. 49.
  \item \textsuperscript{32} Lubomir Faltan and Vladimir Krivy, “Slovakia: Changes in Public Administration” in Kirchner, ed., Decentralisation, p. 103.
  \item \textsuperscript{33} Davey, “The Czech and Slovak Republics,” p. 46.
  \item \textsuperscript{34} Davey, “The Czech and Slovak Republics,” p. 46.
  \item \textsuperscript{35} ILGPS, Local Governments, pp. 193-196.
\end{itemize}
differed from the Czech Republic fundamentally in that the mayor was directly elected at the same time as the assembly members.\textsuperscript{36}

Slovakia also differed from the Czech Republic in terms of local authority financing, which also came on stream in January 1993. Sources of revenue were not so different in principle and included tax and non-tax revenues administered by the municipality, shares in state taxes in accordance with the Act on the State Budget for a given year (for example 29.9\% of personal income tax, 30\% of motor vehicle taxes, 5.87\% of corporate profits tax), earnings from bonds and investments, grants from state funds and the state budget, and credits.\textsuperscript{37} The big difference was with the levels of funding and its unpredictability, the fact that it could change from year to year. Needless to say, in the Mečiár years in particular, it tended to change in a downward direction. It was estimated that by the mid-1990s only 4\% of total tax revenues went to the municipalities and that the local budget share of GDP had fallen from 21.6\% in 1990 to 4.3\% in.\textsuperscript{38}

A final difference between Slovakia and the Czech Republic concerned regional administration. Slovakia initiated territorial reforms of a kind in the middle of the decade, some years before the Czech Republic. But the agenda had nothing to do with local democracy and self-government, and everything to do with ethnic politics. In July 1996, following extensive discussion in 1995, the Slovak government passed a bill replacing 38 districts and 121 sub-districts by eight regions and 79 districts. In doing this Mečiár had gone back on his earlier belief that it was important to determine the competencies of the administrative structures before their territorial division was decided, but the reason for this U turn was immediately clear. As Faltan and Krivy clearly demonstrate, the vertical division of southern and western Slovakia was an attempt to ensure that there should be no subdivisions of the Slovak territory which would contain a majority of ethnic Hungarian citizens.\textsuperscript{39} The proposed regions were the equivalent of NUTSIII, and they could be amalgamated into four NUTSII regions, Bratislava and three others.\textsuperscript{40} When Mečiár’s government was voted out of office in September 1998, the new coalition government committed itself to correcting much of the undemocratic content of his regime, and indeed local elections had to be postponed from November until December 1998 in order to make amendments to the local election law recommended by the Constitutional Court.\textsuperscript{41} But the ethnic dimension to Mečiár’s territorial division proved to

\textsuperscript{36} ILGPS, \textit{Local Governments}, p. 197.
\textsuperscript{37} Davey, “The Czech and Slovak Republics,” p. 50.
\textsuperscript{38} Faltan and Krivy, “Slovakia,” p. 108.
\textsuperscript{40} Juraj Silvan, “Slovak Republic,” in Bachtler et al., \textit{Transition}, p. 179.
\textsuperscript{41} TOL, \textit{Slovakia Annual Survey}, 1998.
be contentious. The ethnic Hungarian party wanted to undo the whole structure and create 12 regions at the NUTSIII level, one with a built-in ethnic Hungarian majority. But no other party did; and yet, the government would lose its majority without the support of the ethnic Hungarian party. The consequence was stalemate and brinkmanship, but ultimately a manifestation of political maturity on the party of the ethnic Hungarian party.

Measures taken in September 2001 finally transferred some three hundred powers from central government to the regions and municipalities, including education, health care, culture, and transportation. This had, indeed, been a condition of the Hungarian minority party agreeing to vote with the government after their preferred solution had been rejected. But, within this general restructuring, the municipalities continued to be responsible for rather little, the system of local authority funding changed little from that of the early years, and Slovakia, uniquely in the region, created eight regional Higher Territorial Units of the deconcentrated state to mirror the new self-governing bodies. Indeed, one report published in 2002 claimed that Slovakia had failed to ratify the supplement to Article 9 on financing of the European Charter of Local Self-Governments because its system failed to match the appropriate criteria. Nevertheless, elections were held to the new bodies in December 2001, and the Hungarian minority party won an absolute majority in one region and a plurality in another despite the regional structure which they saw as unfavorable to their interests. In February 2002 the government adopted eight NUTSIII regions, which could be amalgamated into four NUTSII regions, and these were agreed with Brussels.

**Hungary**

In Hungary in 1989/90, as in the then Czechoslovakia, the focus was on undoing the “socialist” mergers of local authorities which began in the 1970s when the “districts” were abolished and “center villages” created. But unlike Czechoslovakia, there was a view that the new units should have real, and perhaps disproportionate, powers. What emerged in Hungary reflected developments in Czechoslovakia to the extent that the focal point was the munici-

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pality and their number increased dramatically. The number of municipalities all but doubled from 1,523 in 1989 to 3039 in 1991.\textsuperscript{50} The question of the fragmentation that this dramatic increase in the number of small local authorities created was not addressed at the time, although it continued to haunt policy makers for the next decade.\textsuperscript{51}

But Hungary differed from the former Czechoslovakia in four important respects. First, it devolved from the start quite significant areas of responsibility to the municipalities. Second, it introduced a middle tier of self-government, albeit initially only indirectly elected, from the start. Third, the corollary of the previous two, there was only a rather small deconcentrated state apparatus: with so many devolved powers, state offices were not necessary.\textsuperscript{52} The fourth difference made the first and the second possible: the early (1991) elaboration of a reasonably transparent method of local authority funding,\textsuperscript{53} although it increasingly failed to keep up with local authority costs. The main form of state contribution was “normative” subsidies: per capita or block grants for general purposes, education, social welfare homes, vocational schools, rural theatres, day care for the elderly and so on. In addition, they received a percentage (initially 50%) of personal income tax paid by residents, the car weight tax paid by residents, environmental fines paid by companies operating on their territory, and the site value of companies privatized on local authority land. There were also targeted subsidies which could be applied for and money from the national health system for health care.\textsuperscript{54} In municipalities with population under 10,000, both the council and the mayor were elected directly, the number of council seats being determined by the size of the population. In 1990 the intermediate level, the county, was shorn of most of the powers it had enjoyed in the socialist period, and the county council was elected indirectly: municipal councils delegated representatives who elected members of the assembly. The interests of central government were carried out by Commissioners (Commissaries/ Representatives) of the Republic who were appointed by the president on the recommendation of the prime minister.\textsuperscript{55}

\textsuperscript{50} Mihály Andor, \textit{The Terrain of Local Politics in Hungary} (University of Liverpool: Centre for Central and Eastern European Studies, Working Papers Rural Transitions Series, 22, 1994), p. 8. Andor was personally involved in local government in the late 1980s and early 1990s.
\textsuperscript{51} Éva Fekete, Mihály Lados, Edit Pfeil, and Zsolt Szoboszlai, “Size of Local Governments, Local Democracy and Local Service Delivery in Hungary” in Paweł Swianiewicz, ed., \textit{Consolidation or Fragmentation}, pp. 31-100.
\textsuperscript{54} Andor, \textit{The Terrain}, pp. 8-9.
Rather than backtrack from further local government reform, almost the first measure of the Socialist-Free Democrat administration elected in 1994 was directed in this area.\textsuperscript{56} The Free Democrats in particular had opposed the Commissioners of the Republic and were keen to see their abolition, even though this required a two thirds majority in parliament for what was effectively a constitutional amendment. The Commissioners thus disappeared, although county officers appointed by central government did not.\textsuperscript{57} In addition, county councils became directly elected (to an assembly with two curiae, one for towns and one for villages, which then elected a governor who was not necessarily an assembly member),\textsuperscript{58} and all mayors, not just those in smaller communities, became directly elected. An additional change of that year, mildly restrictive in intent but with few practical consequences, was the condition that settlements with fewer than 300 inhabitants could not establish independent municipalities.\textsuperscript{59}

Perhaps because it already had its self-government structures in place and the regional tier of local self-government was not a contested political issue,\textsuperscript{60} Hungary was also the first country in the region to address the problem of converting its planning structures to something approximating the European Union norm for regional planning. In 1996 it published its Act on Regional Development and Physical Planning which became the basis for a EU-type regional policy.\textsuperscript{61} By 1997 six development regions had been elaborated governed by Regional Development Councils,\textsuperscript{62} and 138 “micro regions” had been identified, embryonic NUTSIV regions.\textsuperscript{63} But the regional bodies were voluntary and the EU did not consider them sufficiently stable to function as effective NUTSII regions. Since NUTSII regions were essential if the country was to benefit from Objective One status, the government thought again, and parlia-

\textsuperscript{56} For an account of the ramifications of local government reform within national Hungarian politics, see Brigid Fowler, “Hungary: Patterns of Political Conflict over Territorial Reform,” in Judy Batt and Kataryna Wolczuk, eds., \textit{Region, State and Identity}, pp. 15-40.

\textsuperscript{57} Ieda, “Local Government in Hungary,” p. 97.

\textsuperscript{58} Ieda, “Local Government in Hungary,” p. 100.

\textsuperscript{59} Fekete et al., “Size of Local Governments,” p. 38.

\textsuperscript{60} One should perhaps say “relatively uncontested” issue. The counties were worried about their future under the scheme. A reading of \textit{Comitatus}, the journal of the National Association of County Councils is instructive. Issues in the early 1990s reflect concern about their inadequate powers and the need for them to be directly elected, issues about which there was disagreement but not heated debate. In the latter part of the decade they became worried about counties being supplanted altogether in the new structure. For an analysis of party attitudes to reform of the county level in 1994, see Edit Soós, “Az önkormányzati középszint és a parlamenti partook (1990-94),” in \textit{Comitatus} 4: 8-9 (1994) pp. 21-34.

\textsuperscript{61} Ruth Downes, “Regional Policy Evolution in Hungary,” in Bachtler et al., \textit{Transition}, p. 332.

\textsuperscript{62} Downes, “Regional Policy Evolution,” p. 335.

\textsuperscript{63} The very first work on the originally conceived 138 “micro-regions” had begun in the Central Statistical Office as early as 1991. For an account of how the regions were constructed, see Albert Faluvégi, “Kistérségi területi vonzási rendszer,” \textit{Comitatus} 4:2 (1994), pp. 31-39.
ment in 1998 passed a National Regional Development Concept which divided the country into seven statistical planning regions which corresponded to NUTSII.64 The number of “micro-regions” (NUTSIV) was also ultimately increased to 150.65 By 2003 the Hungarian government was hoping to take things further and introduce elected regional governments at the NUTSII by 2006, simultaneously weakening the county NUTSIII level.66 But the prospects of this proposal receiving the two thirds parliamentary majority required were slim. Overall, as in the Czech Republic, domestic notions of reform had to be “corrected” by the guiding hand of Brussels to become “euro-conform.”

Although Hungary was in the vanguard of getting its structures to conform to EU requirements, it did not “put its money where its mouth was.” In 2000, and indeed in subsequent years, the European Union’s regular report criticized Hungary for reducing the amount of non-targeted financial support it gave its local authorities while increasing targeted support over which it had control, for increasing the gap between “political autonomy” and “financial autonomy.”67 The degree to which the local authorities enjoyed real autonomy was open to question.

**Poland**

The progress of local government reform in Poland differed from that in Hungary in as much as local government had not figured high on the list of priorities of Solidarity and the opposition forces, and it differed from both Hungary and the former Czechoslovakia in that de-merger at the municipal level was not an issue. It paralleled both Czech and Slovak developments however in that regional reform became a political issue and was much delayed; and, as in all of the countries, a certain amount of EU intervention was necessary to bring domestically generated proposals into line with EU requirements.

The absence of pressure to de-merge the municipalities of the socialist years is partly explained by Poland’s different settlement structure, with fewer nucleated settlements and more “street villages” and isolated hamlets.68 This meant that Poland had a long tradition of the lowest level of the administrative hierarchy being responsible for a number of settlements.69 Prior to 1973, these had been termed *gromada*. In 1973 many were amalgamated to form around 2,400 *gmina*.70 Despite the fact that they were a rather recent, socialist creation,

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64 Downes, “Regional Policy Evolution,” p. 335.
65 Fekete et al., “Size of Local Governments,” p. 43.
68 See N.J.G. Pounds, Eastern Europe (London, 1969), pp. 132-133, although the pattern depicted therein of Czechoslovak settlements does not match this author’s personal observations.
69 No Author, Pologne 1919-39: Vie Politique et Sociale (Neuchatel, 1940?), p. 216.
70 Paweł Swianiewicz and Mikolaj Herbst, “Economies and Diseconomies of Scale in Polish Local Governments” in Paweł Swianiewicz, ed., Consolidation or Fragmentation, p. 227.
nobody questioned the size or composition of the *gmina* when reform came onto the agenda.\textsuperscript{71} More important was middle tier, the *powiat*, which had been abolished in 1975 when the number of *województwo* had also been increased from 17 to 49.\textsuperscript{72} The socialist government could thus be accused of having swept away a traditional three-tier structure that stretched back to the Middle Ages,\textsuperscript{73} and it was this that fired the opposition’s imagination. The focus of reformers was on this socialist sin rather than the autonomy of settlements within *gmina*, all agreed that the *powiats* had to be re-introduced.\textsuperscript{74}

But the truth also was that local government reform was not a major concern for Solidarity, as Jerzy Regulski, a key participant in the early debates, makes clear.\textsuperscript{75} The focus was on citizens’ opposition, not designing a new structure for local government. What is more, local government remained a low priority after Solidarity came to power. Not only did regional reform become a political football, so too did the responsibilities of the municipalities and their financial autonomy. As early as the Senate Commission discussing local government reform in 1989, it had been assumed that the municipalities would take over responsibility for primary education. But this met with opposition from both the trade unions and the Ministry of Education. A compromise was reached whereby the matter would be addressed again in two years. This it was, and the date for transferring authority for primary education to the municipalities was set at January 1994.\textsuperscript{76} But with the advent of the Pawlak government in May 1993, local government reform moved down the agenda again, and the date for passing responsibility for primary education was put back to January 1996. There was a similarly politically polarized debate about the rights of local authorities to establish commercial ventures. The parties of the political left supported this right, those on the political right opposed it, because they feared the formation of local monopolies. The parties of the right won the day, and measures introduced in November 1992 restricted *gmina* economic activities to “public services,” although the measure only came into effect on 20 June 1994 and failed to specify clearly what “public services” were.\textsuperscript{77}

The 1990 local government legislation gave local authorities a variety of sources of revenue: local taxes on property, motor vehicles, dogs, inheritance, economic activity, fees, municipal property, the agriculture tax where appro-

\textsuperscript{71} Swianiewicz and Herbst, “Economies and Diseconomies,” p. 230.


\textsuperscript{73} Regulski, *Local Government*, p. 20.

\textsuperscript{74} Regulski, *Local Government*, p. 66.

\textsuperscript{75} Regulski, *Local Government*, p. 28.


priate, specific central government grants, general government grants, and assigned shares of national taxation. These were 5% of the tax on legal entities, 30% of the tax on wages and salaries, and 50% of personal income tax paid only by those with “independent” sources of income. Following tax reform at the end of 1991, the latter two were abolished, and a new revenue stream of 15% of the new personal income tax (paid by all) was established. Nevertheless, a dedicated local authority finance act was not passed until December 1993, and even then it did not mean that the municipalities received the funds they required. Zaucha has argued that “despite greater tasks and responsibilities ... the ratio of their budgets to GDP had remained unchanged,” although his data were for 1991-94 only, and the taking over of responsibility for education became compulsory in 1996.80

In the early years too there was a problem of intervention from the deconcentrated state, in particular by the wojewód, who, until 1992, supervised gmina finance. Legislation introduced by the Senate in 1992 created independent Regional Audit Chambers to take over this supervisory role. Legislation at the same time also sought to create more effective local government by making it more difficult for the mayor or the council board to be dismissed on a whim by a minority of councilors, and transferred the power to make decisions about the sale or encumbrance of municipal properties to the board rather than the council.82

The areas of responsibility that had devolved to the municipalities by the mid 1990s included pre-school and primary education, culture and libraries, sport, tourism, parks and cemeteries, land use, roads, water, sewerage, waste disposal and gas supply. The law on public assistance of 1990 also gave gminas responsibility to maintain a public assistance office to help those who met the official definition of poverty in the form of minimal cash benefits, hot meals, accommodation, medical expenses, funeral costs and so on. Councils were elected by universal suffrage, but the Polish mayoralty was an unusual institution. Mayors were appointed by the council and did not have to be council members. They then appointed the clerk to the council and other administrative officers. Because of their relatively large size, the gminas had a mechanism for “sub-basic” representation in the form of the directly elected soltys or “headman” in charge of each settlement of size (the solectwa). Poland had around

79 Regulski, Local Government, p. 147.
80 Jacek Zaucha, “Regional and Local Development in Poland” in Kirchner, ed., Decentralisation, pp. 60-61.
81 Regulski, Local Government, pp. 64-65.
82 Regulski, Local Government, p. 65.
83 ILGPS, Local Governments, p. 151.
85 ILGPS, Local Governments, pp. 152-153.
40,000 of these, the most common number of solectwa per gmina being between eleven and twenty.86

As suggested above, the advent of the Pawlak government in May 1993 put the breaks on self-government reform, and this effected regional reform as well. The reason underlying this hostility was two-fold. On the one hand, as parties which had emerged either in part or in full from socialist era predecessors, they were less convinced of the need to reform at all. On the other, in the case of the PSL in particular, the party’s power base would be threatened by such a reform in that the PSL controlled the województwo assemblies and had especially strong influence in smaller województwo which were likely to disappear.87 Nevertheless, after social democrat Oleksy replaced Pawlak of the PSL as prime minister, the Sejm adopted some minor amendments to the local government act on 26 September 1995 which extended some powers to the solectwa, took measures to reduce corruption and, although this was ignored in practice, ensure that municipalities always received sufficient funds to cover new responsibilities.88 Most of these provisions were confirmed in the new constitution adopted on 2 April 1997.89 When the socialist-PSL government was replaced by the AWS and Freedom Union coalition in the autumn of 1997, local government reform came back onto the agenda, and legislation necessary for amending local government structures was passed in the summer of 1998. Local government elections in the autumn of 1998 included elections to the powiat assemblies, while the November 1998 Public Finance Act clarified which body was responsible for what, and how it should be financed.90

The structure that came into effect at the beginning of 1999 consisted of 16 województwo with a directly elected self-government presided over by a marszałek, over 300 self-governing districts, the powiats, which took over many of the older, smaller województwo’s duties such as secondary education, and the over 2,500 self-governing gminas which retained all of their former powers. At the województwo level, the central state continued to be represented by the wojewód, nominated by the prime minister.91 Concern was expressed in Brussels, however, that the powiats, which it was intended would become the NUTSIII level, were in fact rather small for this purpose.92 Discussion with Brussels over the matter continued for over a year, and in June 2000 Poland’s official proposal for NUTS classification was for 2489 gmina (NUTSV), 373 powiat (NUTSIV), 44 groups of

87 Regulski, Local Government, pp. 74-75.
88 Regulski, Local Government, p. 78.
89 Regulski, Local Government, p. 76.
90 Regulski, Local Government, pp. 94-95, 236.
This was not the end of the story however. It was only in June 2002 that Poland’s NUTS structure was agreed with Brussels, after changes earlier that year to create seven new powiats. A further change in the twenty first century was the provision that from 2002 Poland’s rather unusual regulations for appointing mayors would end and they would henceforth be elected directly. Poland thus ended up as the only country to have elected bodies at the NUTSII level, but its intermediate self-government level, at the insistence of Brussels, no longer enjoyed classification as NUTSIII.

**Rural Areas in a Meso-Area in Statu Nascendi**

The interviews on which the latter half of this paper is based took place in two rounds in 1993-94 and 1995-96. In terms of the Eastern European meso-area, the requirements of Brussels were still imprecise, domestic reform agendas still prevailed, and the socialist legacy was still very strong. In country-specific terms, our first Czech interviews took place shortly before the second round of local authority elections in November 1994 and just after the introduction of the first legislation on local authority finance on 1 January 1993. The second round of interviews took place a year or so into the third local government term but before the June 1996 parliamentary elections which presaged the end of the Klaus era. Both, then, were periods where the dominant political force was the ODS, but in the latter period its supremacy both nationally and locally was beginning to wane. Our first Slovak interviews took place in the latter half of the first year of the independent Slovakia, before Moravčík briefly ousted Mečiar, and towards the end of the first term of post socialist local governments, ones in which the Christian Democrats had performed rather well. The second round of interviews took place well into Mečiar’s period of political domination after winning the 1994 national and local elections, but before he had unveiled his model for regional reform.

Our first Hungarian interviews took place towards the end of the first term of post-socialist local authorities, before both the parliamentary and local government elections of 1994. The Hungarian Democratic Forum-led government had not repeated its success at the local level in the Autumn of 1990, and Fidesz and the Free Democrats had performed rather better. The second round of interviews took place well into the Socialist-Free Democratic coalition government at the national level and after the socialist party had been successful at the local level. The very last interviews were taking place as the government

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was preparing its 1996 act on regional development. Our first Polish interviews took place in the period of “presidential” government between president Wałęsa’s dismissal of parliament in May 1993 following the Solidarity-inspired vote of no confidence in the Suchocka government and the victory of the Pawlak socialist and peasant parties in the September 1993 parliamentary elections. They were also before the passing of the December 1993 law on gmina finance. Local authorities still reflected the conditions of May 1990 when Civic Committees dominated local politics. The second round took place well into the Pawlak administration and a year or so into the new local government administrations following the October 1994 local elections at which there was no clear winner, but where the government coalition partners did well, and the PSL did particularly well in rural areas; but the interviews took place too soon after Pawlak’s replacement by Oleksy (which renewed discussion of the powiat reform) for that to have much impact, and before the date on which devolution of responsibility for education would become mandatory.

Inexperience – Administrative and Political

One element of the socialist legacy that comes under the general heading of administrative inexperience is the extent to which there was continuity between socialist and pre-socialist regimes, in particular in the case of the person of the mayor. In each country there were examples of this, but it was less common in Poland (one case), the Czech Republic (one case) and Slovakia (two cases) where the change of system was highly politicized and “lustration” emerged as an important issue, than it was in Hungary, where tolerance of the ancien régime was greater, because its governance had been gentler. In Hungary, three mayors retained office after 1990 and three others had strong socialist local government connections.96

A second dimension of the socialist legacy of administrative inexperience is a degree of fuzziness in actors’ understanding of the difference between public and private interests, a lack of clarity which could result in petty corruption. In the Czech village of Lesovice,97 for example, the mayor awarded contracts to his own company and his son’s company because “there was no one else,” while the post 1994 mayor in Mestysov created what some villagers referred to as a “family business” by employing his wife as an assistant. The mayor of Lehota in Slovakia contrived to have 60,000 crowns spent on the football club of which he was the captain, while only 10,000 crowns were spent on school repairs, while the mayor of Pakucs in Hungary similarly gave preference to football over the school. Elsewhere in Hungary, in Kissikonda, the mayor, as was to be expected, went to great lengths to help support new businesses, and

96 In Veszprém county, the former communist mayor was re-elected in 54% of settlements, and 78% of them were re-elected again in 1994. See Miklós Oláh, “Régi-új polgárgesterek,” Comitatus 5:7 (1995), pp. 31, 41.

97 All village names are pseudonyms.
the new village bakery ultimately proved to be very successful. A laudable example of support for the business community, except that the mayor happened to be related to the businessman concerned by marriage. In Balwena in Poland, accusations of corruption resulted both in a vote of no confidence and a referendum, while in Bory a decisive factor in the 1994 elections was a dispute about the awarding to friends of certain councilors of concessions to sell drinks and run catering establishments around the local tourist lake, and in Kanal, the original post-socialist mayor was dismissed prior to 1993 for abuses of power.

Turning to political inexperience and the new local politics, it is perhaps not surprising that at this very local level our main finding was that party politics were rather unimportant in the rural communities of Central Europe. These findings suggest quite a radical distinction between urban and rural local politics. Tadayuki Hayashi, in his study of local governments in provincial urban areas with populations of over 25,000 in the Czech and Slovak Republics (the top 50 and 30 such settlements respectively), has found local politics to be important in two very distinct ways. In the Czech Republic they proved to be as breeding ground for later national ODS politicians, while in Slovakia they provided evidence, ignored at the time, that there was a much stronger anti-Meciar presence in the regions than the national election results suggested and hence a basis for the political swing against Meciar in 1998.98 Our findings for much smaller communities tend to confirm for other countries as well the finding of Osamu Ieda for Hungary, namely that national parties have little influence on rural local assemblies. Our interviews suggest, however, that is more a question of the nature of local politics at the local level than the nature of the electoral system, although the latter did favor independent candidates.99 The bread and butter decisions that had to be made by councils were not the stuff of high politics.

Disinterest in party politics as part of the socialist legacy manifested itself in a number of ways. The classic manifestation was the high number of people who stood as independents. But this was only overwhelmingly the case in Hungary where independents constituted the majority everywhere, their numbers increased between 1990 and 1994, and in two villages they made up the whole of the council in both electoral cycles.100 It was also present in the Czech

100 Nationally the percentage of independents among mayors and councilors in 1990 and 1994 respectively was 83% and 71%, and 88% and 81%. See Ieda, “Local Government in Hungary,” p. 126. In Baranya county, two thirds of those who stood in the elections in 1990 were independent. See Zsolt Németh, “Helyhatósági választások Baranya megyében,” Comitatus 1:2-3 (1991), p. 25. In Heves county, 80% of mayors and two thirds of councilors were independents. See László Kiss, “Az 1990. évi önkormányzati választások Heves megyében,”
Republic, where independents dominated five councils and their numbers were increasing, and, to a more limited extent in Poland, where, as in Zalew, Bawelna and Zamek, former Solidarity members became independent in the second cycle. What was more characteristic of Polish rural local government, however, was the role of the Peasant Party which was dominant in five villages. Yet even here, most commented that there were few party organizations and little party life. The party functioned rather as a powerful interest group to keep agricultural taxes low.

In Slovakia, party membership appeared to be more significant, but appearances were deceptive. The situation in Slovakia was tied closely to the fall of the Christian Democrats and the rise of Mečiar’s HZDS. Unlike in the Czech Republic, the anti-communist movement in Slovakia had been made up of both an umbrella organization (Public Against Violence) and the Christian Democrats. Because of the poor performance of the Christian Democrats in the period before independence, the process of party formation, which in the Czech Republic saw an umbrella organization break up into a number of political parties, saw in Slovakia a break up of Public Against Violence and a massive swing away from the Christian Democrats, in addition to a growth in the HZDS. The Christian Democrats lost support massively in Zurca, Krizava, Hora and Banec. But the shift was not just one of the popular mood. Councilors changed their party affiliation too. In many instances, the same individuals were re-elected, but on a different party ticket. Despite appearances, villagers were voting for people, not parties.

Parties could however be important in non-political ways, as vehicles of influence, channels for social capital. In Pola in Poland, for example, the priest’s good links with Solidarity provided the money to build a school. In Hungary, the links of the common clerk to the councils of Dombház and Kissikonda brought the money for Dombház’s ill-fated dairy enterprise and the road building project that benefited both villages. In the Czech Republic, the Nezavislice mayor’s contacts with the national parliament proved equally beneficial, while what was remarkable about the Lehota mayor in Slovakia was that he achieved so much while being a member of the Christian Democrats and thus a persona non grata the HZDS which dominated the rural deconcentrated state.

But the meat and drink of local politics was not party-related. Local politics pivoted on, in the Czech Republic, the bad debt incurred by the Lesovice council which meant that the council elected in 1994 refused to take office until

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103 The dairy eventually went bankrupt.
it could be resolved, the absence of funds from which to repair the school roof in Pakucs in Hungary, and relations with the Roma community in Palina and Hora in Slovakia, or with the Lithuanian community in Poland’s Sedno. These were all real and pressing issues to local people, but not issues on which any national party could develop a “line.”

An issue closely linked to the political inexperience of the new local governments and the speed with which the socialist legacy was overcome, is the extent to which business interests recognized the need to influence local politics either by lobbying or gaining representation on the council. Our data suggest that local business interests were slow to develop. With the exception of farmers in Poland, who successfully kept agricultural taxes low in Glaz, Kanal and Pola and defeated the pro-social spending “teachers” in Bory, they did not form a distinct interest group in any of the first post-socialist local authorities, where in most countries anti-communism had been the overriding issue. Nevertheless, by the second post-socialist term, in some authorities in some countries, a nucleus of a local business interest was emerging. The country where this was most visible was Hungary, where, following bankruptcy legislation in 1992, free market realities were more pressing. There was no cocoon of circulating bad debt, as was the case in Slovakia especially, the country where there were numerous accounts of agricultural co-operatives providing services in kind to pay off tax liabilities to the local authority, and where the Krizava Businessmen’s Club was a body used by the mayor to get corporate sponsorship for the council, not a body representing business interests. Hungarian business people were perhaps more aware that the era of a forgiving all-powerful central government apparatus was at an end, and it was up to them to shape their local economic environment the best they could. Furthermore, thanks to the greater autonomous powers devolved to Hungarian local authorities, influencing them could bring results.

Thus, in Hungarian Tabar, a cleric-dominated regime of the first post-socialist cycle was replaced in 1994 by a business-dominated one; in Korcona, the two entrepreneurs on the 1990 council were joined by four more in 1994; in Zádorpuszta, entrepreneurs constituted a clear majority by 1994; and in Szalfa, they formed a block but not the majority. In Szekhely, despite being re-elected in 1994, the mayor was subsequently dramatically obliged to resign by four new councilors, all elected in 1994 and all entrepreneurs, who opposed his levels of social spending. In other countries it was more a case of hints at the world that might come. By 1994 the Bawelna council in Poland was dominated by entrepreneurs, while the opportunity to return to Rodaky in the Czech Republic in 1998 revealed the emergence of a clear business interest on the third post-socialist council - five, nominally independent, entrepreneurs.

This evidence of the embryo of a business class just beginning to influence rural politics by 1995-96 gels rather well with the findings of Iván Szelényi and others who researched at the opposite end of the business spectrum. Although based on a dataset that is supplementary to the research on which the bulk of
the book is based, their figures for 290 Hungarian firms with more than 50 employees revealed that “a fairly sizeable propertied middle bourgeoisie emerged between 1993 and 1996.”\textsuperscript{103} In 1993, their data suggest, Central European businesses were still in a transitional phase, but only three years later, they were galloping towards capitalism. As they did so, at the bottom of the hierarchy, in rural communities, smaller scale business people were seeing the need to influence the local political agenda.

\textit{Impotence}

Although it was only Hungary and to a more limited extent Poland that formally devolved significant additional powers to local authorities in the early to mid 1990s, in all countries they were obliged to assume additional responsibilities as local economic agents rather too readily shed one aspect of the socialist legacy, namely their community responsibilities. In collectivized countries the most important agent helping to support community life had been the agricultural co-operative. In uncollectivized Poland, it was the consumer co-operative, the Forest Inspectorate, the machinery and services co-operative or some other of the many socialist institutions that surrounded Poland’s private farmers.

The Czech Republic’s still centralized approach to local government gave councils few new devolved powers, but they nevertheless gained new responsibilities and financial commitments as a result of the “change of system.” The Nova Hut council had to take over responsibility for the kindergarten operated by the glassworks, for example, the village’s major employer, while in Vyletnice the local authority found itself having to pay for the use of the gymnasium it had previously used for free after the SOKOL organization had acquired it under restitution. Even when alternative sponsors were found, local authorities could end up “carrying the can.” When the co-operative stopped funding the sports club in the Slovak village of Banec, the council took over some financial responsibility, although the main sponsorship came from a company in Nove Zamky. But when that company went bankrupt in 1995, the council had to spend precious funds on a court case asserting its ownership of the sports stadium which the company had used, illegally in the council’s view, as collateral for a loan it could not repay.

Our Hungarian interviews suggest that at the local level the benefits of devolved responsibilities were minor, although tangible for all that, reflecting greater responsiveness rather than largesse. In Kissikonda, the school received new flooring, a new coat of paint, new black-out curtains, new cupboards, a new tape-recorder and the teacher relished the feeling that she no longer had to wait in line and the fact that the mayor had told her to “order what she needed.” The local authority in Tabar was equally generous permitting the pur-

chase of a photocopier and computer equipment. In Károlyháza, by contrast, greater responsibility for health care meant that the council felt obliged to provide the local doctor a grant of 400,000 forints in 1993 for dressings, medicines and simple medical equipment which the national health service was supposed to provide, but did not.

In Poland, only one of our local authorities (Glaz) had availed itself of the option of taking over responsibility for education before it became obligatory. The common refrain from council members and local businessmen elsewhere was that, things were just about acceptable at the moment, but when they took over responsibility for schools, they would worsen, and if they had to take over health, in the words of the Bory commune secretary, “we will be destroyed.” The same person well reflected the social deprivation that local authorities under “fiscal stress” had to deal with when she said, “all but five per cent of the population lives on the fringes of misery.” The consequence of such strains was dramatically illustrated by the policeman in Glaz who reported that crime rates were increasing dramatically, up some 32% between 1993 and 1994, alcoholism was getting worse, and an increasing number of young women were living from prostitution. In such conditions, some parents and children in remote regions of Poland (Pola and Kanal) were questioning the value of an education and keeping their children at home to contribute to the family economy.¹⁰⁴ In Bawelna, “fiscal stress” was being relieved with the help of charities and a western “twin” which provided both material assistance and advice.

The priority identified by mayors and councilors in every country was to improve the infrastructure, to reduce the “services gap” that was socialism’s legacy in the countryside because of decades of socialist over investment in industry. For some local authorities this was seen as an end in itself, while for others it was part of a larger developmental project. In some cases, the larger project was to bring inward investment to the village. This was the declared policy in Lesovice, Barov and Rodaky in the Czech Republic, Szálfa and Korconna in Hungary, and Pola in Poland. In other villages infrastructural investment was linked to tourism, as it was in all of the Polish villages except Cukier (although only Bory had a fully elaborated tourism strategy), Vyletnice in the Czech Republic, Haban, Lehota, Banec and Hora in Slovakia, and Dombház, Kissikonda and Tabar in Hungary. For a third group, improving the infrastructure was associated with turning the village into an attractive dormitory settlement. Such were Nezavislice in the Czech Republic, Zádorpuszta in Hungary, and

¹⁰⁴ This phenomenon was not reported in other countries which, having both collectivized agriculture and reformed collective farm structures in the socialist years, did not marginalize rural communities to the same extent as in uncollectivized Poland. In related research the phenomenon was reported in Romania, where still Stalinist collectivization kept much of the rural population in poverty, but not Bulgaria. For a discussion of different collectivization legacies, see Nigel Swain, “A Framework for Comparing Social Change in Post-Socialist Countryside,” Eastern European Countryside 4 (1998), pp. 5-19.
Hora in Slovakia. For the bigger Polish settlements of Bawelna and Zalew, economic policies were aimed more at maintaining existing companies and mitigating the effects of unemployment than attracting new investment.

Only in Slovakia did more than one local authority itself engage in commercial activities beyond the provision of municipal services. The Klanec council ran a successful bakery, Haban operated the local thermal baths through a council-owned company, Hora took a stake in companies promoting tourism-related products and activities, and Banec had a tiny equity stake in a hotel. Such activity was, of course, illegal in Poland. The only other council venture in our survey was the failed dairy in Hungary’s Dombház. This fact that municipality-owned ventures failed to emerge in post-socialist Eastern Europe tends to suggest that the Chinese Township or Village Enterprise (TVE) form is in deed one associated with conditions of “fuzzy ownership” and “fuzzy socialism” and not something appropriate for the conditions of post-socialism.\textsuperscript{105}

\textbf{Conclusion}

The first half of this paper documented the forces at work in area of local government reform in the Eastern European meso-region as the Sollen of the \textit{acquis communautaire} were brought to bear on the socialist legacies of the countries of Central Europe. The second half of the paper looked at socialist legacies on the ground in the \textit{statu nascendi} phase of the meso-region, in the very first years of reform, when domestic agendas still predominated and local actors faced a completely novel situation, inexperienced and impotent. The link between the two halves of the paper is not self-evident. One thing that brings them together is the fact that in the two phases, the forces were operating on

different sectors. Indigenous reform focused on the municipality. The bulk of the EU pressure was at the upper levels of local government, setting the cohesion policy NUTS in place. One consequence of this differentiated focus was that, as it switched, little was changed at the municipality level. Some central government powers were devolved to the new regions, but not to the municipalities. Reports on the situation of the lowest level in the local government hierarchy written at the turn of the century, particularly regarding funding, have a familiar ring to them. A decade or so after our interviews, those involved in local government will have lost some of their inexperience, but the position that they continue to inhabit has lost little of its impotence.

But there is a further element of continuity beneath the different levels of analysis of the first and the second halves of the paper, and it relates to the middle (NUTSIII) level of local politics. Communist local power had always been exercised at the middle level, by the counties in Hungary, the regions in the former Czechoslovakia, and the originally rather smaller województwa in Poland; and these levels came under threat in the post-communist world. Indigenous local government reform of the early 1990s, with its focus on the municipality, was in effect an attack on the power of the old local elite, and was self-consciously seen as such in Hungary, where some argued for the abolition of the counties and their “little kings” altogether,106 and to some extent Poland where the new powiat councils took over some powers from the old województwa. EU pressure to establish self-government above the municipal level and introduce structures which conformed to the NUTS hierarchies, on the other hand, equally operated de facto against the interests of the former, middle level local elites: it obliged power-holders to submit themselves for election and, everywhere except Poland, it moved the most important level for funding, NUTSII, to a statistical entity above their heads. County level politicians in Hungary indeed, having accepted domestic pressure to be directly elected in 1994, expressed concern at being side-lined by regional reform, as was discussed above. Nevertheless, one reading of the EU’s inability to oblige post-socialist countries to create local government structures which reflected perfectly the European ideal, is that the former middle level elites successfully resisted EU pressure from above, as they had earlier municipality pressure from below. Local, middle level political elites proved themselves strong enough to rebuff pressure from both above and below over the course of the 1990s and retain local political structures more in tune with their indigenous traditions.

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