

# DECENTRALISATION PROCESSES IN CENTRAL AND SOUTHEAST EUROPEAN TRANSFORMATION COUNTRIES: A COMPARATIVE SURVEY

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## Abstract

Decentralisation has an important meaning in the context of European integration, since a Europe composed of subsidiary spatial units is to be constructed and a “Europe of regions” is on the agenda of many political discussions. From the early 1990s, the European Communities, later the European Union, promoted the idea of administrative decentralisation also in transformation countries. For EU accession decentralisation was made one of the prerequisites. But it met centralistic traditions originating not only in the Communist era and could partly be enforced only with considerable difficulties.

The paper investigates in a comparative way into the efforts made and the results achieved so far in East-Central and Southeast European countries to establish local as well as regional self-government. A special focus is laid on the regional level, to which administrative powers have been devolved only later and partly insufficiently. It is also observed to which extent administrative regionalisation has respected historical regional and cultural identities which are strong and vivid in many countries, but had been covered by Communist administrative systems. Decentralisation processes and their progress are illustrated by the examples of Poland, Slovakia, Slovenia and Bulgaria.

**Key words:** political geography, decentralisation, regional identities, administrative regionalisation

## INTRODUCTION

Research on administrative decentralisation processes in European transformation countries has become voluminous in the meantime. This paper is essentially based on research as documented by Committee of the Regions (1999), Jordan et al. (2001) and Jordan (2010).

The study Committee of the Regions (1999) comprised the at that time “first wave accession countries” including Poland and Slovenia, the study Jordan et al. (2001) the “second wave accession countries” including Slovakia and Bulgaria. Both studies investigated into the progress of the decentralisation process, into its driving forces and obstacles.

Jordan (2010) provides for a comprehensive survey over administrative decentralisation processes in the transformation countries of East-Central and Southeast Europe with a focus on the regional level and on the background of administrative traditions. It is based on most of the literature published on this topic after 2001 – a literature that is too voluminous to be presented and discussed here in detail (see for a more complete list of references Jordan 2010). In representing this much larger number just the various reports of the Council of Europe on the situation of local and regional governance in transformation countries (see references) and for Poland the article of Czyż 1999 may be mentioned.

## GENERAL CHARACTERISTICS, CAUSES AND OBJECTIVES OF THE DECENTRALISATION PROCESS IN THE TRANSFORMATION COUNTRIES OF EASTERN EUROPE

In the course of the transformation process, the countries of Central and Southeast Europe increasingly came under the influence of the European Communities, which had become the European Union (EU) in 1994. They accepted this and were themselves (with some initial, but in the end only a few exceptions) very eager regarding integration. Amongst other things, this meant the consideration of the principle of subsidiarity as it is represented by the EU (Preamble and Article 2 of the Maastricht Treaty).

However, in contrast particularly to West-Central Europe (Switzerland [Schweiz/Suisse/Svizzera], Germany [Deutschland], Austria), there is little tradition of subsidiarity in the transformation countries of eastern Europe. This applies especially to East and Southeast Europe, to a lesser extent to East-Central Europe, where the countries belonging to the Austrian part of the Austrian-Hungarian Monarchy, Transylvania [Ardeal], Croatia but also Poland and Hungary feature certain federalist traditions.

The centralistic administrative principle that was used early on by the Roman and Eastern Roman Empire was faithfully continued by Byzantium and carried into all parts of Byzantine-dominated East and Southeast Europe. The Ottoman Empire also adopted centralism along with other political and social models (e.g. the close connection between church and state). The young nation states, including those in East-Central Europe with clear subsidiary traditions, which formed after the disintegration of the multinational empires (the Ottoman Empire, the Habsburg Empire, the Russian Tsardom) during the 19th and 20th centuries, were additionally impressed and influenced by the French model of a Unitarian and centralist state.<sup>1</sup>

<sup>1</sup> Which had first developed from previously subsidiary structures, as it did in England, out of the emergence of absolutism in the early Modern Age.

Eventually, the principle of centralism was deepened across all of East-Central, East and Southeast Europe by half a century of Communism, which was a centralist ideology *par excellence*, even though some Communist countries (Yugoslavia, Czechoslovakia, the Soviet Union) had federative structures. But even here, the all-powerful Communist parties (the „Communist League“ in Yugoslavia) controlled every level of the state and of society right down to the smallest political and economic unit.

In addition to these older factors, which still reverberate strongly today, the current situation provides good reasons, which support centralism. In part, large national/ethnic/cultural minorities are often perceived as a threat to the unity of the nation state. It is feared that allowing the regions where they live a greater degree of self-government is tantamount to increasing this threat. Equally, regions with a strong cultural identity are sometimes viewed as danger for the state unity. For this reason they should not receive additional support through self-government. Both of these factors are closely related to the new sovereignty, only recently (with great effort) obtained and often perceived as vulnerable. Centralist attitudes are often justified by pointing to the political apathy of the population, which is widespread in post-Communist countries, particularly among members of the older generation and in rural areas. This supports the argument that self-government at a regional and local level meets with little interest anyway, and is of use to very few. A further common argument used by defenders of centralist administration is the reference to the (genuinely existing) lack of qualified administrative staff, particularly in rural areas and at the lower administrative levels. By shifting competencies to the subnational levels, one causes the quality of public administration and services to decline.

Against this background it is of no surprise that decentralisation in former Communist Europe only proceeded sluggishly and was often half-heartedly managed by national governments. The governments accepted it as a condition of European integration, but rarely acknowledged that it may lie in the interests of their own country. This is particularly true for the regional level in terms of

the large and medium-sized administrative units of the NUTS-2 and NUTS-3 dimension according to the European Union (EU) classification system.<sup>2</sup> In contrast, the local level, which consists of many small and therefore „harmless“ units (usually called „communes“, NUTS-4, NUTS-5) was allocated many competencies relatively quickly, though often without assigning adequate financial coverage.

However, it should be recognised, that similar conditions prevail to a large extent in the „old“ EU states such as France or Greece [Ellada].

The European institutions (EU, European Council) have several reasons for supporting decentralisation and especially regionalisation:

- Both processes correspond to the principle of subsidiarity, which forms part of the guiding idea of the EU and the European Council.
- They cause the diffusion of democracy across all political levels.
- They contribute to the preservation of European cultural diversity, because „regions are the cultural building blocks of Europe“.
- They allow the EU to distribute its (significant) funds for regional and structural support directly to the competent territorial administrative units, rather than to the state governments, which then determine the allocation.

The primary incentive behind many of these motives is presumably the notion that, following World War II, the European integration project must overcome the nation state and the associated excesses of nationalism, which have caused Europe so much harm in the past two centuries. In order to achieve this it is necessary to break the power of the nation states and to shift some of their competencies to levels of the EU on the one hand, and to the level of regions and communes on the other hand. This has proved to be a laborious process, firstly because strong powers and interests continue to operate for

the benefit of the nation states<sup>3</sup> and because this process, secondly, has to be driven by representatives of the nation states themselves, who consequently effectively disempower themselves.

European identity and European awareness, but also regional identities and regional awareness would be very helpful here. A European awareness is still barely developed. Regional awareness and regional identities do exist, to a certain extent even in those countries that are not far advanced in the process of regionalisation. They are often only covered by a thin veil of national identity and could not even be made to disappear in areas where totalitarian Communist regimes particularly pursued this objective by introducing frequent changes to the administrative structure.

The strengthening of regional identities and regionalisation could be in a position to halt nationalism and to reduce the likelihood of large-scale conflicts. Switzerland offers of good example of this: thinking in national categories (German, French, Italian) is significantly fractured by the existence of small, but politically and financially powerful cantons.<sup>4</sup>

Political control and structural support by the EU could also ensure that the development of „regional feudalisms“ and the increase of socio-economic disparities are prevented – two phenomena that are presented as arguments against regionalisation – and not without justification.

<sup>3</sup> In 1994 the Hungarian historian Ferenc Glatz named five arguments that are used against the relaxation of the nation state idea and associated centralism: (1) „Part of the intelligence that is linked to the classical liberal principles of the past century feels reluctance, because it grew up under the spell of the idea of freedom introduced by the French Revolution and the French state, which rejects any kind of group privileges and group rights.“ (Glatz 1994: 15) (2) The efforts of the state bureaucracy to maintain their position. (3) The survival of classical anti-fascist political traditions. (4) Fear of the German economic power, which could take root in autonomous areas no longer controlled by nation states. (5) The fear of small nations, particularly in the Eastern part of Europe, of being taken over by the „large nations“, when the former are unable to protect their identity with the political, educational and economic means of a nation state. (Glatz 1994: 15ff).

<sup>4</sup> However, some examples also exist that show that regions support national thinking, in cases where their borders coincide with the settlement area of nations: Kosovo, the Basque Country in Spain, the Serb Entity in Bosnia-Herzegovina.

<sup>2</sup> NUTS = Nomenclature des unités territoriales statistiques. The EU currently has 211 NUTS-2-regions with an average area of 15,800 sq km and an average number of inhabitants of 1.747 million. At the NUTS-3-level there are 1,093 regions with an average area of 3,050 sq km and an average number of inhabitants of 337,000.

## FOUR EXAMPLES OF DECENTRALISATION PROCESSES AND THEIR PROGRESS

### Poland [Polska]

#### *Cultural and administrative traditions*

From the very beginning, Poland developed as an aristocratic state with relatively weak royal power (central authority). With its territorial dominions (voivodeships) the powerful nobility shaped distinctive regional identities. These were further reinforced by the fact that, over the course of history, the function of capital of the nation wandered from Poznań to Cracow [Kraków] and on to Warsaw [Warszawa]. The personal union (1386), and later the real union (1569) with Lithuania brought Poland dominance over an empire, which – next to the Habsburg Empire – was the most important adversary against the Ottoman Empire in Europe. In the late Middle Ages the Hanseatic League spread not only along the coastal regions, but also reached far into the interior of the country, e.g. as far as Cracow. Together with other cities under German law they produced the bourgeoisie, which faced the sovereign and the nobility as a separate political force. Even before its three partitions in 1772, 1793 and 1795 the country was larger than it is today, and was located further to the east.

During the extremely formative phase of the 19th and the beginning of the 20th century (industrialisation, railway construction), the total division among Prussia (later Germany), Austria, (later Austria-Hungary) and Russia from the late 18th century until World War I, produced very different economic and cultural influences in the three parts of the country, which reverberate to this day even though sections of the population were replaced after World War II.

In 1916, once again a „core Poland“ emerged, which expanded significantly until 1923, moving to the east into areas that are Ukrainian and Belorussian today. The political post-war order forced Poland to shift to the west by 200-250 km, which brought with it a massive population transfer. It was as late as 1992 that this was finally sealed by the German-Polish agreements.

Communist post-war Poland retained the three-tier administrative system of the inter-war period until 1974, with certain modifications. In the territory of post-war Poland it was composed of 17 voivodeships [województwo]<sup>5</sup> on the upper regional level, powiats [powiat] on the lower regional level and communes [gmina] on the local level. Until 1950 the latter enjoyed self-government. As cities, Warsaw and Łódź were treated like the voivodeships. The newly acquired, previously German territories were immediately incorporated into the existing system of voivodeships in 1945, though the 1937 state borders were not reflected on the voivodeship borders.

The large voivodeships in the west were subdivided in 1950, resulting in the three new voivodeships Koszalin, Zielona Góra and Opole. Later, the large cities of Poznań, Cracow and Wrocław were each bestowed the status of a voivodeship as well. The system was heavily centralised and self-government did not exist on any level. The increasing power of the Communist party leaders within the voivodeships led the party central office to reinforce the competencies of the communes in 1972 and 1973, which in turn resulted in the polarisation of the balance of power between the voivodeships and the communes, and made the powiats appear superfluous. The administrative reform of 1975 took account of this, eliminated the level of the powiats, transferring most of their competencies to the communes and establishing 49 voivodeships (including 3 cities at the level of voivodeships), instead of the initial 17 (with 5 cities).

#### *Developments 1989-2007 and the current administrative-territorial system*

An initial administrative reform immediately after the political turn-around in 1990 reintroduced the self-government of the communes in the form that had existed until 1950. The issue of the arrangement of the regional level triggered long discussions, mainly due to the number and size of the voivodeships, and these were not brought to a close until 1999 and resulted in the three-tier system that still exists today.

<sup>5</sup> The official designation of the term in the local official language/s is always given in the singular nominative, even where the English expression does not correspond to number.

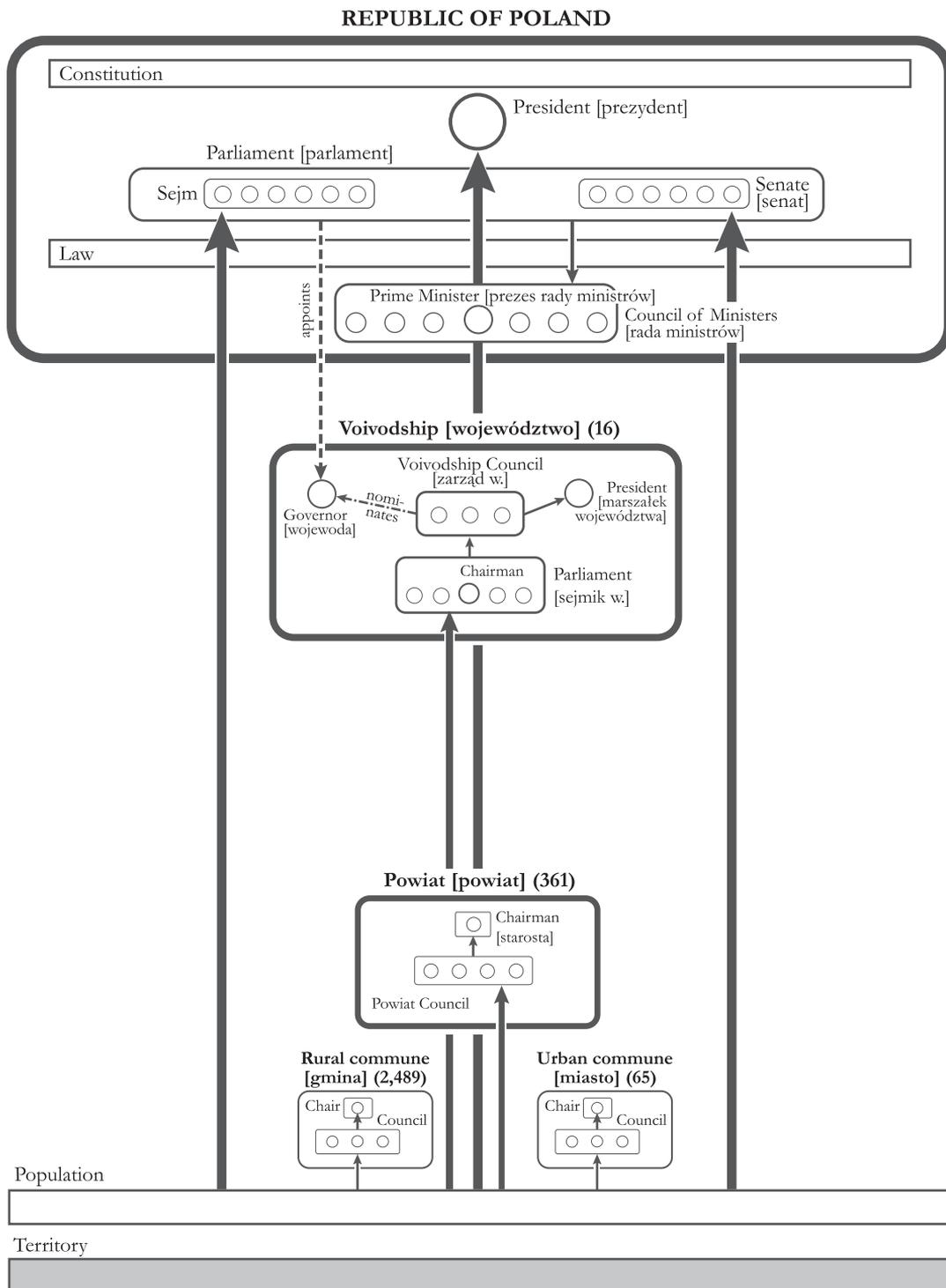


Figure 1 Poland's current administrative system

Since January 1, 1999 the Polish administrative-territorial system (see Fig. 1) is composed of 16 voivodeships [województwo] on the upper regional level, 361 powiats [powiat] on the lower regional level, as well as 2,489 rural communes [gmina] and 65 urban communes [miasto] on the local level.<sup>6</sup> The voivodeships correspond to the NUTS-2 level of the EU classification, the powiats to the NUTS-4 level, and the communes to the NUTS-5 level. All three levels are exclusively or additionally self-governing.

The following were significant motives for this administrative reform, and in particular for the re-introduction of large voivodeships and a three-tier system as was in place until 1975: the expectation of large-scale and efficient regional planning, the replacement of the „artificial“ Communist system symbolised by the structure as it existed in its final years, the alignment (of the voivodeships) with historical regions, the promotion of democratisation through self-government and the need to comply with the requirements of the EU.

In many cases, the 16 **voivodeships** do indeed correspond at least roughly to historical cultural regions, whose identity was frequently shaped early on in the Middle Ages, and which are firmly rooted in the consciousness of the population. They often also bear the names of these historical units and cultural landscapes: Greater Poland [województwo wielkopolskie], Lesser Poland [województwo małopolskie], Masovia [województwo mazowieckie], Pomerania [województwo pomorskie], Silesia [województwo śląskie], Podlachia [województwo podlaskie], to just name those that are better known. In most cases there is also a good match with the central place system, the functional regions of the large regional centres (macrocentres). However, in some cases they are too small for the central place macroregions and divide them further (especially Katowice, Cracow, Poznań, Gdańsk). Indeed, the initial reformation plans had only provided for 12 voivodeships. The larger number was the result of the consideration of local needs.

<sup>6</sup> The numbers of administrative units given here and in the further text as well as in the figures refer to 1 January 2007.

The voivodeships simultaneously have institutions of self-government and of deconcentrated state administration at their disposal (Fig. 1). For the first time in Poland's more recent history, the voivodeships are consequently self-governing.

A Parliament [sejmik województwa] is elected for a term of four years and it, in turn, elects the Council of the Voivodeship [zarząd województwa] as its government, as well as the President<sup>7</sup> [marszałek województwa]. Voivodeships with up to 2 million inhabitants have 45 delegates, for every additional 500,000 inhabitants, 5 further delegates are added.

The Governor [wojewoda] is a representative of the deconcentrated state administration, and counterbalances these institutions of self-government. He is appointed by the Polish Council of Ministers and is thus a representative of central government. However, the Council of the Voivodeship has the nomination rights. The Governor can annul decisions made by the self-government, if they are in violation of the national law. However, his decisions can be challenged before the administrative court. He is also responsible for public safety.

The competencies of the self-governing institutions of the voivodeships comprise

- education,
- economic and regional development,
- transport infrastructure,
- culture,
- healthcare and social services,
- development of rural areas,
- protection of the environment,
- public safety,
- bilateral and multilateral cooperation with foreign partners.

The revenues of the voivodeships are only self-generated to a very small extent (mainly as a share of property tax and income tax). Instead, they primarily consist of national transfer payments. These, too, are

<sup>7</sup> In this text references to functional titles (e.g. his vice-mayor) always represent both the female and male form. It would impede legibility if both forms (his/her) were used throughout. The use of the female form only would introduce a greater discrepancy with reality, as the majority of officials are male at this time.

severely restricted and have to be renegotiated year after year. Voivodeships have the option to enter into contracts with the state about the execution of particular functions, which are then specifically funded by the state (e.g. road construction). Overall, this represents a rather weak financial basis for the execution of a considerable range of functions within self-government. Consequently, the effect of these competencies is very limited. Sometimes communes and powiats surrender functions to the voivodeships, together with the associated necessary funds.

The primary role of the 361 **powiats** is to support and coordinate the communes. They are exclusively self-governing. The powiat councils are elected for a term of four years and are made up of 20-60 delegates who, in turn, elect a Chairman [starosta]. The competencies of the powiats are relatively restricted and consist mainly in the cooperation with the voivodeships and the communes in relation to their respective administrative territory.

In contrast, the 2,489 rural and 65 urban **communes** are endowed with much stronger competencies. They are also relatively independent financially. For their budget they receive shares of the income tax revenue in the commune and they are allowed to own property. The communal council is elected for a term of four years and has the duty to elect the communal board, which holds the executive functions.

Furthermore, the Polish Constitution provides for the instrument of the referendum in relation to all three subnational administrative levels. This can be used to remove elected institutions from office.

Subnational territorial administrative units have several options to represent their interests vis-à-vis the state. The Senate is one form of representation of interests that is embedded in the Constitution, the second chamber of the Polish Parliament in addition to the Sejm. Already in 1989, this was transformed into a representation of the (49 at the time) voivodeships with 100 senators. Every voivodeship provided two senators, the two largest voivodeships, Warsaw and Katowice, each supplied three. In addition there are associations of the local and regional authorities, which have the status of NGOs:

the Association of Polish Cities, the Association of Small Polish Towns, the Association of Large Polish Cities, the Association of Rural Communes, the Association of Powiats and the Confederation of Polish Communal and Regional Associations. They intervene with the central authorities and are systematically consulted by the Polish government in matters of local and regional administration.

As far as the progress of the decentralisation process is concerned, it can be concluded that among all transformation countries, Poland has made the relatively greatest progress. It features self-government on all three subnational administrative levels; the NUTS-2 level is also furnished with self-governing territorial administrative units and corresponds to a large extent with historically evolved cultural units. However, the financial resources of this administrative level in particular are highly insufficient.

In carrying out the spatial delineation of the voivodeships, the „danger“ of providing ethnic minorities with a better opportunity to represent their interests by gathering them in one administrative unit was not evaded, even though this „danger“ is objectively slight in view of the average Polish minority proportion of 3.3% (2002): for the benefit of the relatively most compact minority, the Germans in the area of Opole, the cultural region of Silesia was divided into three voivodeships. Thus, the Germans account for a share of 10% of the total population in the Voivodeship of Opole [województwo opolskie] and have good opportunities to be represented in the Council of the Voivodeship.

Particularly in the 1990s, the driving forces of the decentralisation process in Poland were the trade union movement Solidarność in cooperation with the Roman Catholic Church.

## Slovakia [Slovensko]

### *Cultural and administrative traditions*

The territory of present-day Slovakia formed an integral component of the Hungarian state for as long as this had been in existence (approximately since the year 1000), and became part of newly

formed Czechoslovakia after World War I. In this state, Slovakia was one of the four provinces of Bohemia [Čechy], Moravia-Silesia [Morava-Slezsko], Slovakia and Subcarpathia [Podkarpatská Rus']. It adopted the Hungarian county system (Slovak for county: *župa*) and retained it until 1922, when it was replaced by much larger units (but also called *župa*). With the First Vienna Award dated November 2, 1938 Hitler accorded Hungary, which was allied to him, the majority of the Hungarian-populated areas in southern Slovakia. In March 1939, the remainder of Slovakia became an „independent“ state by Hitler's favour. After the end of World War II, following the will of the victorious powers, Czechoslovakia was re-established inside the borders of 1920, but had to cede Subcarpathia [now ukr. Zakarpattja] to the Soviet Union in June 1945.

In the year following the Communist seizure of power (1949) a three-tier administrative system was introduced in all of Czechoslovakia, which consisted of regions [kraj], districts [okres] and communes [obec]. Six of the regions and 92 of the districts were located within Slovakia. The next reform that applied to the entirety of Czechoslovakia was implemented in 1960 and reduced the number of regions within Slovak territory to three (Western Slovak Region [Západoslovenský kraj], Central Slovak Region [Stredoslovenský kraj], Eastern Slovak Region [Východoslovenský kraj]). These regions corresponded fairly well to cultural identities and functional relationships. At the lower regional level the number of Slovak districts was reduced to 33, but in 1968 again increased to 37.

The federalisation of Czechoslovakia from January 1, 1969 onwards made Slovakia an autonomous constituent republic of a federal state. At the same time, the Slovak capital Bratislava was promoted to the status of region and hived off from the Western Slovak Region. On August 11, 1969 the regions were temporarily rescinded, but then they were reintroduced again on December 28, 1970. No further modifications were made to this three-tier administrative system in Slovakia until the political turn-around in 1989.

#### *Developments 1989-2007 and the current administrative-territorial system*

While still a part of Czechoslovakia, but already under a post-Communist government, Slovakia introduced the self-government of communes. The detachment from Czechia and the state of independence from January 1, 1993 onwards was carried out without a referendum. Intensive negotiations began immediately about a new administrative system at the regional level. This was finally introduced on 24.7.1996 under the government of Vladimír Mečiar. This new system had three tiers and consisted of 8 regions [kraj], 79 districts [okres] and 2,867 communes [obec].

The population sizes of the 8 regions were similar and corresponded to the NUTS-3 level of the EU. However, they did not align with the historical units and cultural regions, for example with the initially Hungarian counties, which were Slovak in the inter-war years, and which are still very much alive in the consciousness of the population. They also do not correspond to the central place system (functional regions). This regional structuring had the effect of cutting off Bratislava from its hinterland, and the eastern Slovak centre Košice lost the northern half of its catchment area. In many regards this regional structuring features similarities with the first Communist system between 1949 and 1960.

Clearly, two political motives also played an important part: (1) To curtail Bratislava and Košice, the two largest cities, where Mečiar's structure-conservative and nationalist Movement for a Democratic Slovakia [Hnutie za demokratické Slovensko, HZDS] had achieved the weakest results in the parliamentary elections of 1994; (2) to shape the regions in such a way that the significant and compactly settled Hungarian minority was prevented from reaching 30% anywhere.

The regions established in 1996 only carried out deconcentrated state administration, no self-government, and were funded exclusively by the state. They did, however, have the authority to engage in transnational cooperations.

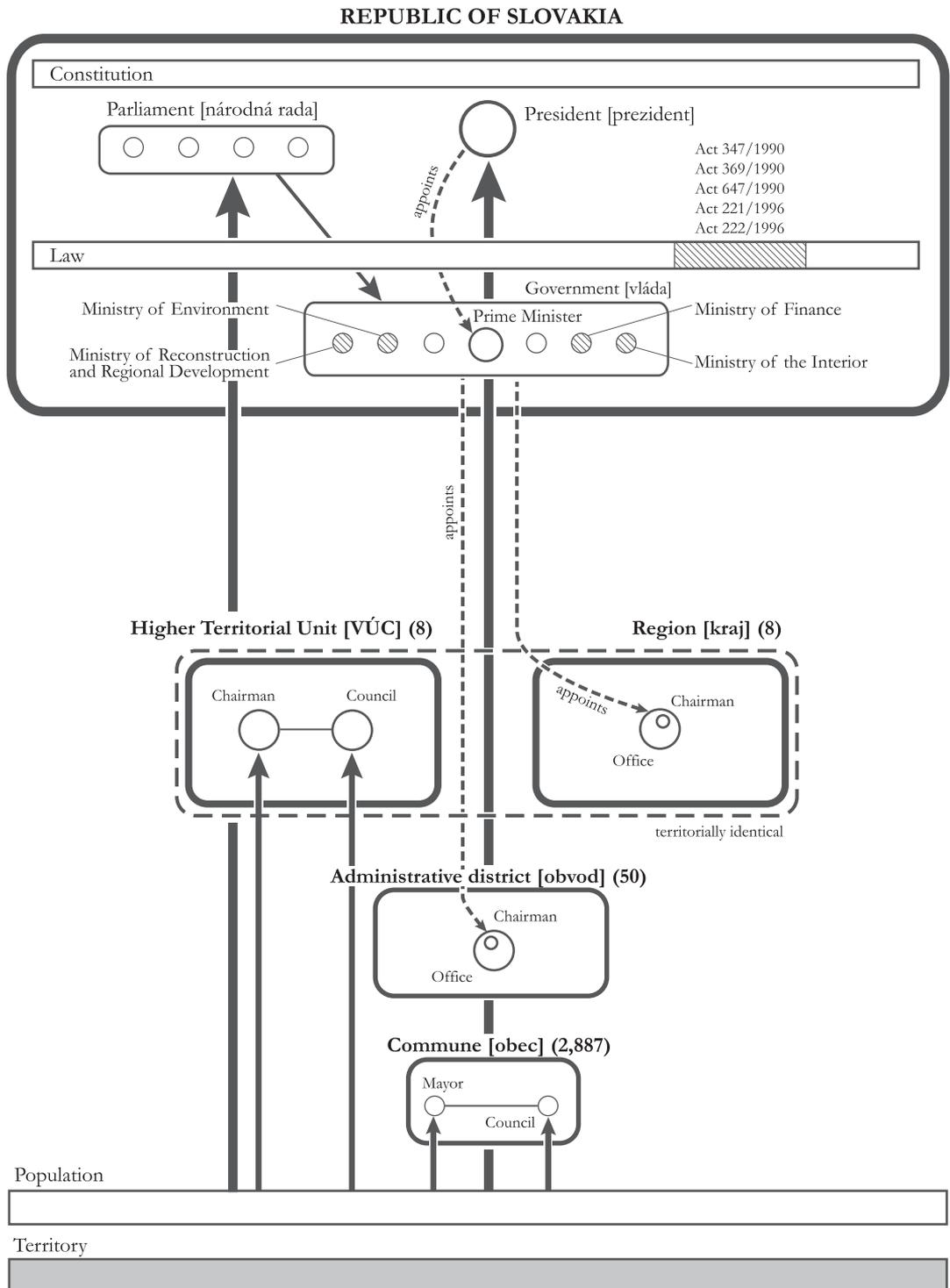


Figure 2 Slovakia's current administrative system

In the autumn of 1998, not long after Mečiar's autocratic government was voted out of office, discussions about regionalisation and self-government at the regional level came back to life. The government now formed a broad anti-Mečiar-coalition with the inclusion of the Hungarian Party (Hungarian Coalition [Magyar Koalíció/Maďarská koalícia]). By the summer of 2001 the discussions had produced five recommendations. All of these shared a two-tier system consisting of local administration (communes) and regional administration. The idea was that the regional administration was to be made up of two parallel systems, covering the same territory, these being regions [kraj] for deconcentrated state administration and „Higher-level Territorial Administrative Units“ [vyšši územni celky, VÚC] for regional self-government. The VÚC represented the introduction to Slovakia of self-government at the regional level. Districts [okres], as they had existed until this time, were to be disbanded and their powers distributed to the regions [kraj]. The intention was to combine the regions into four planning regions without legal status at the NUTS-2 level.

The differences between the five suggestions could be found in the number of regions and VÚC (12 instead of 8), and in their configuration. The greater number of 12 would have allowed the Hungarian minority in the southern part of the country to achieve a share above 30% in two regions, and to possibly gain political majorities in the elections. The proposal put forward by the Hungarian Coalition also provided for a region that was more or less identical to the compact Hungarian settlement area.

Following severe political clashes, which almost caused the government's coalition to shatter, in July 2001 a decision was taken in accordance with the principle of the lowest common denominator. The spatial structuring that had existed hitherto and that had established a basic structure of eight units in 1996 was retained, the districts were not disbanded. Higher-level territorial administrative units (VÚC) were introduced in parallel to the eight regions and were congruent with these (see Fig. 2).

Since January 1, 2002 Slovakia consequently has a three-tier administrative system, which consists of eight regions at the upper regional level [kraj], and an equal number of higher-level territorial administrative units [vyšši územni celky, VÚC], which coincide in their territories. The former represent deconcentrated state administration, the latter represent self-government. The lower regional level is comprised of 79 districts [okres] as territorial administrative units of deconcentrated state administration, and the local level has 2,887 communes [obec], which have been self-governing since 1990. While the regions and higher-level territorial administrative units correspond to the NUTS-3 level, the districts can be allocated to the NUTS-4 level, and the communes to the NUTS-5 level.

The eight regions finance themselves exclusively through national transfer payments. The eight higher-level territorial administrative units, which are spatially identical to the regions, are endowed with elected institutions, but are also financed by the state for the most part. Their competencies are weak and are primarily related to the coordination of subordinate territorial administrative units. However, they can enter into cross-border collaborations with foreign regions.

In 2004 the districts were renamed to administrative districts [obvod], but retained their functions and their territorial configuration (Fig. 2).

In recent years the relationship between regions and higher-level territorial administrative units has shown a tendency towards fusion, with the institutions and competencies of self-government gaining the upper hand. The term used is almost always „region“ [kraj] nowadays, while the (complicated) expression „higher-level territorial administrative unit“ is disappearing more and more. Today, road signs at the borders of the regions only use the term „kraj“.

Since 1998, two to three regions respectively are combined to form four „statistical and planning regions“ at the NUTS-2 level. They do not have their own juridical personality and are not constituted as territorial units of the administrative system. Financially, and in terms of directives, they are allocated to central government.

In other words, the reform of 2002 created a (particularly for a small country) hypertrophic system with three administrative levels (one of these being double) and one additional planning level. With regard to decentralisation, it also features considerable deficits: the subnational territorial administrative units have no or only insignificant financial autonomy; together, the budgets of all subnational units only account for 10% of the public budget and self-governing territorial administrative units can only decide on the distribution of 16% of their income; regional self-government (VÚC) has very little in the way of own authority; the NUTS-2 level does not consist of separate territorial administrative units and is therefore entirely dependent upon central government.

Important reasons for this include (among others, which apply to many transformation countries) (1) the existence of localized regional identities, which are related to the former Hungarian counties and do not match the present-day regions; (2) the poor correlation between administrative and functional regions; (3) and, last but not least, the large, culturally very aware and compactly settled Hungarian minority (9.7% in 2001), which some, or at any rate the nationalist and populist parties, perceive as a threat to the national integrity.

## Slovenia [Slovenija]

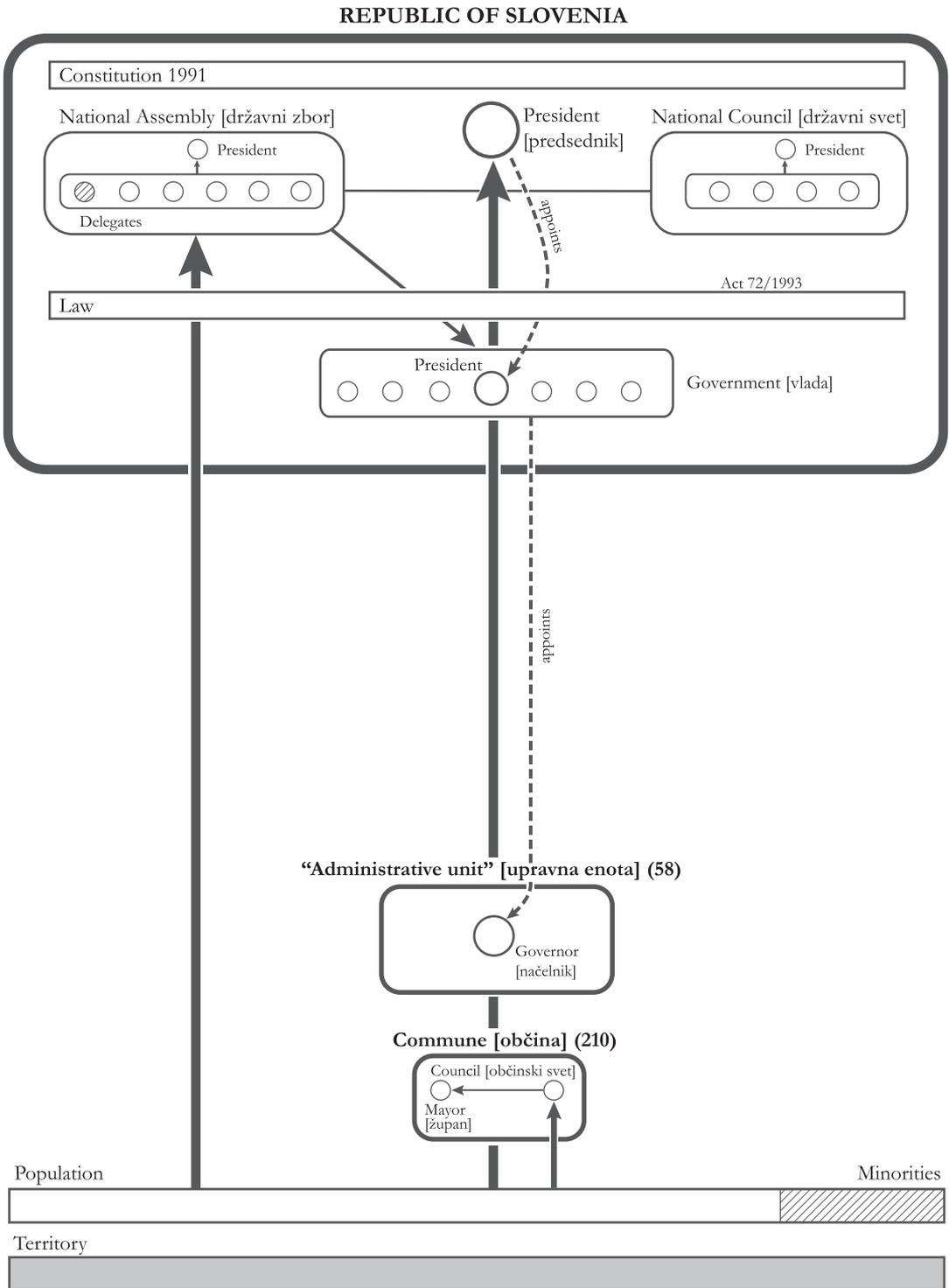
### *Cultural and administrative traditions*

Slovenia first emerged as a political entity in 1945, when it became a constituent republic of the federal Communist state of Yugoslavia. Prior to this, Slovenes only existed as an ethnic and linguistic category, which was dispersed across several countries and administrative units and which was dominated by majority populations or elites that belonged to other ethnic and cultural groups (with the limited exception of Yugoslavia during the inter-war years). The dominance by a variety of other cultures moulded Slovenian culture in different ways and left its traces in the cultural landscape, in regional identities and in the regional consciousness.

The most pronounced and diverse impressions were left by the Republic of Venice [Serenissima Repubblica di San Marco] in the Adriatic façade of modern Slovenia, and the Habsburg Empire in the remaining areas of the country. While the influence of Venice found its expression in the Mediterranean architecture and the Mediterranean lifestyle in parts of Slovenia, the Habsburg Empire left its mark in terms of Central European (Alpine, Pannonian) traditions. Looking beyond this cultural-historical bisection, the individual crownlands of the Habsburg Empire also left traces behind, producing a lively regional consciousness that exists to this day: the Slovenian Littoral [Primorsko] that was Venetian until 1797, then became Austrian; the medieval Habsburg crownlands of Carniola [Kranjsko], Styria [Štajersko] and Carinthia [Koroško], as well as Prekmurje [Prekmurje], which was ceded by Hungary after World War I.

None of the administrative-territorial structures implemented after 1918 reflected these historical and cultural identities. Instead, the area of present-day Slovenia was always subdivided in numerous smaller entities, varying in number between 20 and 62, and fluctuating in name between district [okraj, srez] and commune [občina]. Only for the time between 1922 and 1929, in the Kingdom of Serbs, Croats and Slovenes [Kraljevina Srba, Hrvata i Slovenaca, SHS] did the subdivision of the Slovene territory belonging to this state (the western areas belonged to Italy) into the regions [oblast] Ljubljana and Maribor correspond to the historical division between Carniola and Styria.

Between 1945 and 1991, Slovenia was one of the six constituent republics of Yugoslavia. This status, and particularly the degree of autonomy that was further deepened through the Yugoslav Constitution of 1974, can retrospectively be regarded as a necessary preliminary stage for the independence, which was gained in 1991. During this time, Slovenia was divided into greater communes [občina], numbering 62 in the end, which were self-governing. No further administrative level existed between these communes and the constituent republic.



**Figure 3** Slovenia's current administrative system

*Developments 1989-2007 and the current administrative-territorial system*

The first administrative reform to take place in independent Slovenia on October 3, 1994 (see Fig. 3) replaced the 62 communes, each with an average area of 336 sq km and an average population of 28,000, with 147 communes [občina], each with an average of 138 sq km and 13,000 inhabitants. Consequently, they no longer corresponded to the NUTS-4 level (as the former greater communes had done), but to the NUTS-5 level instead. They too, were self-governing. By January 1, 2007 their number had been augmented in several stages (August 8, 1998: 192; June 15, 2002: 193; March 14, 2006: 205; June 14, 2006: 210) to reach 210, gradually reducing the average area to 96 sq km and the average population to 9,400. Eleven of these are urban communes [mestna občina], these being Celje, Koper/Capodistria, Kranj, Ljubljana, Maribor, Murska Sobota, Nova Gorica, Novo Mesto, Ptuj, Slovenj Gradec and Velenje. Urban and other kinds of communes are each endowed with the same competencies.

The **communes** are defined as the basic local self-governing units according to the Constitution of 1991 and in the Local Government Act (72/1993). Following the Constitution their number can only be increased up to a total of 300. The institutions of the communes are the communal council [občinski svet] elected for a four-year term and the mayor [župan], who is elected by the communal council and also serves for a term of four years. There can be up to three deputy mayors [podžupan]. The communal council also elects the communal government [občinska uprava].

Communal revenues are sourced primarily from taxes and rates. Communes in peripheral areas, which are not able to finance themselves exclusively with self-generated revenues, receive state transfer payments in the way of disparity equalisation.

Simultaneously more or less with the new communes (October 4, 1994), 50 so-called „**administrative units**“ [upravna enota] were also established. To a large extent they correspond to the territories of the former larger communes, and thus also to the

NUTS-4 level, and they represent deconcentrated state administration by offering spatially dispersed governmental administrative services. They are lead by a governor [načelnik], who is a civil servant.

To date, self-government has not been established at the regional level, even though the Constitution allows for this option and related discussions began as early as 1991. One possibility, which is repeatedly mentioned, would be the elevation of the 12 existing statistical regions [statistična regija] to administrative regions [pokrajina]. They correspond to the NUTS-3 level, are largely well matched to the previously mentioned cultural landscapes and their respective subdivisions (e.g. the division of Carniola into Upper Carniola [Gorensko], Inner Carniola [Notransko] and Lower Carniola [Dolensko]) and also align with the functional territorial units (Vrišer 1998). However, the political parties have been unable to agree upon a solution so far. There is also support for the widely held opinion that a small country such as Slovenia does not require an additional and costly administrative level. A further argument, mentioned less openly, suggests that self-governing regions could release centrifugal forces, if one considers that pronounced regional identities supported by self-government gain gravitas and could pose a threat to the statehood and national unity, which are still young and vulnerable.

## **Bulgaria [Bălgarija]**

### *Cultural and administrative traditions*

From 1360 onwards the territory of present-day Bulgaria was the first goal of the Ottoman expansion into Europe. More than half a millennium of direct Ottoman rule brought about particularly pronounced Ottoman characteristics. Thus, the Ottoman manorial system became fully effective, a large number of ethnic Turks settled there, parts of the Slav population converted to Islam (Pomaks) and the Roma predominantly became Muslims. Ottoman centralism, bolstered by Islam as state religion, did not allow a strong aristocracy or a strong bourgeoisie. The administrative system of the Ottoman Empire that functioned according to central state principles also barely allowed the formation of stronger regional identities.

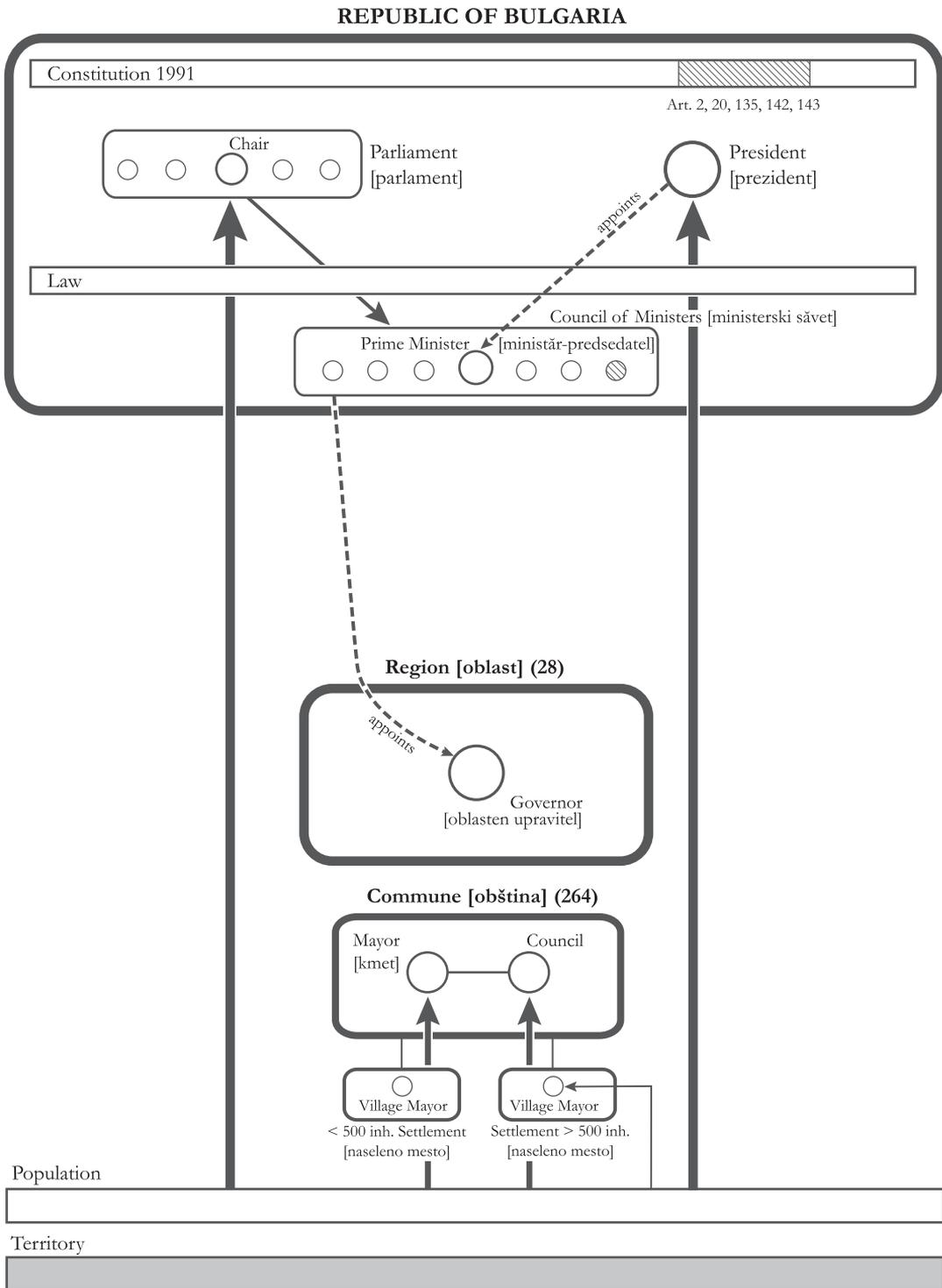


Figure 4 Bulgaria's current administrative system

After 1878 (Congress of Berlin), Bulgaria passed through stages of autonomy leading to independence while simultaneously expanding its territories (1885, 1908, 1912). In this, it was substantially supported by Russia. During the time of Communism Bulgaria also maintained its special relationship with the Russian-dominated Soviet Union and among all Communist states in Eastern Europe it copied Soviet Communism most faithfully. This also affected the subnational administrative system that knew regions [oblast] following the Soviet model.

*Developments 1989-2007 and the current administrative-territorial system*

Based on the Constitution from the year 1991, the present-day two-tier administrative system was established in 1998 (see Fig. 4). It consists of 28 regions [oblast] and 264 communes [obština]. They correspond to the levels 3 and 4 respectively of the NUTS-classification. This system replaced a different two-tier system comprised of 9 regions [oblast] and 246 communes [obština] that had only entered into force during the final phase of the Communist era, on 1 January 1988. The 9 regions had proved to be too large and too inefficient in the exercise of their competencies. A further incentive for the reform was presumably also the desire to move away from Communist structures.

The 28 **regions** today are units of deconcentrated state administration. This is exercised in the region by the governor, who is directly appointed by the Council of Ministers (Fig. 4).

In contrast, the **commune** is an institution of self-government; not just since 1998, but since the reformation of 1988, which fell within the phase of (Soviet) perestroika. Compared to 1988, the numbers and borders of the communes have not changed significantly. A few larger communes were merely divided. New communes should have at least 6,000 residents. The executive institutions of a commune are the communal council and the mayor. Both are directly elected for a term of four years. The direct election of both institutions can produce a situation where the mayor does not belong to the majority party of the communal council. The

number of council members is proportional to the size of the commune's population.

Every **settlement** [naseleno mesto] within a commune has a „village mayor“. In settlements with more than 500 residents the mayor is elected by the population, in settlements with less than 500 residents the mayor is appointed by the communal council. The village mayor does not have a separate budget.

Only the national parliament has legislative authority. The executive powers of the governor include

- the regional representation of the state;
- supervision to ensure that the policies of subnational administrative units do not run contrary to those of the state;
- supervision to ensure that state law is complied with in the region;
- organisation, development and implementation of strategies and programmes for regional development;
- the coordination of these strategies and programmes with the communes;
- the protection of state property;
- the organisation of military mobilisation measures;
- the organisation of disaster relief;
- the maintenance of public order;
- „regional foreign policy“, including contacts to and cooperations with regions in other countries.

Thus, in all public spheres the governor has an important control and coordination function. He not only exercises this function vis-à-vis the communes, but also as counterpart to the representatives of the social partners, of public welfare and healthcare facilities and of NGOs.

The executive powers of the communal council are comprised of

- setting commune policies,
- establishing expert commissions,
- electing a chairman of the communal council,
- electing the deputy mayor(s) following a proposal by the mayor,
- passing a resolution on the annual municipal budget,
- setting local taxes and local rates.

The mayor is responsible for

- the maintenance of public order,
- the execution of the municipal budget,
- long term development programmes,
- protective measures in the event of disasters,
- „communal foreign policy“,
- construction permits,
- environmental protection,
- organisation and maintenance of educational and healthcare facilities.

While the regional administration is financed solely by funds from the national budget, communes draw their financing from several sources. Thus, the share received of the taxes set by the state are important: property tax, inheritance tax, gift tax, land transfer tax, motor vehicle tax, their own municipal tax, value added tax for juridical persons owning more than 50% of businesses in the commune. Added to these taxes, there are also municipal rates for refuse collection, market stalls, the commercial use of municipal property, nursery schools, leisure facilities, social services facilities, technical and administrative services, dog licences, graves, as well as revenues from approvals, fines, interest payments. A large part of the commune's revenue is however made up of national transfer payments. These consist of the basic subsidy, which is based on a list of criteria and is set annually by the national budget; they further consist of ring-fenced subsidies for special and long-term projects; and of subsidies that are granted in the case of particular needs and under specific conditions. Since 1999, the share represented by these national transfer payments in terms of the communes' revenues lies between two thirds and three quarters averaged across all communes, with a variation by commune between 12% and 83%.

The main problem that arises from this financing arrangement stems from the fact that most communes are not able to meet the cost of performing their functions using regular revenues (statutory revenues that are fixed, basic state subsidy). The numerous functions of the communes are not met with the corresponding (regular) revenues. Most communes, therefore, generally generate a budget deficit, which ultimately has to be covered

by unscheduled government grants. *De facto*, these grants and their amounts are linked to political concessions and leave the communes dependent on national, and frequently on party political attempts at influence. The financial scarcity in the communes also means that they primarily focus on fulfilling their basic functions, while additional and optional duties are deferred or not completed at all. Frequently, the national transfer payments are made after long delays, in turn forcing the communes to delay the salary payments to civil servants, teachers or hospital staff. A further element of uncertainty is introduced by the fact that national transfer payments to communes (including the basic subsidy) have to be agreed year upon year with the new national budget. The amount with which the communes are endowed, therefore also depends on the general state finances and on the spending priorities of the respective political majorities. This reduces their planning certainty.

On the national level the interests of the subnational territorial-administrative units can partly be leveraged by the delegates to State Parliament. In accordance with the wording of the law these represent their constituencies, which correspond to the regions, with two exceptions (Sofia [Sofija] and Plovdiv). Although voting in parliament primarily follows party loyalties, there is balancing of interests within the individual parties between the delegates from different regions and communes. As members of the National Council for Regional Development the governors are represented in the Council of Ministers. Additionally, there is a national association of territorial-administrative units that is organised as a non-governmental organisation (NGO).

Bulgaria has no territorial-administrative authorities or units at the NUTS-2 level. In the year 2000 only 6 planning regions were established, each comprising between 3 and 6 of the 28 administrative regions. They are not separate legal entities and serve the purposes of regional development and regional statistics. They are Bulgaria's reaction to the corresponding EU requirements, but do not comply with the intention of these requirements, as decisions for these regions are not taken at the subsidiary level, but at the state level.

It can be said that the decentralisation process has not yet progressed very far in Bulgaria. Only the communes can rejoice in self-government, while the NUTS-3 level is occupied by state-controlled regions and the NUTS-2 level merely by planning regions. Also, the financial autonomy of the communes is very restricted. This creates a significant dependency upon the state and impedes their ability to participate in EU-funded Structural Funds projects.

In terms of driving forces behind a greater degree of decentralisation, this term still fits the requirements posed by the EU best; these are at least accepted and supported by part of the political elites, to an extent also by regional and local media, who articulate regional and local interests. The lack of political participation among large parts of the population remains a weighty obstacle, particularly in rural areas. Regional identities that are not very distinctive and the significant ethnic minority of the Islamic Turks (2001: 9.4%), which is concentrated in two sub-areas of the country and compactly settled there also play a role that should not be underestimated.

## SYNOPSIS

The synopsis shown in Fig. 5, of the formulation of subnational territorial administrative units in the transformation countries of Central and Southeast Europe with self-government, delegated self-government, delegated state administration and deconcentrated state administration, depicted by countries in their spatial arrangement and by NUTS-levels, suggests the following conclusions:

- The **local administrative level** (NUTS-5; in Lithuania, Bosnia-Herzegovina, Montenegro, Serbia and Macedonia NUTS-4) is endowed with self-government, with the exception of Belorussia, which is a dictatorship. This self-government had already been established in the successor states of Yugoslavia during the Communist years, and was adopted by the other transformation countries immediately before or very soon after the political turn-around. It expresses the early quest for democratisation “from the grass roots”, but with the small size of the local units it only embraces political dimensions that do not pose a threat to the central government.
- The **regional administrative levels** (NUTS-2 to NUTS-4), on the other hand, are only exclusively self-governed in exceptional cases. Where, as in Hungary, Croatia and Bosnia-Herzegovina, this is the case, the self-government is either endowed only with moderate competencies (Hungary, Croatia) or it does not correspond to the ideal type of administrative regionalisation, but is rather a form of administratively supported and therefore solidified ethnic segregation (Bosnia-Herzegovina: entities on the NUTS-2 level and cantons at the NUTS-3 level in the federation). Slovenia, Montenegro and Macedonia have no regions. This deficit in the decentralisation process at the regional levels, in other words – with regard to a “real” administrative regionalisation – can be explained by administrative traditions, but beyond that also primarily by the poorly consolidated national identity and statehood. Against this background, different central administrations are keen to interpret various signs (ethnic and other minorities, pronounced regional identities, gravitational pull of foreign centres, socio-economic spatial disparities, etc.) as good reasons for demonstrating restraint in this matter.
- **New autonomies**, in the sense of partial territories of a state that are endowed with special competencies of self-government, were exclusively the result of national movements during the transformation phase (Gagauzia, Crimea; the Autonomous Province of Vojvodina already existed at the time of Yugoslavia), while regionalist movements, which occurred frequently and with vehemence, (for example, Moravia, Istria [Istra], Transcarpathia [Zakarpattja]) were not able to prevail.
- **Administrative traditions** display a strong impact. Thus, for most successor states of the Austrian-Hungarian Monarchy, deconcentrated state administration at the lower regional

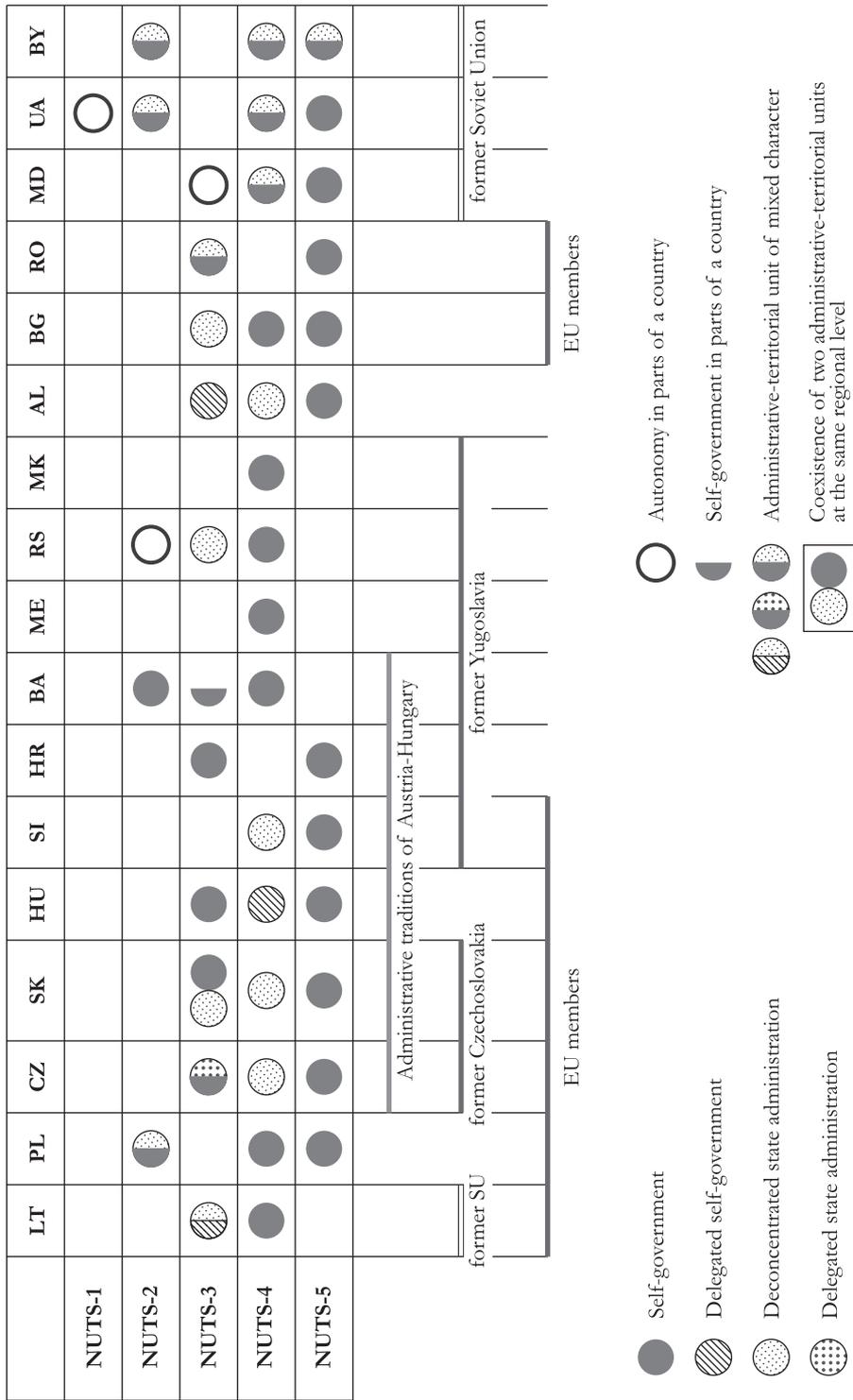


Figure 5 Synopsis of subnational governance in the transformation countries of Central and Southeast Europe

administrative level (NUTS-4) following the pattern of the Political Districts [Politischer Bezirk] during the end phase of the Austrian-Hungarian Monarchy is quite characteristic (Czech Republic, Slovakia, Slovenia). The different approaches chosen by Croatia and Bosnia and Herzegovina can be partially (Croatia) or fully (Bosnia-Herzegovina) explained by the circumstances of war that prevailed in the 1990s. Hungary switched to a different model only recently. In Romania, the Romanian administrative system that was tailored after the French model, unfolded itself over large sections of the innercarpathian territories, which had belonged to Austria-Hungary until 1918.

In contrast, in most successor states of Communist Yugoslavia, the self-governing large communes were retained at the lower regional level (Bosnia-Herzegovina, Montenegro, Serbia, Macedonia). Only Slovenia and Croatia returned to small communes immediately after gaining independence, this being the structure that had existed there prior to the years of Communist Yugoslavia.

In the successor states of the Soviet Union, state administration generally also comprises all regional levels of administration. To date, only a very partial loosening of the structure has been achieved through the introduction of elements of self-government.

- What is less tangible in the synopsis, because it does not provide information about the competencies of self-government, the financial resources of self-government, the relative size of self-governing territorial administrative units, and the correlation between self-governing subnational units and cultural-spatial identities, is the **lesser degree of decentralisation**, particularly at the regional level, **in the territories that were moulded by the Byzantine and Ottoman cultural traditions**.

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s centralistickými tradicemi majícími svůj původ nejen v komunistickém období a mohla být částečně prosazena pouze se značnými obtížemi.

Článek zkoumá komparativní metodou snahy, které byly učiněny, a cíle, které byly dosaženy v jednotlivých zemích středovýchodní a jihovýchodní Evropy v oblasti lokální a regionální samosprávy. Zvláštní pozornost je věnována regionální úrovni, na kterou byly administrativní pravomoci převedeny až později a částečně nedostatečným způsobem. Dále sledujeme, do jaké míry administrativní členění respektuje historické regionální a kulturní identity, které jsou v mnoha zemích dosud silné a živé, ale byly zastřeny komunistickými administrativními systémy. Decentralizační procesy a jejich vývoj jsou dokumentovány na příkladech Polska, Slovenska, Slovinska a Bulharska.

## Resumé

### Decentralizační procesy v transformujících se zemích střední a jihovýchodní Evropy: komparace

Decentralizace má v kontextu evropské integrace důležitý význam, protože Evropa musí být sestavená ze subsidiárních prostorových jednotek a „Evropa regionů“ je na pořadu politických debat. Od raných 90. let dvacátého století prosazuje Evropské společenství, později Evropská unie, myšlenku administrativní decentralizace také v transformujících se zemích. Aby mohly přistoupit k EU, byla decentralizace jedním z požadavků. Setkala se však