Politico-administrative transformation in ex-communist countries

from decentralization to recentralization?

Poland, Hungary and East Germany as cases in point

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0. Introduction

In order to discuss the politico-administrative transformation in ex-communist countries the paper focuses on the transition from the centralist state of the communist era to democratic decentralized government. As key components and indicators of decentralization the (re-)introduction of democratically elected and functionally strong regional and local government levels will be singled out.

To explore the variation, similarities as well as differences, of the post 1989/1990 politico-administrative transformation Hungary, Poland and East Germany are selected as cases in point. Poland and Hungary are chosen as countries that were frontrunners of post-communist transformation in Central Eastern Europe (CEE). East Germany is included as, in important regards, constituting a "special case" (*Sonderfall*). Despite its limitation the selection of these countries should lean itself to analyse a pertinent range of post-communist transformation. Besides, in order to widen the comparative perspective and potential some other countries – ex-communist as well as beyond – shall be briefly looked at.

To take up the overarching scheme of this conference to deal with '30 years of post-communist transformation' the paper pursues a pronouncedly 'developmental' (longitudinal) approach in trying to cover the course and dynamics of post-communist development from its beginning in the late 1980s to the present. For this purpose essentially four phases are distinguished. First, the communist phase (1945-1990) and its centralist state structure is briefly called to mind as the 'starting condition' from which the transformation of 1989/1990 has taken off. Second, the 'founding phase' of 1989/1990 will be discerned to identify the institutional rupture and its driving forces that marked the secular system change. Third, a subsequent 'consolidation' phase (since the

mid- and late 1990s), will be distinguished during which the politico-administrative structure of the 'founding period' has undergone a further process of adaptation and change with the aspired and achieved accession to the European Union (EU) figuring as a major driving factor. Fourth a recent phase, since about the late 2000's, is envisaged with new challenges (budgetary crisis, refugee crisis, global competition etc.) impacting on the political and institutional development.

Conceptually the discussion of the factors which have impinged on institutional change draws on variants of the institutional debate. The actor-centred variant highlights the influence of the will and interest of relevant actors while the historical variant emphasizes the impact of institutional (and mental) givens and 'legacies' ('path-dependently') swaying the further course of institution building.

In comparing the development of the countries the analysis is guided by question whether the institutional trajectories have shown divergence or divergence.

In the following at first country analyses are put forward which, in order to enhance comparative or at least comparable insights, are pursued phase by phase.

Finally the comparative findings shall be briefly summarized.To widen the comparative perspective the development in other European countries will be briefly looked at.

2. Country analyses

2.1. Communist and founding phase

2.1.1 Hungary

In Hungary in the early 1950s, like in the other countries of the Soviet Block, the (Stalinist) centralist state model was imposed in abolishing local self-government and Hungary

As in the other countries of the Soviet block, the imposition of the Stalinist state modelin Hungary in the early 1950s resulted in abolishing local self-government and in turning the traditional districts (megyék) into regional administrative *oblast*-type strongholds of the centralist State and Party rule (Wollmann 1997, 465 with references).

Since the early 1970s Hungary's institutional development began to differ significantly from the other CEE countries as the Communist regime, probably in a retarded reaction to the 1956 uprising, began to cautiously decentralize the state's administrative and economic structures. In a series of actsthe municipalities, "settlements," were conceded a modest form of local self-administration. In order to strengthen the administrative capacity of the some 3.000 settlements (half of which had less than 1.000 residents) two thirds were transformed (amalgamated) into joint councils and administrative units (Szente 2012, 284).

After 1989/1990 Hungary's politico-administrative transformation was based on "negotiated transition" (Batt 1991), that is, on an agreement and consensus reached among the opposition and the (reformist) communist that the communist centralist state should be radically dismantledand that the country should be fundamentally decentralized (Wollmann/Lankina 2003, 94 with references). Hereby decentralization revolved around local self-government "as a pillar of

the European model of democracy" (Kovacs et al. 2016, 797). Hence, the re-introduction of local self-government by the Act 'on municipal self-government' adopted on August 2, 1990 was among the first legislative matters taken up by the newly elected parliament. In assigning to local self-government a wide range responsibilities and autonomy it was deemed "extremely liberal by any international standards" (Davey 1995, 74). The provision that this Act was given the legal status of a constitutional law whose amendment requires a two-thirds parliamentary majority underscores its outstanding importance, but, as the further development was to show, proved to be a 'path-dependent' hurdle to any meaningful adaptations.

Epitomizing localist gist and premise of the new legislation all localities were given the right to split from existing local entities. Within a short time, many settlements made use of this opportunity to undo the amalgamation effected under the communist and to (again) form municipalities in their own right.. This brought the number of municipalities (again) to over 3.000 (half of which with fewer than 1.000 residents) (Szente 2012) making Hungary's municipal level one of the most fragmented and small-sized in Europe and belonging, in comparative terms, to the "South European" pattern (Norton 1994).

During this early phase the institutional development of Hungary's new politico administrative system was significantly influenced by conflicts and competition between the central government led by the centre right Democratic Forum and (left leaning) camp of the Free Democrats and the Young Democrats (FIDESZ) holding majorities in most (particularly major) municipalities.

In an apparent attempt to counterbalance the constitutionally and politically fostered preponderance of the local government level the central government set upon building up (or retaining 'inherited' administrative structures) their own special purpose field offices at the lower levels forming hierarchical "pillars" of

State offices, widely labelled ‘decos’ (= deconcentrated offices) (see Wollmann 1997, 467, Wollmann/Lankina 2003, 97 with references).

Thus, in Hungary’s founding period a “dualism” and “parallelism” of functionally strong (but territorially fragmented) local authorities, on the one hand, and of vertical ‘silos’ of special purpose State administration (‘decos’) took shape that, ushering in overlaps, inconsistencies and conflicts, came to (path-dependently) influence the further development (Szente 2012, 285).

2.1.2 Poland

Similarly in Poland in March 1950 the Soviet-type state model was enforced by transforming the traditional 17 regions (wojewodztwa) into regional strongholds of centralist State and Party rule (see Wollmann 1997, 468). In 1972 the municipalities (gromady) were territorially redrawn by way of large-scale amalgamation reducing them from 4315 to 2345 with an average population of some 16.000 residents.

In the early 1980s the communist regime in an obvious response to the growing protest movement spearheaded by Solidarnosc moved cautiously towards strengthening the local authorities. During the reign of the martial law in July 1983 was enacted in which for the first time a general competence of the elected local councils “in all local matters” was recognized (Wollmann 1997, 469 with references).

Different from Hungary’s “negotiated transition” Poland’s system change was, in its crucial initial phase, brought about in a ‘dilatory compromise’ in which the oppositional *Solidarnosz* and the (still holding its ground) Communist Party were pitted against each other, each hoping to come out, at the end, as the winner (Wollmann 1997, Wollmann/Lankina 2003). In this ‘dilatory’ power

struggle *Solidarnosz* was resolved and set on establishing strong local government as its power base and even a "counter society" to challenge and overcome centralist communist rule,while the Communist side was eager to hold on to central government and to the regions (wojewódzwa) as its traditional strongholds.

Hence , in the founding phase the institutional change focused on the political and functional reform of the some 2.400 municipalities (*gminy*) in the territorial boundaries created by the communist regime in 1972 by way of amalgamation which (with an average population of some 15.500 inhabitants) in comparative terms approximates the "North European" size pattern (Norton 1994). At that stage, restoring the traditional counties (powaty) as upper tier of local government was not considered that had been abolished under the communist regime.

As part and parcel of the 'dilatory compromise' the central government largely remained the domain of the communist party and with it the centralist influence on and organizational presence in the subnational space. The 49 regions (wojewódzwa) inherited from the communist erawere retained and, headed by the central government-appointed wojewód, operated regional/meso level administrative tasks. On the top of it, central government set up 267 administrative districts (rajony) which, being territoriallycongruent with (abolished) counties (powaty), constituted, comparable to Hungary's 'décos', a vertical chain of state administration parallel to the local authorities (Wollmann/Lankina 2003, 102).

Thus, notwithstanding the significant political and functional advanced that the municipalities achieved Poland remained "a highly centralized country" (Regulska 1997, 187).

2.1.3 East Germany

Following Nazi Germany's defeat East Germany fell under Soviet Occupation and communist rule. In 1949 the German Democratic Republic (GDR) was established in the Soviet Occupational Zone. In 1952 14 regional administrative districts (*Bezirksverwaltungen*) were, in line with the Soviet oblast structure, put in place as the regional strongholds of centralist government put in place (Wollmann 2002). Unlike Hungary and Poland, the East German hard-line communist regime showed, until its collapse in October 1989, no signs of lessening its centralist grip.

In conspicuous contrast to Hungary and Poland where secular transformation took place in national states which had regained independence after having been subjugated by the Soviet Union, in East Germany the transformation was part and parcel of the process of German Unification through which the GDR ceased to be a separate state und was 'integrated' into the "ready made state' (Rose/Haerpfer 1997) of the 'old' Federal Republic(Wollmann 1997, 472; 2002, 154 et seq.). The integrationist gist and thrust was epitomised in the Unification Treaty that was concluded between the two German governments on August 31, 1990. It had the historically unprecedented effect of transferring, in the "logical second" of Unification at midnight of October 3, 1990, most of the 'old' Republic's constitutional and legal world to East Germany, while, at the same moment, the German Democratic Republic ceased to exist as a separate state and its legal system perished. By the same token, East Germany eo ipso became part of the European Union. The "institution transfer' was accompanied by an unprecedented "personnel transfer" as thousands of West German officials from Länder and local authorities (temporarily or often also permanently) moved to the East German Länder and local authorities to advise and support them in rebuilding and operating the new structures. Through the of the combined thrust of "institution transfer" and "personnel transfer" (not to mention the massive "financial transfer") East Germany's transformation has significantly shaped by

"exogenous" factors making it a special, if not unique case (*Sonderfall*, see Wiesenthal 1995, 50) of post-communist transformation.

Whereas, hence,the transfer and adoption of basic constitutional and institutional principles of democratic decentralized government (such as federalism and localself-government) have been as it were, 'exogenously', pre-decided by the GDR's "accession" to the "old" Federal Republic, other crucial matters (such as the regulation of the political, administrative and territorial structure of local government and of the institutional structure within the 'new' Länder) remained to be decided by (and within the exclusive competence of) each of the newly established Länder and in their respective political arena, that is, by East German actors (most of them political novices) who were disposed and resolved to bring to bear their "native" East German intents and interests and to thus 'endogenously' shape decision-making. These matters are decided in the regional context of each of the Länder while in Hungary and Poland, being unitary countries, they need to be determined in the national arena and thus possibly fuelled by national level political party competition and conflicts..

A decisive step towards decentralizing the GDR's centralist State has been achieved by restoring five East German Länder as 'federal regions" (see Kuhlmann & Wollmann 2019, 144 et seq.) which, in Germany's constitutional tradition, are seen to possess a State-like quality and 'semi-sovereignty' (Eigenstaatlichkeit). Besides being constitutionally provided with significant legislative powers of their own and a comprehensive administrative competences the Länder, by commanding the votes in the Federal Council as Upper Chamber of federal legislation, are pivotal players in in federal policy making (see Kuhlmann & Wollmann 2019, 88 et seq.). As the East German Länder have, in the wake of Unification, eo ipso become part of the EU and have become (preferential) beneficiaries of EU structural funding, four of them

have been identified wholly as single NUTS2 regions, while one of them (Land of Saxony) has been divided into 3 NUTS2 regions. In all them respective Land ministries, have been put in charge, as Managing Authorities, of handling the EU structural funds (comparable to Poland's 'regional" solution).

As already prepared by the Municipal Charter of May 17, 1990 adopted by the democratically elected People' Chamber (Volkskammer) of the then still existing GDR and, after Unification, enacted by the municipal charters passed by the parliaments of the new East German Länder, the two tiered local level structure inherited from the GDR has been turned into the two tiered structure of local self-government. The municipalities as well as the counties were given a wide range of local self-government responsibilities. Moreover, in line with the dual function model rooted in the German-Austrian local government tradition the municipalities and counties, that is, their executives, have been put in charge of carrying out, besides self-government responsibilities, also functions 'delegated' to them by the Land.

At the same time, the new Länder governments, again in line with the German administrative tradition, have established (meso or local level) special purpose administrative units of their own (staatliche Sonderbehörden) (somewhat comparable to Hungary's ‚decos'). In fact, during the early founding period they tended to set up such sectoral administrative units of their own instead of making use of the 'delegation' of tasks to local authorities; this initially resulted in some 'top-heaviness' and vertical 'silos' of Land administration.

From the outset in each of the Länder heated controversies arose about the fate of the 19 meso level districts (Bezirke) inherited from the communist era. In the view of many the districts were gravely discredited by the repressive role they played in the past as meso-level strongholds of the centralist State and Party rule. Not least for this reason it was decided in three of new Länder to do without a meso-level and to embark upon a two-layered institutional

architecture (Land government and local government levels). Contrarily two Länder governments decided to turn the previous GDR district into meso level administrative districts (*Regierungspräsidien*). In opting for a three layered administrative structure (central government, meso level, local government level) they have fallen in line with (albeit increasingly contested) practice of most West German Länder and with Germany's long administrative tradition (which historically traces back to France's 19th century prefect (préfet) scheme) (Kuhlmann & Wollmann 2019, 94).

In sum, propelled by the thrust of East Germany's accession and 'integration' into the 'old' Republics 'ready-made' state of decentralized government the institutional build-up and organizational set-up of the 'new' Länder has reached the 'West German' standard remarkably fast.

2.2. Consolidation phase

2.2.1 Hungary

Since the mid-1990s a new round of institutional reforms gained momentum which was significantly pushed by Hungary's application to be become a member of the EU and of NATO (Wollmann/Lankina 2003, 99). In September 1994 an amendment to the Local Self-Government Act of 1990 was approved. For one, the (19) counties were functionally and politically strengthened in their self-government capacity by having their councils directly elected and by enlarging their responsibilities (as further pursued in subsequent legislation of 1996 and 1999). Second, at the county level Public Administrative Offices (PAO's) were established that were directed by a central government-appointed prefect-type headsand disposed of an administrative staff of their own. Thus, the dual and parallel structure of elected self-governments (at the county and

municipal levels), on the one hand, and lower level state administration (PAO's and 'decos') has been maintained and accentuated.

Subsequent attempts to achieve further decentralization by creating regions with elected councils and self-government responsibilities largely failed.In 1996 the Hungarian Government stressed the need for "... a comprehensive public administration reform in order to eliminate the typical deficiencies and to prepare the public administration for the changing domestic needs and the tasks of the Euro-Atlantic integration" (Public Administration Reform Program 1996, quoted in Wollmann/Lankina 2003, 99). Responding to the need to create regions to be eligible for EU structural funding in March 1998 seven so called "NUTS2" regions(in accordance with the EU's "NUTS" system, that is, with its Nomenclature of Statistical Territorial Units) were established. Lacking any territorial or institutional precedent or reference in Hungary's institutional architecture seven new NUTS2 regions were to serve merely a statistical purpose without any operational significance for manging EU funding (Loewen 2018, 113). Instead the operational responsibility was assigned to government ministries and at last to the Prime Ministers's Office; thus, notwithstanding the creation of NUTS2 regions, the absorption and management of EU funding has, had a centralizing effect (Loewen 2018, 116). Since 1999 the political debate about creating regions once again picked up momentum (Kovacs 2016, 798). In the reform programme released by the government in 2002 the objective to replace the existing county structure with directly elected regions was promoted by explicitly referring to EU requirements (see Balazs et al. 2015, 32). In 2006 a leftist government coalition embarked upon a comprehensive regionalisation reform but did not achieve the parliamentary two thirds majority required for amending the pertinent 1990 legislation (Szente 2012, 306, Balazs et al. 2015, 33).

Thus, well into the 2000's the absence of a politically and functionally strong regional level and the high fragmentation of the local level have remained "unresolved problems" of Hungary's institutional development (Kovacs et al. 2016, 790)

2.2.2 Poland

Since the mid-1990s in Poland the debate on decentralization by further local and regional government reforms entered in a second stage. It gained momentum from the country's application to join the European Union (Wollmann/Lankina 2003, 105, Tomini 2014, 868). It materialized in a legislative package adopted in June 1998 and enacted on January 1, 1999 that consisted of two core elements of decentralization.

For one, the regions (*wojewóstwa*) underwent radical changes on two scores. First, the 49 regions which had been created in 1975 under the communist government were territorially upscaled and replaced with 16 regions (*wojewóstwa*) which, returning to their pre-communist territorial format, had an average population of 2.5 million. Moreoverthe regions were politically and functionally recast by introducing a "dual" structure in which, on the one hand, they remained the location of meso-level state administration headed by a governor (*voivod*) who was appointed by the Prime Minister and had an administrative apparatus of his own. On the other hand, marking a pivotal shift, the regions were turned into a self-government level with directly elected regional councils as the decision-making bodies and an executive board whose head (marshal) is elected by the councillors (see Kulesza/Szescilo 2012, 486). This "dual" structure is akin France's 1982 departmental reform (with a central government appointed *préfet* and elected departmental councils, *conseils généraux)* and similar to Hungary's county level after the 1994 reform (with State related Public Administrative Offices and elected county self-government

councils) and alsosimilar to Hungary's 1994 county reform (with Public Administrative Offices and elected county self-government councils).

The adoption of Poland's reform package of 1998/99 unmistakably bore the stamp of the EU Commissions recommendations inits 'progress report' specifically mentioning the country's decision to establish regions and counties (see Wollmann/Lankina 2003, 105). The newly staked out regions were classified in the EU's nomenclature as NUTS2 regions eligible for EU funding. At the same time the head of the regional council (marshal)– nota bene: not a central government ministry or agency - was put in charge, as Managing Authority, of operating EU funding.

Second, the *powiaty* (counties) thathad been abolished in 1972 under the communist regime were restored as the upper tier of local government thus returning to country's traditional two tiered local government structure. 373 counties (*powiaty*) were reinstalled with an average population of 104.000. These include 65 county towns which, in combining county and municipal functions, again link up the county's pre-communist tradition. At the same timethe 268 territorial states offices (*rajony)* that central government had been established in the early 1990s were abolished and their tasks transferred to the county (*powiaty*) self-government which signalled and underscored the organizational retreat of central government from the subnational space.

As a result of these reforms Poland is deemed to rank "among the most decentralized EU countries with strong regional and local self-government" (Mazur et al. 2018, 785) and that "Poland is the most decentralized country in Central and Eastern Europe with powerful and autonomous local government" (Regulski/Drozda 2015, see also Swianiewicz 2014). The degree of decentralization is plausibly indicated by the percentage municipal expenditures have as compared to the total public expenditure. With a share which rose from 19 percent (in 1994) to 32,64 percent (in 2010 and declined only slightly to

30,77 percent (in 2015) Poland's local authorities rank higher than all other CEE countries (for comparative data see Kowalzyk 2000, 245, Levitas 2014, 8 chart 2, Mazur et al. 2018, 785). Moreover, Poland's local authorities have been highly rated also with regard to "local autonomy". In a study win which 39 countries were compared, inter alia, on "local autonomy" Poland ranks among the 8 countries with the highest level of local autonomy - along with Scandinavian countries, Switzerland and Germany – in the time sequence of 1990, 2000, 2010 and 2014 (see Ladner et al. 2016, p. 345, table 3; see also Szescilo 2019, 170).

2.2.3 East Germany

Under the singular conditions under which the politico-administration transformation of East Germany took place (among other factors the 'unique' triad of institution transfer, personnel transfer and financial transfer) the institutional rebuilding and adaptation of East Germany's reconstruction of Länder and local government structures was almost completed by the late 1990s. In most East Germany Länder on the basis of the territorial reforms of the counties that went into effect around 1994/95 so called functional reforms were undertaken through which the conduct of public functions was decentralized ('delegated') by the Länder to the local authorities. Thus, the Land administration centred 'top-heaviness' of the administrative build up has been rectified.

In 2006a constitutional reform of the federal system entailed the decentralization of important legislative and policy responsibilities from the federal level to the Länder (see Kuhlmann & Wollmann 2019, p.91 et seq., Behnke & Kropp 2018, Wollmann 2017, 2018). The education sector is a case in point. In the vertical distribution of responsibilities, it has traditionally been claimed and defended by the Länder as a core of their 'semi-sovereignty in cultural matters'

(*Kulturhoheit*). Through the 2006 reform the exclusive competence of the Länder was confirmed and even expanded.

2.3 Recentralization?

2.3.1. Hungary

Hungary's chequeredtrajectory towards decentralization came to an end and experienced a dramatic shift towards recentralization when in the parliamentary election of 2010 the rightest FIDESZ party led by *Victor Orban* won in a landslide victory and gained a parliamentary two thirds majority which opened the door to tackle large-scale constitutional and legal reforms. Orban's and followers' drive and goals were ideologically based on what on what Orban in a much quoted speech on July 26,2014 labelled "illiberal democracy" (Orban 2014). Besides questioning traditional 'liberal' principles (such as separation of powers, independent judiciary etc.) the concept of 'illiberal democracy' takes issue with decentralization and subnational autonomy as sources of inefficiencies which call for "recentralization". Besides, the neo-liberal belief in the superiority of the private sector and marketization has been politically questioned entailing the remunicipalization and "re-nationalization" of previously privatized assets. Moreover the call for the strong state and strong central government is ideologically underpinned by its alleged role as bulwark and defender of the national independence and identity against the onslaught of aliens, notably refugees, and against the interference of foreign governments, notably the "*diktats*" of the European Union.

The "fundamental rupture" (Kovacs et al. 2016, 799)showed in the New Constitution of 2011 called Fundamental Law and by the Cardinal Act on local self-government of 2011 which replace the 2010 Act. In the preamble to the New Constitution it is stated that "local governments shall function as part of

the organisation of the State" while in a general explanation to the New Cardinal Act of 2011 it was said that "the democratic system of local government has fulfilled its mission over the past 21 years… Now it is clear… that our system of local government is in need of a complete reform… The reform is pressed by the radically changed economic, social and legal environment" (quoted from Balacz et al. 2015, 7).

The recentralization thrust manifests itself in that, on the one hand, the subnational elected self-government bodies as key drivers of decentralization have been significantly weakened, while, on the other side, the organizational and political presence of the State in the subnational space has been greatly expanded and strengthened (see Hajnal et al. 2018, 434)."The decades-long dispute over the meso level finished with a total defeat of both regions and counties" (Kovacs et al. 2016,800).

On the county level, the Public Administrative Offices that had been put in place in1994 in the 19 counties and in Budapest were functionally and operationally significantly upgraded by turning them into County Government Offices. While retaining the "dual" structure introduced in 1994 the elected county level self-government bodies have been ridded of most of their functions and competences (Hajnal et al. 2018, 434, Loewen 2018, 114).

On the local level the organizational and administrative presence of the central state has been expanded and reinforced by the creation of District Administrative Offices in the newly established 168 districts (járás). They have taken over most of the centrally defined public tasks previously 'delegated' to the chief administrative officers of local government authorities (Hajnal et al. 2018, 435). The task portfolio and the autonomy of the municipalities have been significantly reduced by the central government resuming ('re-centralizing') a broad gamut of tasks including pivotal service areas such as

schooling, culture and secondary health care services as well as a broad range of administrative services(Hajnal et al. 2018, 430).

Indicating the impact of the the rampant recentralization measures on the functional scope of the local authorities their share in the total public expenditure has dropped from 25,37 percent in 2010 and 15.79 % in 2015 (Hajnal e al. 2018, 429). Similarly according to the afore-mentioned comparative study on 39 countries Hungary's rating on the "autonomy" of local authorities has dramatically dropped since 2010 to arrive, in 2014, in the lowest group along, among others, with Albania (see Ladner et al. 2016, p. 345, table 3).

2.3.2. Poland

After Poland established itself, as afore-mentioned, since the mid-1990s 'among the most decentralized EU countries with strong regional and local government (Mazur et al. 2018, 785) there have recently been move towards (re-strengthening central government.

The first step taken when the (rightest) 'Law and Justice Party' (PiS) won the parliamentary elections of 2005 and formed the national government under Prime Minister *Jaroslaw Kaczynki*. Ideologically the creation of a 'forth republic' was proclaimed with a strategy of 'maximisation of executive power' (Tomini 2014, 856). But as the then Kaczynki government was shortlived (2006-2007) this first attempt of redefining the role of central government remained an episode.

The political constellation changed when in the parliamentary election of 2015 the PiS under the party leadership of*Jaroslaw Kacyinki*won a parliamentary majority that allowed it to solely form the government. By now its ideological vision of the state which shows a proximity to the Hungarian (Orban's) model of 'illiberal democracy', is characterized by a strong tendency towards

strengthening the power of the central state and weakening the ('liberal') checks and balances mechanisms. In this it shows a proximity to the Hungarian model of 'illiberal democracy'. The ideological proximity is also reflected in the close cooperation of both governments (Szescilo 2019, 171).

While the PiS led government and *Jaroslaw Kaczinki* have been ready to put ('liberal') Rechtsstaat principles and institutions at risk (and to hazard conflicts with the EU), the foundations of local and regional self-government, as put in place and ensured since the mid-1990s, have so far been not seriously impaired. Observers perceive a 'creeping (re-)centralization), though, in certain sectors of local and regional governments, particularly in education and environmental protection. This leads to the conclusion that the foundations of local and regional self-government are, as of now, not at risk, but the scope of decentralizations is being gradually rolled back (Szescilo 2019, 166). A more critical note has been struck in a country report adopted on April 7, 2019 by the Congress of Local and Regional Authorities of the Council of Europe in stating that "the situation of local and regional democracy in Poland has changed significantly over the past years; formerly one of the 'top ten' countries in the EU, in terms of the level of local autonomy, Poland now shows 'relatively alarming trends'… The recentralisation of competences, the increase in detailed national regulations aimed at setting standards for local services, and the pervasive supervision of local authorities, all these appear to be elements of a larger political struggle that is underway in Poland and that is ultimately undermining many of the acquis of the last thirty years" (CoE 2019). In a rebuttal to the report a Polish minister claimed that in the field of primary and secondary education in which the local authorities have, in the past, been given far-reaching autonomy some regulation and intervention by central government is warranted to ensure "unified minimum standards (in terms of access to and qualify of services) nation-wide".

In sum, observers have concluded that Poland's "local and regional government went through the'stress test' of illiberal democracy weakened, but not demolished… it demonstrated stronger resilience (Szescilo 2019,176). This assessment is corroborated by the finding that the percentage of municipal expenditures as compared to the total public sector expenditures declined between 2010 and 2015 only slightly from 32,64 to 30.77 percent (Mazur et al. 2018, 785).

2.3.3 East Germany

Recently Germany's federal system has also seen some recentralization as demonstrated in the education sector which is regarded by the Länder as a key area of their 'semi-sovereignty in cultural matters' (*Kulturhoheit*). This exclusive competence in educational matters which compromises schools as well as universities and which was, as mentioned before, confirmed and expanded by the 2006 constitutional reform (see Wollmann 2018) has recently been increasingly contested and criticized for fostering a regional fragmentation, disparity and 'parochialism' of education and for putting Germany's international competitiveness in education and science at stake. Most recently the 'digitalization' of education has been singled out as an alarming example of Germany's falling behind in the international competition. Against this backdrop the federal government claimed and justified the need to intervene by way of a federal (co-)financing programme which was hitherto constitutionally ruled out. After prolonged conflicts the Länder in March 2019 finally accepted the federal intervention[1] which constitutionally and politically amounted to (to a certain extent) 'federalize' (and thus 're-centralize') a crucial educational competence of the Länder (see Wollmann 2018 with references).

[1]https://rp-online.de/politik/deutschland/digitalpakt-schule-bundestag-und-bundesrat-einigen-sich-auf-grundgesetzaenderung_aid-36915447

3. From decentralization to recentralization?Convergence or divergence?

Finally some concluding remarks shall be made guided by the question whether the institutional development in the three countries under discussion has shown convergence or divergence.

Summarizing the 'macro trends of the post-1990 transformation until the late 2000s a convergent movement stands out of dismantling the centralist State structure of the communist era and of creating constitutional democratic decentralized government. Contrarily since the late 2000's a general trend can be identified of turning from decentralization to re-centralization.

However, within these convergent macro trends a significant variance and divergence have unfolded both within phases and between countries with distinct actor constellations, path-dependencies and external factors making the difference.

Hungary's founding phase was marked by a ' negotiated transition' as the opposition forces and the reformist wing of the Communist Party reached an early consensus on creating a pronouncedly decentralized government structure with the introduction of elected local self-government taking centre stage. The provision laid down in the local government legislation of 1990 that any amendment required a two thirds parliamentary majority proved to act as a path-dependent hurdle against subsequent reforms. Moreover, the localist gist of the founding period entailed a multiplication of (very) small municipalities and settlements the territorial fragmentation of which became another 'path-dependent' factor swaying the further development.

In Hungary a new round of institutional reforms got under way in 1994 which primarily resulted in politically and functionally strengthening the (19) counties as upper level of local government by having their councils elected directly (instead of indirectly by the councils of member municipalities) and by

enlarging their responsibilities. In responding to the EU's requirement to institutionally prepare for making use of EU structural funds in 1998 seven NUTS2 regions were newly created albeit for merely statistical purposes whereas the management of EU funding was assigned to central government offices. Between the mid-1990s and 2006 various attempts were made (and failed) to create fully fledged regions with elected self-government bodies. So towards the end of 1990s the high fragmentation of the local level and the absence of a politically and functionally strong regional level remained "unresolved problems" (Kovacs et al. 2016, 790).

By contrast, Poland's founding period was based on a 'dilatory compromise' between the oppositional *Solidarnocz* and the still ruling Communist Party in which each side made concessions expecting to come out at the as the winner. In this power compromise the oppositional *Solidarnocz* was focused on establishing local self-government in the municipalities as its power base and potential 'counter society' while the Communist Party held on to the central government level and the regions. Thus the founding period resulted in a strong local government level, whereas centralist State structures remained in place.

In Poland the second round of institutional reforms which materialized in 1998/1999 revolved around fundamentally remoulding the regions. They were territorially redrawn (upscaled) by reducing their number from 49 to 16. Most importantly, the regions have been transformed into self-government units with elected regional councils and heads ('*marshal'*) elected by the councils. Reflecting their significance in the 'Europeanization' process they were not only declared to be NUTS2 regions (in the EU's nomenclature), but their heads (marshal) (nota bene not a central government minister) have become the Management Authority in processing EU structural funds. At the same time, in a dual structure, the regions continue to be the territorial base of the central government appointed *voivod* as a meso-level state authority. In another

important reform measure the (373) counties which had been abolished under the communist regime have been restored as the upper level of local self-government. In parallel, the (268) territorial state offices that had been established in the early 1990 were abolished. Consequently, the central state has, except for the *voidvod* and his staff, largely withdrawn from the subnational space, while elected self-governments prevail. Hence, as a result of these reforms, Poland came to be ranked "among the most decentralized EU countries with strong regional and local government" (Mazur et al. 2018, 785).

In its founding period East Germany's transformation was determined by the process of German Unification in which the GRD ceased to exist as a separate state and was 'integrated' into the 'old' Federal Republic's 'ready-made state' and its legal and economic order. This has made East Germany a special case (*Sonderfall*) of post-communist transformation. Driven, on the one hand, exogenously by the powerful triad of "institution", "personnel" and "financial transfers "from West to East" and shaped, on the other hand, endogenously by the will and skill of the East German political and administrative actors the build-up and operational capacity of the new institutional structures on the Länder and local government levels proceeded remarkably fast. By way of imitation, adaptation and, last not least, self-development East Germany's institutional fabric arrived, in the course of the 1990s, at coming close to the format and standard of the 'old' Federal Republic.

In 2006 Germany's federal system at large went through a significant decentralization as, inter alia, in important legislative matters the legislative competencies of the Länder were strengthened whereby, not least, the 'semi-sovereignty' of the Länder in cultural matters (*Kulturhoheit*) was confirmed and expanded which concomitantly pertained to the East German Länder as well..

Since the late-2000s, another likewise convergent counter trend of re-centralization and particularly of of restrengthening central level government

has emerged and progressed. Two variants of driving political motives and levers can be distinguished (see Szescilo 2019, 166 et seq.). On the one side, ideology-driven decision-making stands out in which some basic principles which have hitherto shaped the rebuilding of constitutional government (separation of power, intergovernmental balance of powers, decentralized government) are questioned and replaced with a vision of "strong central government" along with the claim to defend national independence and identity. On the other side, recentralization has been pushed for, as it were, "pragmatic" reasons – be it that vis-à-vis a fiscal crisis recentralization is resorted to resorted to as a path to reduce allegedly wasteful spending of decentral structures and actors or be it that recentralization is embraced as a strategy to secure and improve the country's competitiveness in the European and international context.

The most striking case and example of ideology-driven recentralization is Hungary where, since 2010, *Victor Orban*, in proclaiming the shibboleth of an "illiberal democracy", has been questioning and undermining crucial principles and pillars of traditional "liberal democracy" (such as separation of power, rule of law, independent judiciary etc.). In touting the vision of a strong state and strong central government as bulwark and defence of national independence and integrity against the onslaught of refugees as well as against the 'diktats' of the European Union) the subnational elected self-governments as key actors of decentralization have been enfeebled, while the organizational and political presence of the central State in the subnational space has been expanded.

In a similar vein, in Poland since 2015 the rightist "Law and Justice Party" (PiS) under its leader *Jaroslaw Kaczynski* has promulgated the vision of a strong central state and central government showing an ideological proximity with *Orban*'s "illiberal democracy". While the ruling government has questioned and tried to undermine rule of law-related principles and institutions it has so

far largely refrained from (or not succeeded in) head-on damaging the foundations of local and regional government – with the latter so far "demonstrating resilience" (Szescilo 2019, 176).

Among the other ex-communist countries the Russian Federation stand out conspicuously. Until the collapse of the Communist regime in 1990 the Soviet Union was marked by the Post-Stalinist model of extremely centralist one-party rule under which, premised on the doctrine of the "Unity of the State", all subnational (regional and local) levels (as well as societal spheres) were bereft of any autonomy and meant to serve as subnational and local cogs in the centralist state machinery (see Wollmann 2004b). In the wake of the reforms (perestroika) initiated by *Michal Gorbatchov* since the late 1980s and following the break-up of the Soviet Union in late 1990 Russia emerged as federal country made up of 85 federal regions ("federal subjects"), including two "federal States" (the capital Moscow and St. Petersburg). The new Constitution adopted in 1993 gave far-reaching powers to the regions which during the turbulent transition period under President *El'tsin* had unfolded almost secessionist dynamics. At the same time, the article 12 of the Constitution laid down that "the bodies of local self-government shall not be part of the State power bodies" (see Gel'man 2008, 71, Wollmann 2004b, 212), hereby conspicuously breaking with the Soviet doctrine of the "unity of the State". Since becoming President in March 2000 *Vladimir Putin* has resolutely, if not brutally moved towards re-centralizing the country's intergovernmental system and to establish a top-down 'vertical power' structure to bring the regions back under central government ('presidential') control and to accordingly subdue the local authorities to the central government's rigid command and supervision . Flying in the face of the constitutional promise of art 12 Russia the country has turned back to "statelize" (*ogosudarstvlenie*) local government (Gel'man 2008, 71), thus reviving the centralist legacy and imprint of the Soviet past.

In West European countries a recent development from decentralization to recentralization has got under way as well propelled by, as it were, 'pragmatic' and 'operational' rather than 'ideological' reasons, such as central government strategies to cut public spending by reducing financial responsibilities and outlays of subnational actors or to strengthen the country's overall competitiveness in European and international contexts by trimming the autonomy of subnational actors.

Thus, the position of the Länder (including the East German ones) in Germany federal system has recently weakened and that of the federal level concomitantly strengthened in some important aspects in what has been perceived and interpreted as trend towards recentralizing ('re-federalizing') Wollmann 2018, 2019). As mentioned earlier the country's education sector is a case in point. Traditionally (and confirmed by a constitutional reform in 2006) the education sector (including schools and universities) has fallen (as the so called 'sovereignty in cultural matters', *Kulturhoheit*) under the exclusive responsibility of the Länder. However a recent constitutional struggle and compromise resulted in giving the federal level the right to intervene financially and also operationally on the Länder and also on local government levels based on the claim that this was mandatory to live up to challenges of competitiveness in the European and international context and cope with interregional disparities.

A movement from decentralization to recentralization can be observed in Italy as well. In 1990, in the wake of the break-down of the traditional political party system which was remotely linked with collapse of communist systems in Central Eastern Europe a policy of far-reaching decentralization was embarked upon by politically and functionally strengthening the regional and local government levels (see Kuhlmann & Wollmann 2019, 81). However the fiscal austerity policy that was inaugurated by the Monti government in 2012 also

implied restrengthening the influence of central government (see Bolgherini 2014, 206); in order to cut public spending, among others, the *provincie* as elected upper level of local government were abolished. Recently the rightist party *Lega* under the leadership of *Matteo Salvini* has shown political and ideological proximity with Hungary's *Orban* goverment.

Another variant of this sequence from decentralization to recentralization can be found in France, While a major institutional reform package of 2003 called *'Acte II'* of decentralization targeted at politically and functionally strengthening the subnational levels, including the local authorities, recent policy initiatives by President Emmanuel have aimed at cutting public spending by tightening subnational fiscal discipline and curtailing the fiscal autonomy of the municipalities. Such policy moves have been criticized for and interpreted as returning to 'Jacobin centralization' (*centralisation Jacobine*) (Kuhlmann & Wollmann 2019, 166 et seq.).

In a still wider global perspective it should be noted that in developing countries such as Brazil and South Africa, in which during the 1980s and 1990 the transition to democracy was accompanied and essentially marked by the decentralization of power to subnational levels bodies (see Wollmann 2020) massive recentralization has set in as the powers have been recaptured by central governments and presidents (see Tyler Dickovick 2011).

In sum, after democratic decentralization of politico-administrative systems ranked high and was widely spread on the international political agenda (Wollmann 2020) recently the call for strengthening central national government and the ensuing recentralization of the politico-administrative structures have gained growing traction in the face of and in reaction to intensifying international and global economic competition and mounting budgetary and socio-economic problems which in many countries have been exacerbated by the influx of migrants and refugees.

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