

# Changing Dynamics in the East European Meso-Area: A Rural, Grass-Roots Perspective

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This paper is split into two main parts. The first section examines developments in rural local government policy in Bulgaria and Romania in terms of the developing post-Soviet Eastern European meso-area. The second half of the paper examines what this meant on the ground at a relatively early phase in the development of that meso-area, the mid-1990s, and in particular the extent to which there was a *transition* to western norms or a *transformation* of them.<sup>1</sup> It is based primarily on interviews conducted in nine villages in each country.

## The Developing Meso-area Approach

Members of staff of the Slavic Research Center, Hokkaido University, launched the concept of ‘mega-areas’ and ‘meso-areas’ as an approach to the study of the former Soviet Union and its satellites at its conference on *Emerging Meso-Areas in the Former Socialist Countries: Histories Revived or Improvised?* in January 2004. In the conception of IEDA Osamu, there are developing on the margins of the Slavic-Eurasian mega-area (the former Soviet Union and socialist countries of Eastern Europe) three meso-areas: Eastern Europe, Central Eurasia and the Far East and Siberia. With the weakening of the mega-area ties, each of these is coming under different pressures. In the Far East and Siberia the key pressure is economic and systemic in nature: East Asian economic growth. In Central Asia, the pressure is at a more individual level, manifesting itself through networks: Islamic revival. In Eastern Europe, the pressure is institutional and communal: a force field consisting of European Union

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<sup>1</sup> Vello Pettai, ‘The Study of Meso- and Mega-Area Dynamics: Methodological and Empirical Considerations’, in MATSUZATO Kimitaka (ed.), *Emerging Meso-Areas in the Former Socialist Countries: Histories Revived or Improvised?* (Sapporo, 2005), pp. 69–82.

and NATO membership, and in particular the specific conditionality imposed by the need of prospective EU members to adopt the *acquis communautaire*, and socialist legacies of various kinds.<sup>2</sup>

More or less contemporaneous with the development of the mega-area, meso-area approach to Slavic Eurasia, a body of western European political scientists have been working on extending the concept of ‘Europeanisation’ to the new member states. ‘Europeanisation’ had originally been developed as a concept to help understand how existing European Union members adopted European Union institutions. In its expanded form, it was used to understand how new member states adjusted their structures to the rather more radical ‘European’ demands for acceptance into membership. These demands were more radical in that they required, for example, that the new members establish structures to defend minority rights<sup>3</sup> and conform to administrative capacity requirements for the civil servants that did not exist in the EU.<sup>4</sup> One of the general elements of consensus in this literature, the focus of which is rather on developing an explanatory model for such a politics, is that there were two clear stages in this process. The initial period, prior to 1997, focused on relatively imprecise commitments to democracy and human rights. The period subsequent to 1997, after the EU had begun its publication of annual progress reports, was characterised by much tougher conditionality as progress was measured in terms of the adoption of the concrete *acquis communautaire* and other quire specific membership requirements, rather than more general commitments to democratic structures and a functioning market economy.<sup>5</sup>

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<sup>2</sup> IEDA Osamu, ‘Regional Identities and Meso-Mega Area Dynamics in Slavic Eurasia: Focused on Eastern Europe’, in Matsuzato (ed.), *Emerging Meso-Areas*, pp. 19–41.

<sup>3</sup> Guido Schweltnus, ‘The Adoption of Nondiscrimination and Minority Protection Rules in Romania, Hungary and Poland’, in Frank Schimmelfennig and Ulrich Sedelmeier (eds.), *The Europeanization of Central and Eastern Europe* (Ithaca, NY, 2005), p. 51.

<sup>4</sup> Antoaneta L. Dimitrova, ‘Europeanization and Civil Service Reform in Central and Eastern Europe’, in Schimmelfennig and Sedelmeier (eds.), *The Europeanization*, pp. 80–81. Similarly, considerable pressure was exerted on countries to adopt the European Charter on Local Self-Government, although it too was no part of the *acquis*. See: Nigel Swain, ‘Inexperience and Impotent: Rural Local Government in an Eastern European Meso-Area *in Statu Nascendi*’, *Acta Slavica Iaponica* 22 (2005), p. 3.

<sup>5</sup> See for example: Schimmelfennig and Sedelmeier (eds.), *The Europeanization*. For a clear statement of the periodisation, see: Dimitrova, ‘Europeanization’, pp. 75–76.

## Local Government Reform in Bulgaria and Romania

The basic units of the Bulgarian system of local government are rather large. In fact, they are the biggest in the region by a significant degree. In 1993 there were 279 municipalities, 3,913 mayor-governed settlements and 5,335 settlements in Bulgaria.<sup>6</sup> The number had been further reduced by the end of the 1990s to 263, when their average population was 30,000 and the average number of settlements per municipality was 20.<sup>7</sup> The average population of Polish communes, by contrast, was 15,000, while the figures for Hungary, the Czech Republic and Slovakia were 3,300, 1,800 and 1,850 respectively.<sup>8</sup> Like Poland, Bulgaria had introduced a 'sub-basic' institution to cope with this greater size. The name of this unit was the *kmetstvo*, or mayor-governed settlement, and its position was weak. No central regulations governed *kmetstvo* funding, so that municipal centres could retain as much as 97 per cent of available funds for themselves. Nor was there a requirement that the individual settlements that made up the municipality be represented on the municipal council.<sup>9</sup> The system was highly centralised in principle, leaving much scope for networks of patronage.

In Bulgaria, there had been no discussion of local government reform prior to the collapse of socialism. The anti-communist opposition was not particularly strong, and its primary concerns were with political liberties, trade union rights and the rights of ethnic minorities.<sup>10</sup> Unlike Central Europe, there was no popular pressure to eradicate the socialist local government structures, despite the fact that the socialist government had

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<sup>6</sup> Stephan Kyutchukov, 'Basic Information on Local Governments in Bulgaria', in Institute for Local Government and Public Services, *Local Governments in the CEE and CIS, 1994: An Anthology of Descriptive Papers* (Budapest, 1994), p. 40.

<sup>7</sup> Stefan Ivanov et al., 'Does Larger Mean More Effective? Size and the Function of Local Governments in Bulgaria', in Pawel Swianiewicz (ed.), *Consolidation or Fragmentation? The Size of Local Governments in Central and Eastern Europe* (Budapest, 2002), pp. 176, 179.

<sup>8</sup> Harald Baldersheim et al., 'New Institutions of Local Government: A Comparison', in Harald Baldersheim et al. (eds.), *Local Democracy and the Process of Transformation in East-Central Europe* (Boulder, CO, 1996), p. 25.

<sup>9</sup> Ivanov et al., 'Does Larger Mean More Effective?', p. 197.

<sup>10</sup> For general accounts of political developments in Bulgaria in 1989 and after see: Geoffrey Swain and Nigel Swain, *Eastern Europe since 1945* (3rd edn., Basingstoke, NY, 2003); Emil Giatzidis, *An Introduction to Post-Communist Bulgaria* (Manchester, 2002).

restructured the system of local government considerably. A three-tier system had been reduced to a two-tier one in 1959, and municipalities had been merged constantly, particularly after the introduction of the *kmetstvo* in 1978, such that 972 municipalities had been reduced to roughly a third of that figure by 1991. Indeed, as late as 1987, the socialist government had reduced the number of regional bodies, now with the pre-war name *oblast* from 27 to 9.<sup>11</sup> The first post-socialist parliamentary elections in Bulgaria (in June 1990) were won by the socialists, and although strikes and demonstrations led to its replacement in November–December 1990 by an interim government until October 1991, its policies were not so dissimilar from those of the socialists. It was this interim government that drew up both the new ‘communist’ constitution and the Self-Government and Local Administration Act of 1991. The latter turned municipalities into autonomous juridical bodies with their own budgets, but the extent to which responsibilities were devolved to the municipalities was rather small.

Bulgarian municipalities in the early-to-mid 1990s had responsibility for kindergartens and school buildings, the infrastructure, welfare for the unemployed and socially vulnerable, water supply and sewerage and health care, although the latter was coordinated by central government.<sup>12</sup> Local government finance reform started in practice in 1993 with the introduction of an intergovernmental transfer formula and a system of state grants and incomes raised locally through taxes (50 per cent of personal income tax and 10 per cent of corporate income tax), fees and charges on certain trading activities, and income from rent and sale of municipal property. Commentators at the time reported that local sources represented 53 per cent of their funds. Retrospective data suggested, however, that local sources of revenue never made up more than 20 per cent of the total, and that central funding provided between 80 and 90 per cent of local authority funds for the whole of the 1990s. Further, while the share of government expenditure within GDP between 1991 and 2000 fell by 9 per cent, the reduction in local government expenditure was 28 per cent suggesting a transfer of financial problems from central to local

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<sup>11</sup> KIMURA Makoto, ‘An Analysis of Local Government in Bulgaria’, in IEDA Osamu (ed.), *The Emerging Local Governments in Eastern Europe and Russia* (Hiroshima, 2000), pp. 340–341.

<sup>12</sup> Kyutchukov, ‘Basic Information’, p. 45.

government.<sup>13</sup> In the mid 1990s, state funding was provided on the basis of historical criteria rather than current need, and even the taxes collected locally had to be sent to the central government for redistribution from the centre back to the municipalities.<sup>14</sup> The effect of the Local Taxes and Fees Act of 1998 was to increase the significance of local sources (to nearer 20 per cent than ten per cent), but municipalities still did not have the means to influence the size of their local tax revenues.<sup>15</sup>

The municipalities were the only self-governed element in Bulgaria's structure of public administration. All other bodies were elements of the deconcentrated state. Initially a district body, the *okolia*, was mooted, which was to have a governor who was appointed by the *oblast* governor, and a council made up of delegates from the councils of its constituent municipalities. This level was never created in reality because of cost considerations, and was abolished by amendments to the local government act in 1995.<sup>16</sup> It was felt that the *oblast* governors, the representatives of state at the oblast level, exercised sufficient authority without the need for a district level.<sup>17</sup>

The 1994 socialist administration was notorious for its failure to address reform measures,<sup>18</sup> and local government was not an exception, especially as the socialist governments had won a landslide victory in the local authority elections in October and November 1995. Nevertheless, the 1995 amendments, which were passed by the socialist government elected in December 1994, provided for a number of other measures: national and regional associations of communes to protect their interests, minimal sizes for *obshtina* (6,000) and *kmetstvo* (500) and ratification of the European Charter of Local Self-Government, even though its structures scarcely conformed to the latter's requirements. The size

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<sup>13</sup> Ivanov et al., 'Does Larger Mean More Effective?', pp. 172, 175, 189.

<sup>14</sup> David Jepson, Valerie McDonnell and Belin Mollov, 'Local Government in Bulgaria', in Andrew Coulson (ed.), *Local Government in Eastern Europe: Establishing Democracy at the Grassroots* (Aldershot, 1995), pp. 107, 113.

<sup>15</sup> Ivanov et al., 'Does Larger Mean More Effective?', pp. 174, 190.

<sup>16</sup> Ibid. p. 207.

<sup>17</sup> Jepson, McDonnell and Mollov, 'Local Government in Bulgaria', p. 109; Kyutchukov, 'Basic Information', p. 43.

<sup>18</sup> Giatzidis, *An Introduction*, pp. 68–70, 101–106.

limitation on the *kmetsvo* reduced their number by more than a half, from 3,907 in 1995 to 1,688 in 1999.<sup>19</sup>

The non-reforming socialist government was eventually forced out of power in late 1996 and 1997 and a more reform-minded government was elected in April 1997. But the ‘local government debate’ of 1998–1999 which ensued was limited in scope. It considered the reorganisation of the regional tier only, the introduction of self-government at this level was not even considered, in deed, there was scarcely any public debate at all.<sup>20</sup> The reform of the territorial administration took effect at the beginning of January 1999 when, more or less reversing the changes of 1987, the number of *oblast* was increased from 9 to 28.<sup>21</sup> In the June of the same year it was proposed to Brussels that the 28 *oblast* should constitute the NUTS III level and that the *oblast* could be combined to create six statistical NUTS II units (Southwest, South-central, Southeast, Northeast, North-central, and Northwest). This was agreed with Eurostat in June 2000. There was no suggestion, however, that there should be any form of self-government at the *oblast* level or NUTS II level, and the *oblast* governor continued to supervise the legality of the acts of the municipalities.<sup>22</sup> Despite rather pointed comments from 2001 onward in the Commission’s Progress Reports on Bulgaria’s failure to produce a new territorial organisation, no proposals for any new level of self-government had emerged before the publication of the 2004 report, beyond the establishment of a government working group to prepare a law on decentralisation. Two NUTS I level statistical units had however been agreed.<sup>23</sup>

The Romanians were no more exercised than their southern neighbours to introduce extensive local government reform. Despite Romania’s bloody revolution, the National Salvation Front (NSF) government represented in many ways continuity from the past. The anti-communist opposition had been rather small and had not developed any particular programme for local government beyond ending

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<sup>19</sup> Kimura, ‘An Analysis’, pp. 349–352, 360.

<sup>20</sup> Ivanov et al., ‘Does Larger Mean More Effective?’, p. 209.

<sup>21</sup> Emilia Drumeva, ‘Local Government in Bulgaria’, in Emilia Kandeveva (ed.), *Stabilization of Local Governments* (Budapest, 2001), p. 148.

<sup>22</sup> *Ibid.* p. 163.

<sup>23</sup> European Commission, *2004 Regular Report on Bulgaria’s Progress towards Accession* (Brussels, 2004), pp. 16–17, 107.

Ceaușescu's 'systematisation' policy.<sup>24</sup> The latter, although conceived in the 1960s, with the necessary legislation introduced in the 1970s, was all but abandoned in the early 1980s, although it became a theme in the tensions between the Romanian and Hungarian communities at the end of that decade. In reality, it affected rather few villages.<sup>25</sup> If there were a 'socialist sin' to be undone, this would have been it, but it had not happened. Unlike Hungary and Czechoslovakia, there were no widespread demands to de-merge rural municipalities or communes which, like the French system on which they were based, had a long tradition. Indeed, Ceaușescu's local administration reform of 1968 had been popular in that it abolished the Soviet-style regions and recreated the historic counties headed by prefects.<sup>26</sup> Nor was local government reform high on the agenda of the first post-socialist government. Local government elections did not take place until almost two years after the national ones, in February 2002, after a new constitution had been passed. The NSF performed badly, as governments mid-term often do. The national government therefore adopted a position of hostility to local authorities, preferring rather to strengthen deconcentrated state.

The basic system of local government introduced by the Law on Local Public Administration in 1991 confirmed 41 counties and 2,948 municipalities. Central government was represented at the county level by the prefect who was appointed by the Department of Local Public Administration within the prime minister's office with a duty to supervise the activity of the municipalities. The municipality councils and their mayors were directly elected, while county councils were indirectly elected by a body of electors made up of all councillors in the county. Municipalities were responsible for public utilities and the maintenance (only) of health care centres, educational facilities, libraries, cultural

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<sup>24</sup> For general accounts of political developments in Romania in 1989 and after see: G. Swain and N. Swain, *Eastern Europe since 1945*; Steven D. Roper, *Romania: The Unfinished Revolution* (London, 2000). For the nature of Romania's revolution, see: Peter Siani-Davies, *The Romanian Revolution of December 1989* (Ithaca, NY, 2005). For a discussion of 'systematisation', see: Per Ronnas, 'Turning the Romanian Peasant into a New Socialist Man: An Assessment of Rural Development Policy in Romania', *Soviet Studies* 41: 4 (1989), pp. 543–559.

<sup>25</sup> See, for example: Michael Shafir, *Romania: Politics, Economics and Society* (London, 1985), pp. 142–143; Siani-Davies, *The Romanian Revolution*, pp. 13, 49–50.

<sup>26</sup> Shafir, *Romania*, pp. 104–105.

centres and care homes, and for cultural, sports and some social services. The bulk of local authority revenues came from state grants, 84 per cent in 1992, most of the remainder for local taxes on property (houses and other buildings) and vehicles.<sup>27</sup>

Local authorities thus did not have extensive responsibilities and were highly dependent on central government for funding. The real weakness in the system lay with the dependence of the local authorities on the prefect for the distribution of funds. Taxes were collected by the county and passed on to central government, which then redistributed them to the county. The prefect thus effectively became the dispenser of all government funds to the locality, with inevitable consequences. The law on devolving finance downwards that was promised in the 1991 legislation did not appear until 1998. The prefect could interfere in other ways too, not least by virtue of being influential and occupying effectively the equivalent post of party secretary in the past. Furthermore, the prefect alone could dismiss the head of local public services.<sup>28</sup> Generally all parties were aware of lack of clarity as to the precise role of the prefect in the early-to-mid 1990s, but central government at the time wanted to increase rather than decrease their powers.<sup>29</sup> One source concluded, 'Due to the few powers devolved to local authorities and limited local financial autonomy from 1992 to 1996, prefects became the most powerful figures in the local landscape. Subjective criteria for the transfer of funds to local authorities, political interference and abuses by the prefects accounted for the turbulent development of local democracy in Romania during the first term of the newly elected local governments.'<sup>30</sup>

In 1996 following local authority elections, which in Romania, unusually in the region, generally precede national elections, a number of reform measures were passed. First, the county councils were made directly elected. In this sense, developments in Romania followed those in Hungary with a time lag of roughly two years. Second, there were new

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<sup>27</sup> Mihai Farcas, 'Basic Information on Local Governments in Romania', in Institute for Local Government and Public Services, *Local Governments in the CEE and CIS*, pp. 163–166, 168–169.

<sup>28</sup> Adrian Campbell, 'Local Government in Romania', in Coulson (ed.), *Local Government*, pp. 81–82, 92–94.

<sup>29</sup> Farcas, 'Basic Information', p. 170.

<sup>30</sup> Pena Coman et al., 'Local Government in Romania', in Kandeve (ed.), *Stabilization of Local Governments*, p. 359.

provisions for a village delegate (with observer status) for commune villages which did not have a representative on the commune council.<sup>31</sup> Third, restrictions were imposed on the powers of the prefect in relation to suspending councils, and a clear definition of local authority powers was elaborated.<sup>32</sup> Fourth, a number of powers were devolved from central government to the counties.<sup>33</sup>

More profound changes were prompted by the more reform-minded government elected in the November of 1996, although these did not reach legal formulation until 1998. Much the most contentious of these concerned the position of the Hungarian minority, and this hogged the lime-light of political commentary in that year. But more important for the matter of local government reform was the law passed on public finance in October (Law No. 189.1998 on Local Public Finance) which came into effect at the beginning of 1999. This gave local authorities competence to establish, monitor and collect taxes and local contributions, and guaranteed receipt of a share of income tax (35 per cent to municipalities, 15 per cent to county councils). But municipalities had little competence regarding tax rates, save the right to apply additional quotas and adjust for inflation. It also gave local authorities some new responsibilities, although in rural communities they continued to provide only a minimum of basic services in the areas of agriculture, social assistance and veterinary medicine, and in practice responsibility for health and higher education remained with central government, education was shared, and only culture was supported entirely by municipalities.<sup>34</sup> Although this provided local authorities with a less whimsical basis of funding and more genuine fiscal and financial autonomy, the levels of funding were inadequate for the new responsibilities that local authorities enjoyed. ‘Serious concerns’ were raised about the financial sustainability of local authorities,<sup>35</sup> particularly because of delays in transferring the moneys to local budgets.<sup>36</sup> The EU commented critically on the consequences of this inadequate provision for

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<sup>31</sup> NAKAJIMA Takafumi, ‘Local Government in Romania’, in Ieda (ed.), *The Emerging Local Governments*, pp. 221–223.

<sup>32</sup> Coman et al., ‘Local Government in Romania’, p. 355.

<sup>33</sup> European Commission, *Agenda 2000—Commission Opinion on Romania’s Application for Membership of the European Union* (Brussels, 1997).

<sup>34</sup> Coman et al., ‘Local Government in Romania’, pp. 382–388.

<sup>35</sup> *Ibid.* p. 361.

<sup>36</sup> Coman et al., ‘Local Government in Romania’, p. 382.

fiscal and financial autonomy in its Progress Report in 1999 in the context of children in care, and much more generally in 2000. As a consequence, in 2001 a new Law on Public Administration was passed which clarified competencies, envisaged greater financial autonomy and granted it in the form of fuller tax-raising powers; but prevented central government from devolving further competencies without providing the funding necessary for them.

Meanwhile, Romania had been putting its NUTS structures in place. The Regional Development Act of July 1998 confirmed the basic commune and county structure but created eight statistical NUTS II groups of counties.<sup>37</sup> A year later the necessary Regional Development Boards and Agencies were in place.<sup>38</sup> The Progress Report in 2000 confirmed that Romania's 42 counties constituted the NUTS III level and that eight groups of counties represented the NUTS II level, but noted that much reform of administrative and budgetary procedures was still required.

What is noteworthy in the Romanian case is not the imposition of EU structures, which were put in place quickly. More significant was the role of EU conditionality in this later period in putting constant pressure on Romania to introduce substantive reform of administrative structures. The reports in both 2003 and 2004 were harshly critical of continued grey areas and the continued existence of politically distributed 'special funds', but praised further incremental clarification in the position of the prefects.<sup>39</sup> Romania's traditional tactic of 'façade democracy'<sup>40</sup> was under gentle but consistent threat, with the eventual outcome unclear. Schwellnus argues, in a related field, that Romania was succumbed to pressure to introduce anti-discrimination legislation, but was successful in resisting it over the issue of collective minority rights.<sup>41</sup>

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<sup>37</sup> European Commission, *Regular Report from the Commission on Romania's Progress towards Accession* (Brussels, 1998).

<sup>38</sup> European Commission, *1999 Regular Report from the Commission on Romania's Progress towards Accession* (Brussels, 1999).

<sup>39</sup> European Commission, *2003 Regular Report on Romania's Progress towards Accession* (Brussels, 2003), p. 17; European Commission, *2004 Regular Report on Romania's Progress towards Accession* (Brussels, 2004), pp. 18–19.

<sup>40</sup> Attila Ágh, *Emerging Democracies in East Central Europe and the Balkans* (Cheltenham, 1998), p. 258.

<sup>41</sup> Schwellnus, 'The Adoption', pp. 58–59.

## Rural Areas in a Meso-Area *in Statu Nascendi*—Adapting to Impotence

The interviews on which the latter half of this paper is based took place in 1995–1996. This was a time in the development of the Eastern European meso-area at which the requirements of Brussels were still imprecise. Domestic reform agendas still prevailed, and the socialist legacy was still very strong. In Bulgaria, the interviews took place during the incumbency of the ‘unreforming’ socialist party government of the mid-decade, in the run-up to and in some cases immediately following October and November local government elections in 1995 in which the socialist party did well, especially in rural areas. In Romania, the interviews took place, with minor exceptions, in the last years of the second Iliescu presidency, prior to local government elections in June 1996 and the victory of the reformist parties in the national parliamentary elections in November 1996. They thus also preceded the July 1996 measures which reformed local government and public administration and restricted the powers of the prefects.

The reactions of local authorities to the new situation of democratic rhetoric but continued *de facto* impotence differed in these two Balkan countries, reflecting to a degree their differing socialist legacies. In Bulgaria, the *kmetstvo* mayors, partly because they necessarily had relatively limited horizons, did not think much beyond replacing the services that the co-operative had previously supplied. Most villages had a ‘red’ co-operative which continued to provide some rudimentary benefits for their members. The mayors supported or supplemented this, while bemoaning the decline in community spirit. In the one village in our selection that was a commune centre, resources were available, and the climate was more dynamic within an atmosphere of continued socialist paternalism.

In Romania, by contrast, the weaker socialist legacy and the more radical decline, certainly in Transylvania, in the number of co-operatives, resulted in a greater reliance on non-socialist and external sources. The villages were more reliant on charities, and, in cases where there were dynamic individuals who provided an animus for community life, they came from outside formal structures and very often from the church. But political structures too accommodated to the changing realities and in

particular the power of the prefect. After the waning of post-transformation political euphoria, in a more ‘routinised politics’, new channels of political patronage emerged on the parts of both ethnic Romanians and ethnic Hungarians to adjust to the contours of the still highly centralised system. Both Bulgaria’s continued socialist paternalism and Romania’s new systems of patronage suggest elements of ‘transformation’ rather than ‘transition’ in Pettai’s terms, systems which did not reflect the vibrant local democracy that the *Sollen* of EU membership sought to create.

## **Bulgaria**

The Bulgarian *kmetstvo* mayors, as we have seen, had minimal powers. It was thus a mixture of both limited horizons and absence of alternatives that explained why most officials did not think beyond trying to mitigate for the consequences of co-operative liquidation. The agricultural co-operatives, in their various guises, had been important contributors to community life in Bulgaria. In Tsal, for example, it was estimated that the co-operative had devoted 100,000 leva a year to social and cultural expenditure. With co-operative ‘liquidation’, such assistance disappeared. Nevertheless the ‘red co-operative’ successors to the socialist co-operatives, in Ale and Tsal for example, continued to provide some benefits such as bread and other staples, either free or at reduced prices.

The majority of communities were not in a position to invest in their infrastructures. All those interviewed at the *kmetstvo* level agreed with the mayor of Bre’s estimate that they were totally dependent on central government subsidies which were inadequate. Although the villages close to Plovdiv and GR benefited from proximity to an urban location, those in the north and the southern periphery did not. In Bes, Tep, Ale and Smi, the atmosphere was near desperation. Mayors could see full well what the problems were, but they had no ideas how to solve them. In Bre, GI, GR and Tsal, the focus was on agriculture, establishing markets, acquiring fruit storage facilities, or solving the irrigation problem, a service that the co-operatives had formerly provided. Irrigation systems were of crucial importance because of Bulgaria’s climate, and everywhere fell victim to co-operative liquidation.<sup>42</sup> In Tsal there was a sense that village policy

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<sup>42</sup> See also Robert Begg and Mieke Meurs, ‘Writing a New Song: Path Dependency and State Policy in Reforming Bulgarian Agriculture’, in Iván Szelényi (ed.), *Privatizing the*

should go beyond primary production to higher value-added food products, but there were no plans to establish a company that might do this. In GR officials pointed vaguely to the commercial prospects offered by its location as a crossroads for north central Bulgarian towns, but had no ideas about how to capitalise on it. The response of the communities to this fiscal strain was various. Because of the continued generosity of the co-operative, Tsal could continue to provide free school dinners for the children, free bread for pensioners and subsidise the cost of meals in the kindergarten by 60 per cent. But where the co-operative was not so generous, the result was perhaps the closure of the kindergarten, as happened in Tep, or to charge for school meals and for the kindergarten, as was done in Bes.

Impotence on the part of representatives was mirrored by both cynicism and a decline in community spirit. Concerning the latter, a pensioner in Tep complained about the absence of community life, while the mayor of GI complained about the estrangement of most of the village population from community life and the new climate of self-interestedness. With regard to cynicism, in Bes more than one person commented that councillors were more interested in serving their own interests than devoting themselves to the needs of the villagers, that they stood for election simply to achieve power but had no conception of how the village economy might be developed. In GI a pensioner described the mayor as a person who 'had returned to the village only recently from the town and was intent on merely feathering his own nest'; while in Smilets the co-operative agronomist commented of local politicians that, 'in most cases they pursue their own personal interests'. There was some substance to such allegations. The mayor of Tep, part of the Hadj commune, a local man, born and bred, but university educated, had been a manager in one of the local textile factories in the socialist years. By the mid-1990s he had become a private entrepreneur in the same field, his company producing to order, mainly for Italian companies.

In Bulgaria almost everyone interviewed was of the view that, at the local level, politics did not matter, in the words of a former mayor of Alekovo, 'it is the individual that counts'. Nevertheless, the Bulgarian Socialist Party and to a lesser extent the Bulgarian Agrarian National Union clearly dominated. The Bulgarian Socialist Party was the only

political presence in GR, it was present alongside the former satellite BANU in Ale, and it provided the mayor and either the majority of councillors or the president of the post-socialist co-operative in Bre and Tsal. In GI the mayor was a member of BANU. It was only in the southern mountainous periphery of Bes and Tep where mayors from 'opposition' parties were reported. The entrepreneurial mayor of Tep, where the Turkish and Moslem Movement for Rights and Freedoms also had a presence, was a member of the breakaway Bulgarian Agrarian People's Union 'Nicola Petkov', while his counterpart in Bes, a former teacher, was a member of the UDF.

The mayor of the one commune centre included in the survey, Hadj, was also a socialist party member. But even as a commune mayor he felt he had little real autonomy. He estimated that whilst on paper he controlled over 50 per cent of the income tax of individuals and 10 per cent of business taxes in the area, in reality most of it went on what were essentially fixed costs: salaries for the council workers, and social and health care. The Hadji mayor, a former chemical engineer, had drive and vision. In the view of the co-operative accountant, he was 'the most educated and influential person in the village'. He certainly exuded dynamism and enthused listeners with his vision for the community. His goal was to see his village turned into a town, and the means by which he sought to achieve this was to develop non-agricultural jobs. He could see no future in basing strategy on agriculture in a remote region like his. In his view, rural areas needed industry, and he felt constrained by the fact that land use regulations assumed that rural land would be used for agriculture and restricted other forms of development. The region's chief selling point, in his view, which he eloquently described to visiting Greek businessmen, was its cheap, highly skilled and disciplined labour force. Despite this embracing of foreign investment, he retained a paternalistic concern for his flock. In his interview he also stressed that he had a policy of ensuring wherever possible that at least one member in every family had some form of employment.

## **Romania**

Although Romania's Stalinist economy was not one in which agricultural co-operatives could be generous financially to their community, they could contribute in kind, as the Marti co-operative did, helping with the

building a handball field, or resurfacing the school playground. Such aid disappeared with the collapse of socialism, and central funding for local government did not begin to make up the difference. In Laz, for example, it was estimated that the budget that they were allocated from the centre represented less than a quarter of what they needed. In Bu and Me the local authorities had responded to the fiscal stress by cutting funding to Cultural Centres and relying on volunteers to run them. In Bu, when money promised for the provision of water and electricity was suddenly withdrawn, developments in this direction had to be abandoned. The crux of the problem was described by the mayor of Bu when discussing the village's development strategy, 'A long term economic strategy has been developed in the mayor's office, but it is not very useful because there is no money to cover it—it is a purely formal exercise'. Ciu and Chi were in the unpleasant situation of having effectively no local government at all. In Ciu this was because it was not a commune centre and no villagers had been elected to the commune council. In Chi it was because the mayor had simply lost interest and did nothing.

Faced with this shortage of funds, the councils turned to charities, mainly foreign. In PJ the alternatives were stark: either outside sources of funding were found to take over the running of basic services that it could no longer run itself, or the services closed. The kindergarten was rescued by the Catholic church, which had similar plans for the Cultural Centre. In Marti too, a former state old people's home had been taken over by the church and was run with the help of a western charity. Charities also helped fill the gaps in Bu, Chi (which was totally dependent on links with western villages for its basic medical supplies), Laz (where the Maltese cross and a small local charity operated), Me (where a Dutch church helped contribute to social welfare), and Marti (where the village's Swiss 'twin' had bought an ambulance for the use of the village).

It was not so much the mayors who provided the drive for Romanian rural communities, but priests and, to a lesser extent, teachers. In Me, the Presbyterian priest was the source of most ideas for developing the village. He thought of the idea of starting language classes, originally conceived of as German classes, but the popular demand was for English. He organised the purchase of a harvester by the village and the purchase by the church of a barn from the former co-operative in which was housed mill obtained from their western partner congregation. He also had an eye for rural tourist potential. With a little investment, he thought the same

barn could be converted into a motel with a café and space to sell embroidery and other folk art. The local headmistress and her immediate family also helped organise the folk dance troupe that had put the village on the international map, just as the physics teacher in Marti had with his plays performed at its festivals. In PJ, strategic thinking came from the cloth again. The 51-year-old Catholic priest (who had been in the village for 14 years) and his associates, the doctor, and the vet, were more influential than the 14-person council. The village had ample potential for agro-tourism, and the priest had ambitious plans: to establish traditional tourist houses and camp-sites; to organise an old people's home and a youth club; to use a building that had belonged to the Machine and Tractor station for a factory for making sacks (it would be 60 per cent owned by locals and 40 per cent by three associations in the local area); and to create a western-style 'machinery circle' (for which German assistance might have been forthcoming). It was he who informed himself about non-governmental funding opportunities such as PHARE grants and crossed the country seeking information about terms and conditions and application deadlines.

In Romania, as in Bulgaria, local councillors generally maintained that they served the interests of the local community rather than pursuing party politics at the local level. They also maintained that they had no influence on the national policies of the political parties. After initial enthusiasm, party activity quickly waned, even in areas where the ethnic Hungarian party (RMDSZ) dominated the political scene. Local issues and personalities predominated. In Ciu, for example, where both the PUNR (nationalist Romanian party) and the RMDSZ had organisations, their level of activity was minimal. Even the former political activist whose personal intervention brought gas to the village, denied the existence of any party organisations in the village—'people are not interested in politics', he claimed, 'there are other problems, agriculture, drinking water, gas.' In Laz and Marti, ethnically Hungarian villages, the councils and the mayors were members of the RMDSZ, yet even in Marti it was acknowledged that after land distribution the membership had dropped dramatically, and after 1992 nobody paid membership fees, the same being true of Me, where the RMDSZ did not dominate the commune council. In ethnically Romanian Prej similarly, sudden enthusiasm for politics in 1989–1990 waned thereafter. In Ret the presence of one member of the Roma Party on the council hinted at what was the primary

concern of both the mayor and the Presbyterian priest, something that transcended normal party politics: relations with the commune's large and growing Roma community.

But political parties were not unimportant—they took on a new role as vehicles for political patronage. This was clearest with the Hungarian party. Quite trivially, in Martinis, the cultural centre manager commented that the RMDSZ did not support financially the festivals that the manager organised. Her assumption was that it should. Yet the idea of political parties providing financial support for cultural events, admittedly those organised by its only constituency (ethnic Hungarians), is somewhat at odds with Anglo-Saxon conceptions of the political party. In Laz, the mayor's comments about links with the Hungarian party were equally instructive. He felt that connections with the prefecture in Satu Mare were good, as were links with the party's members of parliament. 'They always achieve what we ask for'. Yet, given his belief, expressed elsewhere in his interview, that local members could not influence national level politics, what was being asked for was more likely to be favours than policies. More concretely, the regional RMDSZ organisation promised Me a telephone exchange in return for revitalising the moribund local branch of the party. The village organisers agreed, generated the paper membership of 500 that was required, and the village was given the exchange. Unfortunately, when the telephone company tested it, it turned out to be wholly inappropriate for their needs, only usable by a small company not by a village. The party vote was being maintained by material rewards rather than ideological conviction.

But material rewards, or rather the hope for material rewards, winning out over ideological conviction was by no means a phenomenon related to the minority community. One of the outcomes of the 1996 local government election in Bu (the one village where it proved possible to assess the elections) was that the Party of National Romanian Unity (PUNR), the party of Funar, became the strongest party. Most of the local council were members, as was the new mayor. The old mayor even changed allegiance to PUNR in 1996 and accepted the post of deputy mayor. The logic underpinning this change of political affiliation was straightforward. The PUNR also happened to be the party to which the prefect belonged. Local councillors were switching allegiance to the political complexion of the prefect in order to gain access to, or at least not be deprived of, access to funding. It is interesting to note in this regard

that the 2004 Progress Report on Romania commented critically on the increase in 'political migration'. By the end of 2003, over 65 per cent of mayors belonged to the ruling party, compared with 30 per cent in June 2000.<sup>43</sup> Bu was in the vanguard of what would become a national trend.

## Conclusion

Grass roots developments in Bulgarian and Romanian rural local authorities in the mid-1990s, the period immediately prior to the EU's switch to *acquis communautaire* conditionality for membership, suggest an Eastern European meso-area where *transformation* rather than *transition* was possible. The force field of western democratic norms on the one hand and socialist legacies, starved of material resources on the other, resulted in continued socialist paternalism in Bulgaria and new forms of political patronage in Romania, neither of them consonant with the western democratic norm. With the introduction of *acquis* conditionality, Bulgaria continued to hesitate over the introduction of elected bodies at the regional level, while Romania moved towards European structures, yet had to be pressured to move further again over to reduce the power of the prefect despite the existence of elected county councils. Indeed, 'political migration' increased. Both countries appeared to have engineered elements of *transformation* rather than *transition* here too. But, as happened in Slovakia in the years prior to 2004, much could change in the final years before membership.

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<sup>43</sup> European Commission, *2004 Regular Report on Romania*, p. 18.