

Europeanisation of Territorial Governance in Three Eastern/Central European Countries

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The current study attempts to find correlations between the Europeanisation of national and territorial public administrations and the requirement system of Structural Funds' management. The paper introduces the development of territorial administrations and the system of regional development policy management in three member states (first of all in Hungary based on our own research experience and relying on less detailed literature and information from Poland and Slovakia). The analysis of processes affecting territorial public administrations and the analysis of the driving forces will point out the conflicts of the administrations' Europeanisation and the barriers of adapting external models in a Central or Eastern European region lacking real traditions of decentralisation and similarly regional identity. The future of the Structural Funds beyond 2013 is an even more open question. However, this fact does not exempt the CEE countries from the responsibility of treating the meso-tier decentralisation.

Introduction

The European Union in general considers the structure and functioning of public administration as a national internal affair. Despite this approach, the public administrations of the member states undergo a strong Europeanisation and convergence process, since the implementation of European public policies depends mainly on the performance of national administrations. (D'Orta 2003) The European administrative space has become a normative programme, relying on the relationships between the different tiers of governance as well as on the elaboration of common procedural and professional standards. (Cardona 1998, Olsen 2003, Goetz 2006)

The regional policy of the EU is crucial for national public administrations (Bovaird et al 2002), since bearing significant resources, it is one of the political means of deepening and enlarging the integration. The intensive invasive effect of the Structural Funds on national administrations of Eastern and Central European countries is explained by the strong motivation to acquire development resources eligible for less developed regions. It means that the so-called Europeanisation and conditionalism was generated directly by the management of the Structural Funds. (Hughes et al 2004)

Although the homogenisation of public administrations does not supervene in a structural sense, yet regionalism, the emergence of new, larger administrative tiers and the EU's regional policy definitely correlate. The European principles of subsidiarity and partnership, applied preliminarily in cohesion policy, included the regions into the decision-making processes of the Union and as a result, regions became the most virulent factors of multilevel governance. (Bache 1998)

If we acknowledge the member states' public administrations' structural and functional approaches as one of the manifestations of Europeanisation, we must accept that the motivation of accessing the Structural Funds played a significant role in this process especially in the cohesion countries, in many aspects such as:

1. The delimitation of the so called NUTS 2 regions (Nomenclature of Units of Territorial Statistics) in compliance with the regulations by the European Union, has become the basis of territorial reforms of public administration in several countries. (Although the European Council first adapted a compulsory regulation concerning the size of NUTS regions in 2003 (between 800.000-3.000.000), the eligibility size for units to be NUTS 2 regions at a scale of about one million predates this).
2. The establishment of regional consulting bodies based on the principles of subsidiarity and partnership became widespread.
3. Managing authorities had to be established for the management of structural funds, and their institutionalisation once more raised the issue of accommodation to national public administration.

The current study attempts to find correlations between the Europeanisation of national and territorial public administrations and the requirement system of Structural Funds' management. The paper introduces the development of territorial administrations and the system of regional development policy management in three member states (first of all in Hungary based on our own research experience and relying on less detailed literature and information from Poland and Slovakia). Further, we discuss the achievements and dilemmas of the rescaling of the administrative meso-level, and the establishment of management systems for regional policy. We will deal with the emerging conflicts between traditional public administration, the local government system and the new partnership networks. The selected countries apply different techniques in the reform of territorial public administration and in the management of Structural Funds; actually each represents in many respects a model among the countries acceding to the EU in 2004. Nevertheless it is a valid statement regarding all models that the motivation to accede and acquire European resources takes a stronger effect on their ambitions concerning the regional tier than any other driving force of regional policy. The analysis of processes affecting territorial public administrations and the analysis of the driving forces will point out the conflicts of the administrations' Europeanisation and the barriers of adapting external models in a Central or Eastern European region lacking real traditions of decentralisation and similarly regional identity. The reason of following uninteriorised models may be the inadaptability of the selected model, that is the model's incompatibility with Eastern and Central European governance patterns, but also the rapidity

and inflexibility of adaptation. Further, the analysis of concrete examples will highlight that the applied models and means of convergence between national administrations may be fairly varying, and that structural changes do not necessarily lead to an optimal outcome.

Changing picture in meso-level administration in Europe

We shall examine to what extent and in what way, Europe was regionalised as the selected countries acceded to it. Public administrative diversity is a characteristic feature of European political circumstances, despite the number of administrative reforms carried out in the 20th century alone. These changes – both in Eastern and in Western Europe – were bound partly to political transformations and partly to the socio-economic and political development within national frameworks. Despite that, the 1980s and 1990s elapsed in the spirit of a Europe of regions, implementing significant decentralisation and regionalisation reforms in many member states. (Larsson et al. 1999, Keating 2004) However, the driving force of regionalisation was not exclusively the structural fund, but often, it was of cultural ethnic and historical character (Spain, Belgium, Great Britain), or in other cases, the aspects and motivation of modernisation, size efficiency or political decentralisation (France, Germany) played important roles. Some reforms were classically top-down (French, German), while in some other cases, the ambitions of local political elites can also be detected (Italy, Belgium, Great Britain). Therefore literature distinguishes between bottom-up and top-down regionalisms. (Keating 2004)

Thus we can state that in the previous decades, changes occurred in the structure of governance. Alongside those changes, the countries of the European Union can be classified by structural types in terms of political science:

- *In the federal state model*, the meso-level bears several features of an independent state (legislation, provincial parliament, government) (Germany, Austria and Belgium).
- *The regionalised state model* consists of constitutionally regulated meso-level units with wide autonomy and legislative competencies although this autonomy is not complete (Italy, Spain and – according to some classifications – Portugal).
- *In the decentralised state model*, the regulation defines the regional tier as a unit administered by elected bodies, performing its tasks – in some cases under constitutional protection – independently. Similarly to the previous type, the medium tier performs its activities partially in a self-financing way (France, the Netherlands, Sweden, etc. belong to this group).
- *The unitary state model's* most characteristic feature is strict central control of the meso-tier, and it is financed mainly from the central budget (Denmark, the United Kingdom, Finland, Greece can be classed into this group).

Investigating the legal status and functions of the territorial meso-tiers of the member states, we found that in the majority of unitary and in both types of decentralised

states, a *shift of competencies* was carried out to the benefit of the meso-tier during the 80s. (Loughlin 2001)

However, strengthening the meso-level not always means decentralisation in the political sense. The central state often prefers the regionalisation of state-provided services and public administration, that is, the allocation of deconcentrated organs in the regions (England, Greece, Portugal, etc.). For instance, Finland introduced reforms, but has no directly elected meso-tier governments. Another example are the Swedish counties, which remained centralised, and the only result of reforms was the decision not to eliminate them.

Therefore we may declare that the phenomenon of regionalism and regionalisation is not identical with political decentralisation and not dependant on the physical scale of units, either. National characteristics strongly differentiate meso-tier administrations, despite some factors contributing to the strengthening of the sub-national tiers in general.

Overall, we claim that the dominating trend in public administration is spatial integration, the development of larger territorial scales. Still, we have to underline that no general schemes for territorial integration exist; therefore Central and Eastern European countries shall take their own way in order to achieve a desirably good fit between European regionalisation and domestic regionalism. (Cowles et al. 2001)

General impact of European regional/cohesion policy on governance structures

Regional development is one of the responsibilities of sub-national levels in every European country. The new economic paradigm of the previous decades had a significant impact on the development of regional policy:

- New regional policy as an innovation-oriented or regionally initiated development model.
- The establishment of regional and local co-operative networks of enterprises.
- Institutionalisation of information, innovation and business-incentive transfers.
- Organisation of the local-regional development coalitions of different interest groups, harmonisation of rigid administrative hierarchies and the establishment of flexible decision-making procedures.
- Transformation of the quality of living space, supplying capital attracting factors. (Danson et al. 1997)

European regions which were able to elaborate, enforce and implement development strategies matching their needs and demands stabilised their situation within a short period and the new structures started growing.

- The new regional policy required new management in general that is closer to the region and also to the partners interested in the development: In seven-

ral countries, quasi-governmental or non-governmental tripartite/corporate organisations (councils, assemblies, chambers, forums, etc.) were set up, specifically designed for the preparation and implementation of regional policy decisions and for harmonisation of interests of central state and local governments, the employees and employers.

- The most important and wide-spread institutions are the development agencies mostly with a quango status. Development agencies were first established in the 50s-60s in Western Europe. They have a number of different status types (therefore it is hard to define them in terms of organisational features), yet their common feature is that they are not part of the hierarchic state administration but financed by the central budget. Their main distinctive function is the promotion of the economy. (Halkier 1998)

As has been described, the demands of economic development themselves have generated changes in the structure and functioning of governance, and these changes were accelerated by the EU's Structural Funds. The new model of European regional policy contributing to Europeanisation in the 1980s-1990s meant a crucial challenge for the member states' public administrations in the following fields:

- *Regionalisation*: its most important impact was the strengthening of the territorial approach. Regional policy in Europe reached the development phase in the 1980s, where the former centralised system on the basis of central redistribution was replaced with a bottom-up model involving local resources. Subsequent to the punctual development projects aimed at treating crisis areas, the system became more holistic and comprehensive covering larger territories. By introducing the NUTS system and different categories of development objectives, the Commission pushed national governments to designate eligible areas at the regional level. This phenomenon launched a series of reforms in the territorial structure of the meso-tier governance and the establishment of new, larger administrative tiers or the amalgamation of former ones. Therefore, the most important accelerator encouraging regionalisation were the Structural Funds. (Keating 1998)
- *Programming*: Replacing the series of short-term independent projects, planning became more comprehensive and now covers an extended horizon of time. Programming as a profession required better processed and analysed information and a strategic perspective from planners. Development programmes became more complex, and this complexity necessitated the improvement of performance capacity as well as new functional solutions within the management. The programmes themselves require comprehensive analysis of the situation and development prospects within the regions. Further, the more structured development programmes urged co-ordination between the branches and sectors.
- *Efficiency professionalism*: The increasing public involvement in economic development, closer links to the business sector and the new market-oriented system of economic support required more flexible behaviour of the public administrative staff making it interested in the performance.

- *Partnership horizontality*: Regional policy requires by its nature comprehensive co-operation between the sectors and tiers. This is especially true for its newest model, which is not based on central state subsidies anymore but much more on the involvement of local resources. According to the regulations of the Structural Funds and the Maastricht Treaty, the European adaptation of the principles of subsidiarity and partnership took place. The principle of partnership challenged the national public administrative systems, especially those models that lack tradition in the partner type of co-operation between tiers or sectors. Vertically managed relationship systems of sectoral departments and sectoral deconcentrated organs shifted towards a new direction subsequent to passing the act on regional development and became more horizontal. The necessary involvement of external resources and the more comprehensive measures naturally strengthened horizontal relationships as opposed to vertical ones. In advance, we add here that in this element the influence of the Commission was probably the least direct. The evaluation of the partnership principle showed that the vague formulation of this requirement resulted in fairly diverse and varying efficient solutions in the member states. (Kelleher et al. 1999)

The specialities of adaptation in the new member states

The new Eastern and Central European democracies faced a twofold challenge in the 1990s:

- First, they had to establish a democratic state and political system on the basis of political plurality, not simply as a democratic principle, but also as a principle that is able to effectively tackle the problems raised by the systemic change. In order to achieve this task, not only was adaptation to the general model of Western democracies required, but also and parallel the consideration of national characteristics and historical roots was necessary.
- The new democracies, on the other hand, hoping for accession to the European Union, were to find a state administrative, institutional model which was able to match the requirements of “*acquis communautaire*”. The adaptation to this twofold, internal and external system of requirements and, in addition, the time pressure concerning their implementation, was not, by any standards, easy and was not free from contradictions either.

The preparation for the EU accession and the reestablishment of the national power and administrative structures in the Eastern and Central European states were usually parallel processes, supporting each other, and they were accompanied by several conflicts.

- In the spirit of conditionalism, the adaptation process was controlled fairly strictly, but in return, it was financially supported by the EU Commission. (Hughes et al. 2004) Since the accession countries had to design their own management system for the Structural Funds parallel to the setting up of their public administrative systems, these new, fragile national public administrations were not able to meet the professional requirements set by the Community.

- A further difficulty of the adaptation process was that the new member states with their completely different administrative culture and strong historical heritage of centralisation could hardly integrate the new, alien elements of governance. The logic of NPM flourishing in Europe in the last decades was completely strange for the fairly bureaucratic structures of ECE countries.
- Finally the time pressure also hindered the learning process but also pushed the “pupils” imitating to real performance.

We can therefore assume that the regional reforms carried out in the member states that have acceded to the EU in 2004 belong to the top-down type of regionalisation. The interests and identity of local society and local elite were less enforced as this phenomenon was generally characteristic during the modernisation process after 1990. (Pickvance 1997)

The generally unsuccessful responses to the challenges by the European governance imply that these countries need internal driving forces and commitment in establishing modern and democratic territorial administrative systems. In the following, we will point out the difficulties of adaptation and the causes eliciting these difficulties in the mirror of the regionalisation efforts of the selected three countries.

Regionalised Poland with historical tradition

Poland has regional traditions, since it already had a regional public administrative arrangement during its history similar in scale to the current system prior to the reform performed in 1975. However, as we will highlight later, Poland had no tradition in real decentralisation of power. Furthermore, in the course of the delimitation and naming of new regions, the aspects of territorial identity and traditions were fully neglected. (Sagan 2007) The initial system in 1990 consisted of 49 medium-size state administrative regions and 2,800 communes. At the beginning of the 1990s, sectoral fragmentation and the preference of local technical infrastructure was generally characteristic, mainly due to the weakness of the medium tier. (Davey 2003) After having recognised the necessity of change, one of the reform alternatives was to empower the 49 units with the right of self-governance. The second alternative was the establishment of larger regions and a further county tier. Poland followed a fairly ambitious model of adaptation to European regional policy. As a result of hard efforts, Poland implemented comprehensive territorial reforms and introduced new self-government units at the regional and county levels in 1998. As regards the reform process and the problems of implementation, although development policy was among the rationales of the reform, no decision was made with respect to this domain during the reform process. (Emilewicz and Wolek 2002) Although during the preparation phase, the hottest debates discussed the number and the delimitation of regions (originally 12 regions were planned but due to the strong opposition, the number was finally increased), competencies became the key elements in assessing the success of decentralisation. From this angle, Polish regionalisation also failed in spite of the deliberate structural coincidence of regional developmental and public administrative units. The new regions were not equipped with competencies and funds; in other

words, region building was in fact not accompanied by the decentralisation of competencies and tasks. (Regulski 2003)

As a result of the reforms taking effect in 2000, 16 voivodships, equivalent to NUTS 2 and 315 powiats (and 65 urban gminas with powiat right) corresponding to NUTS 4 (45 of these NUTS 3 subregions are not administrative units) have come into existence. For all that, the former and the current territorial units of Polish public administration (17 regions till 1975, 49 regions 1975-1998) cannot be compared with each other; they are only similar in their scale but they differ in their concrete geographical borders.

In Poland, traditionally there is a dual structure of public administration at the regional level, and this lead to fragmentation. The governmental office is headed by the voivod and the self-government is lead by the marshall. The regional assembly is empowered to adopt the development strategy for the region. The marshall is responsible for creating a proper environment for regional development, shaping the regional labour market, developing regional infrastructure, financial management of projects, regional innovation, etc. The marshall is the key institution responsible for the preparation of a regional development strategy. The voivod as a representative of central government has only legal supervisory competencies and is responsible for the transfer of public finance flows to the region. Furthermore, the voivod, as the head of the voivodship office is the representative of the Minister of Economy in the region. He and his office act as an intermediary between the central government and the regional self-government.

In the year 2000, the Polish Parliament passed the act on the principles of regional support. From among the Community's principles, programming has the greatest impact on Polish regional policy. (Karasinska et al. 2002) National Development Plans were adopted in 2000 and 2002; at the same time, all regions adopted their own regional development programmes. The very fragmented and difficult system is co-ordinated by the voivodship contracts. The contract, as the document of mutual obligations for the central government and regional self-governments, is based on the priorities set in the national and regional development strategies.

The biggest contradiction is the fact that the reallocation of tasks from the national to the regional level was not accompanied by the reallocation of sufficient resources. This limitation of the resources of the newly created self-governmental tier proved to be the major hindrance of the performance of an autonomous development policy. In this context, 80% of the voivodship's budget originated from the state budget. Due to and in accordance with the lacking funds, the programmes launched were of fairly low significance. Notwithstanding, the trend is improving considering resource concentration. According to an analysis, regional policy principles succeed with very weak efficiency in the financing of sectoral programmes. (Davey 2003, 123) In other terms, regionalisation had a positive impact on development policy; and despite their fragmentation and weak competencies, regions still offer a more efficient institutional framework than sectoral ministries.

Further decentralisation and stronger dominance of representative organs against central state administration were expected, approaching the accession to the European Union. Thus, with reference to the first experiences of managing Structural Funds, we must conclude that the formal adaptation was completed but unfortu-

nately without having solved the problem of power decentralisation. Still, considering the investigated countries, Poland was the one which can report a number of positives developments. In Poland, during the first programming period (2004-2006), 40% of EU funding was allocated to regional operative programmes. As compared with the other new member states, this was actually the highest proportion. (Bachtler and McMaster 2008) At the same time, the management of the ROPs was centralised in the ministry responsible for regional policy. It means that only a fragment of the EU funding was managed and controlled at the regional level, which was a real disappointment for regional actors, since they were very ambitious in preparing regional operative programmes and establishing regional administrative capacities. Despite the serious efforts made, the regions had representatives only in the regional monitoring committees, which, on the other hand, had no decision-making power. The situation slightly changed during the next programming period as a result of the stronger regional pressure. In Poland, 16 ROPs were formulated, and they are managed regionally by the self-government and the voivod's office, although the central control remained unchanged. (Bachtler and McMaster 2008)

In conclusion, we wish to state that historical traditions in terms of geographical scale could have supported the Polish regionalisation, but the reforms were with no respect to these; moreover, they even generated powerful conflicts among the towns of the regions. Refilling the regions with autonomous power and resources was an even harder task. The voivod is a determining actor in territorial public administration; against him, the regional government and its president can hardly obtain positions. The process of regionalisation was in fact accelerated by the European accession and the constraint of treating the economic crisis. At the same time, the subvention of local governments, especially the towns, and the economic sector were considered among the weak factors of regional capacity building. Exactly this is the reason why the evaluators consider the essential change of economic and social conditions as the immanent and indispensable precondition of strong regionalisation. (Sagan 2007) At this place, we must mention that the relative success of the regional reforms is closely connected with the stronger civil traditions and the historical embeddedness of the scale, and also the capability of the new regional governments to exert pressure on the central government in the interest of continuation of decentralisation. (Emilewicz 2002, Sagan, 2007)

Slovakia – rapid catching-up, dilemmas of nation and region

In 1990, settlements were authorised to self-governance, and the territorial tier of public administration underwent significant restructuring. Former regions were eliminated from the system, 121 districts replaced them. Slovakia became an independent state in 1996 making explicit centralising efforts, quite understandable in view of its nation-building ambitions. Behind the new spatial structure, hidden political intentions were to be detected, like the partition of territories settled by Hungarian minorities or different electoral technical considerations. (Mezei and Hardi 2003) Most of the escalating conflicts emerged alongside nationalistic and partially modernising ambitions. The story of coalition-building also demonstrates the macro-political importance of minority issues. (Malikova and Staronova 2005)

After 1996 the territory of Slovakia was divided into 8 large state administrative regions and 79 districts. The seats and borders of the administrative regions were in some cases appointed and delimited on the basis of political considerations directed to the Hungarian minorities. Similar techniques were also applied in the course of the delimitation of districts. We mention that the Council of the European Union even criticised the dramatic divergence from the former traditional administrative configuration. However, ministries were powerful enough during the 1996 reforms to maintain the network of deconcentrated organs set up subsequent to the systemic change. (Bucek 2002)

The next reform of public administration was carried out in 1998 as the outcome of long lasting debates. Political discussions of the parties were coloured repeatedly by the national minorities' dimension. (Ficza 2005) In 2001, the decision was made to carry out a direct election of county self-governments in the eight former state administrative regions. However, the transformation of counties into self-governmental units was slowly progressing, especially in terms of allocation of competencies and financial resources, as was usual in post-communist countries. (Bryson and Cornia 2004) The formerly territory-based deconcentrated public administration was not willing to delegate its powers.

In 2004, more comprehensive territorial reforms were implemented; the former 79 districts were eliminated, and their competencies were taken over by the eight state administrative county offices, by 50 district offices and 221 special state administrative offices.

Establishing the institutional system of regional development was characterised by conceptual changes in terms of public administrative spatial division and by various uncertainties. The four NUTS 2 regions rely on a county/district-division, the NUTS 3 level is equivalent to the eight counties and NUTS 4 (today called Local Administrative Units LAU1) consists of the former 79 districts and not the new 50! This means that the NUTS division completely differs from the administrative division, indicating that there was no stable vision regarding the territorial division of the country.

The institutional system of regional development is, in practical terms, the network of regional development agencies set up by the government in the year 2000. The task of the agencies financed by the central government is to assist the government and the local actors in utilising the Structural Funds. (Rehak 2007) Besides the agencies, 13 regional consulting and information offices operate, designed for primarily supporting the business sector. (We note that in the course of the regional reforms, the idea of establishing 12 regions was also put forward.) It is clear that these institutions do not follow the NUTS system. This divergence also indicates that the territorial reform in Slovakia was not exclusively motivated by the compulsory adaptation to the European Union, and the fact that public administrative reforms did not take the NUTS 2 units into consideration attracted criticism. (Nemec 2002)

Slovakia established so-called regional managing and monitoring committees and their secretaries in the NUTS 2 regions, and their task is to participate in the management of the Structural Funds. Within the NUTS 3 counties, the management of development policy and the adaptation of development programmes are the responsibility of county assemblies. However managing authorities and monitoring committees operate at this tier too, in cooperation with partnership organisations

including local governments, state administrative and non-profit professional organisations. (Ficza 2004)

Following the accession to the European Union, the management of programmes is a kind of alien body outside the ordinary public administration, experiencing functional problems. This structure could not provide an appropriate basis for the management of Structural Funds providing an explanation why the European Commission picked the centralised model of Structural Funds' management for Slovakia.

In the first programming period, Slovakia had no regional operative programmes, only one single programme aimed at the basic infrastructure and managed by the ministry responsible for regional development demonstrating that the accelerated modernisation required centralised control. In the recent programming period, regional issues finally got priority as project-selection criteria. (Batchler and McMaster 2008) Finally eight regional operative programmes were established (instead of four in the NUTS 2 regions). However, this solution clearly implies that the number and borders of regions are still unstable. Moreover, the actual managing authorities of these programmes remained in the central tier within the ministry responsible for regional development. Similarly, the implementation of the Lisbon strategy in the new programming period also indicates the incomplete character of regionalisation, which actually has appointed concrete settlements as innovation development poles instead of the regions, questioning from the very beginning the authenticity of regional decentralisation. (Rehák 2007)

Thus, what we experience is that in Slovakia, the establishment of meso-tier administration is fairly loaded with uncertainties deriving from the lack of historical traditions, regional cohesion and identity, and the European cohesion policy and the establishment of NUTS 2 regions could not counteract these. The institution system managing the Structural Funds is centralised, the regional system is fragmented and lacking resources, although the chance for regionalisation is dependent on the reinforcement of regional governance capacities. The regional identity of the local society theoretically supporting political decentralisation is absent, and the ethnic segregation does not really support the strengthening of regional identity. These factors actually imply the durable weakness of territorial governments.

Hungary: from eminent student to lagging behind

I will dedicate more attention in my study to the Hungarian regionalisation not only because as a Hungarian researcher, I have the most research experience on Hungarian processes, but also because the Hungarian example produces the most explicit evidence for the fact that top-down regionalisation, adapting to external expectations, can not expect lasting success. Lacking internal political support and professional consensus, regional structures remain fragile.

Traditionally, the county has been a very strong unit of the Hungarian public administration ever since the foundation of the Hungarian state in the eleventh century. The Act on Local Governments, enacted in 1990, brought about a completely new situation in the spatial distribution of power. Instead of the former medium-level county organisation, municipality became the key element of the local government system. The lack of competencies, means and resources was accompanied by unstable

political legitimacy and distrust towards county assemblies. This change led to the strong centralisation of the entire public administrative system.

Experts identified the problem relatively early, but a solution has not been found yet. The debate on the status of counties and the meso-level governance in general is ongoing since 1990, raising questions like ‘Which should be the territorial tier of Hungarian public administration?’ The absence of answers postponed the stabilisation of power at the medium tier and generated uncertainty about the scale of meso-level government.

The weakening of the democratically elected medium-level governments (counties) contributed to the increasing influence of the central government. The Hungarian state’s shape is similar to a sand-glass, with a too strong (wide) top and a too strong (wide) bottom, causing many functional and democratic deficits, therefore Hungarian local governance suffers not only from efficiency problems but from democratic deficits too. The stable and powerful local elite is not willing to share its power with the local society, and as highlighted later, the missing social control at the meso-level contributed to the dominance of uncontrolled networks.

In 2002, the government announced brave reforms within the public administrative sector, planning the establishment of directly elected regional self-governments by the year 2006. The objective of the reform was to finish the decade-long debate on the counties by transferring territorial power to the regions, thus eliminating the self-governance status of the counties. This programme proved to be too ambitious. Anyway, at that time, many experts were pessimistic about this intention, because regions are artificial formations in Hungary; the regional identity of the Hungarian society is obviously very weak. The civil society did not evolve and political institutions were not established at the regional level. Consequently, the democratic control over the regional bodies, as well as over the relationships of these bodies to the electors and the social or political institutions, would have been very weak. It is an extremely important question whether top-down initiated regionalisation, together with a weak and unintegrated local society, can lead to an actually decentralised power structure? There was a danger that a forced regionalisation would become an instrument in the hands of not the local, but the central power.

Fears proved to be unjustified, but not because they were unfounded, but rather because the reform efforts died away. The government in power in the cycle 2002-2006 did not prepare or submit any legal acts on the regional reform. The excuse was – permanently communicated – that the reform probably would not have gained the support of the parliamentary opposition. Anyway, regionalisation in Hungary requires the amendment of the Constitution, and therefore the qualified majority – the vote of two thirds of the representatives – must support it. So such reform is only possible if a consensus with the opposition is reached.

Preparing for the accession, one chance to stabilise the ‘meso’ was the legislation on the European type of regional policy. The Hungarian regional policy was systematically adapted to the bottom-up model of European regional policy dominant in the last decade. The act on regional development was passed in 1996 bringing about basic changes in the territorial power structure. (Pálné 2001) The institutional system of regional development in Hungary is not based on the territorial public administration or local government system. It was simply impossible to integrate regional

policy into this fragmented administrative structure lacking a strong territorial/meso-level of public power. The central government and the municipalities were not interested in strengthening the county.

According to the Hungarian regulation, the development councils established at the national, regional, county and micro-regional levels were created by delegation. A great dilemma was whether the micro-regional (NUTS 4), county (NUTS 3) or the regional (NUTS 2) level should be the main action arena of regional political intervention and the institutional system. The answer was based on fairly pragmatic arguments. The legislator decided to establish special institutions at all three territorial tiers. This over-fragmented institutional system, the conglomeration of development councils operating at three territorial tiers contributed to the fragmentation of the development resources, the competition of the tiers among each other and conflicts evolving due to the lack of a clear division of labour and, what is most important, the macro (NUTS 2) regions could not become key actors in the regional policy.

Looking back on more than ten years, we can state that the three territorial tiers and their fairly complicated institutional system were unable to counterbalance the weight of the central government. This solution further fragmented development resources, intensified the competition among the tiers and raised several new conflicts deriving from the lack of a clear division of labour.

Paradoxically, it could have been just the accession to the European Union that made the government change its opinion on regionalisation. The accession in 2004 caused shock and disappointment. Referring to the “weak regional capacity”, the European Commission insisted on the centralised management of Structural Funds; therefore, the regional institutions (regional development councils) have almost completely lost their former influence on regional policy. The management authorities were integrated in the central government, the regional actors only received co-operative functions. Hungary had to realise that the EU does not insist on the active role of the regions, it does not want to take risks with decentralised structures. The adaptive pressure of accession pushed the country towards centralisation and neglecting the regions, whereas the previous decade was characterised by regionalism and decentralisation.

The government re-elected in 2006 made another attempt to carry out the reform of regional self-governance, although it was not very convincing. After the elections, the government made proposals in an extremely swift manner for the amendment of the act on local governments and the constitution, which were submitted to the Parliament before the beginning of the summer, without any social or political reconciliation. No wonder that the opposition did not support the proposal. The issue of regional self-government is not on the schedule any more, and it is uncertain when it will be put back again, but the government has a firm intention to carry out regionalisation of state administration and services. Such a regionalisation leaking through the back door bears the danger that the positions of the central government are reinforced against the local society.

This is why it gained a special importance in the planning of the second National Development Plan. However, the government did not focus its regionalisation efforts on those fields where it would be the most necessary. During the preparation of the second National Development Plan, for the 2007-2013 period, the government

placed emphasis on the role of the regions; therefore seven independent regional operative programmes were included in the plan. On the other hand, the government created a fairly centralised management, and regional development agencies and councils were given an intermediary role again. This process indicates the conclusion that the territorial reform can and should not be exclusively treated as a part of the European adaptation process and made subordinate to the needs of regional policy.

The government was more committed to regionalism on the field of deconcentrated administration, as it decided to integrate the county divisions of state administrative organisations into regional units. This regionalisation strengthened the regions as a state administrative tier, proving that the top-down regionalisation will not necessarily result in the real decentralisation, devolution of power. It is not accidental that exactly the representatives of the parliamentary opposition have called upon the Constitutional Court for the issue of whether the public administrative reform meets the requirements of the Constitution, which introduces new geographical frameworks of power without having modified the Constitution.

Summarising we can conclude that Hungary attempted to adapt to the challenges of European regional policy. This adaptation process was successful in terms of institution-building and the adoption of know-how by technocrats, top officials of public administration. On the other hand, the adaptation was only formal and did not contribute to the real decentralisation. So we are in the situation that we have several meso-tiers and several types of regionalised institutions, but the system as a whole remained centralised.

Many questions remained without answer, such as:

- Which one of the three existing territorial units will (shall) be the real meso-level of public administration? It seems that regional policy was an insufficient motivation to transform the territorial structure of power.
- Is there any other motivation besides the Structural Funds for achieving a more professional and flexible public administration at all levels?
- Why does the external adaptation pressure have more influence on the public administration than everyday internal, personal experiences of malfunctions and failures?
- What local social and economic forces will be able to support political decentralisation?

The delay of responses to these questions is not only due to the political culture and motivation but also to the lacking systematic scientific analysis and real political intention to face the problems of Hungarian public administration, which have to be treated anyway, regardless of the European accession.

Conclusions

We can conclude that the EU's regional policy has proved its crucial motivation for modernising national public administrations in the sense of regionalism, managerialism, partnership or more flexible governance. Over the last few decades, the

European public administration underwent significant transformations and will probably continue changing in the future. These changes indicated two principal trends: the first type is structural, organisational transformation, and the second is functional change concerning its operation. The role of these two types of changes and their interrelationship can hardly be generalised. The new challenges could be answered by functional adaptation as well, and several member states were successful in the absorption of Structural Funds without dramatic structural changes in public administration. The reason may be that Western democracies had a much more stable (and integrated) public sector than the newcomers. (Potucek 2004) In the spirit of incrementalism, the slow but deep changes, the model of step-by-step adaptation, modernisation is often applied. Despite this fact, the modernisation of national public administrations and local governments has been typically carried out in the form of structural reforms in Europe in the last few decades. (Wright 1997)

The adaptation of Eastern European countries is moving on in a fairly contradictory way. The accession countries have formulated and established their territorial public administration parallel to the institutions of the regional support system of the European Union. The territorial harmonisation of the two systems is not successful in every case, and the replacement of traditional public administrative units by new, larger ones is a difficult task. Alongside structural changes, organisational changes, functioning and behaviours often remain unchanged, and structural reforms may be inefficient. This means that “radical” reforms implemented on the surface reshaped only the structure but not the content, not the values and attitudes of the civil servants. (Lazareviciute and Verheijen 2000)

The institutionalisation of the flexible management and partnership required by regional policy often happens outside the ordinary public administrative system. This solution was preferred since these institutional reforms were implemented exclusively top-down, with the decision of the central government using the European requirements as reference. It is namely an easier solution than the improvement of the rigid autocrat apparatuses. The changing geographical borders and the coinciding organisational structures are new phenomena, which actually point towards democratisation and decentralisation, but their real success can hardly be measured yet and depend on the parliamentary relations. (Wolmann 1997) Generally, the logic of partnership in European regionalism has been used as a tool rather than a target in Eastern and Central European politics. It has become a tool of centralisation, the resource distribution alongside clique interests, bypassing the directly elected self-government bodies and the publicity. Literature often cites the opinions indicating the negative effects and consequences of partnership, corporate institutions, associations, ad-hoc groupings and informal networks. (Olsson 2001) The transparency, the direct participation may easily be violated especially when the regional and local self-governments and the civil society are not strong enough. Western European experiences show that the adaptation is not always achieved by structural reforms. More flexible, informal formations may bridge the problems of “misfit”. However, we have to pay attention to the fact that the new challenges of regional policy may not endanger the political controlling role of the territorial self-government units. This danger is well illustrated by Hungarian regionalisation, where the jungle of new bodies has damaged the transparency, pushed representative bodies to the periphery

and did not create regional publicity. As previously described, real decentralisation was difficult even in Poland, although the elected regional governments served as the framework of governance.

The forms and scales of public administration are already Euro-conform, but the content is more similar to the Eastern political culture. Therefore the first task prior to the modernisation challenge of regionalism is to implement real decentralisation and meet the traditional challenge of participative democracy, otherwise the original logic of regionalism may be violated, and the old, centralised, antidemocratic political attitudes may survive within the framework of new geographical boundaries and organisational forms.

The main problem of accession countries is that in the spirit of regionalism, they were not able to decentralise their public power system, they actually only rescaled it. The reason is that in the selected countries, the driving forces of regionalisation are in the central governments; the local elite tried to exert pressure only in the delimitation of the most developed regions (such as in Poland and Slovakia). On the basis of all this, it is difficult to predict the future of regionalism in the countries investigated in this paper. And we have to take into account the phenomenon that the future of regionalism is not so clear even in the enlarged Europe. The distrust of the EU's Commission towards the Eastern European regions shows that the renaissance of regionalism will not be necessarily continued in the twenty-first century. This undeniable reversal may even be understood in a way that the Commission has realised that "Union's prescriptions" are not the therapy; and even while prescribing the medication, the concrete condition of the patient should also be considered. The future of the Structural Funds beyond 2013 is an even more open question and thus the European emphasis of the regional dimension too. However, all these do not exempt the CEE countries from the responsibility of treating the meso-tier decentralisation as a priority of the modernisation of their governance, as an important element of European "good governance".

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