

# Introduction

*Jonathan D. Kimball*

“Power to the people” was a rallying cry heard in the United States during the 1960s and 1970s. This same cry could be heard throughout Central and Eastern Europe immediately following the dramatic events of the late 1980s and early 1990s. It was foremost a cry for a democratic central government, a government elected by the people, operating for the people, in a manner known to the people. It was the idea that the public should and could control the political direction of their society. Through universal suffrage, the population would freely elect leaders who would move the country through the abyss separating authoritarianism from democracy, communism from capitalism. But, “Power to the people” soon took on a meaning that brought politics and accountability down to the populations’ doorsteps, to the floor of democratic local government.

In 1826, Alexis de Tocqueville described local government as the “fertile germ of free institutions” (Tocqueville 1994). In 1990, democratic leaders throughout the region realized that if the sickness of the communist state was to be eradicated, then the introduction of this germ was a necessary component of that strategy. Local governments, it was argued, were better able to understand the needs of the people than the centralized state—being closer in locale translated into a closer understanding.

But local governments could not act solely as transmitters of the will or desires of the people, and they needed the power to implement programs and policies that would satisfy the demands of the population. In many instances, central governments were more than happy to share

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the new responsibility of satisfying a voting population by providing increased power to local governments. The level of such power sharing varies sharply throughout the region. As Michal Illner describes in chapter 1, Poland, Hungary, and the Czech Republic, although progressive in their attempts to reform their respective central government systems, have had varying degrees of success at transferring power to local governments.

The power afforded local governments was often utilized to control primary and secondary education; provide social services, including care for the elderly, the unemployed, and the handicapped; and maintain local infrastructure. In many cases, local governments have opted to cooperate with other local actors (e.g., churches and nongovernmental organizations) in order to effectively and efficiently meet the demands of their communities. In chapter 2, Tamás M. Horváth reviews the experiences of Hungarian local governments in working together with a variety of local institutions. As Horváth notes, it is important for local governments to see the local community as a web of potential partners, each working for the good of the community.

Local governments cannot, however, rely solely on the support of other institutional bodies within their local communities. With each increase in responsibility they faced, local governments required an increase in finances. This financial burden is one of the reasons that many central governments in the region chose to delegate substantial authority and power to local governments; in fact, they were partially placing the financial burdens of transition on the lowest level of government.

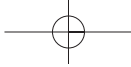
Throughout the region, central governments are providing local governments with some form of financial assistance. This is generally in the form of block grants, transfers, or shared taxes (e.g., personal income tax). Previously state-owned property has in many cases been transferred to local governments, and the privatization of such property has brought needed liquidity to local governments. Unfortunately, economic windfalls from the sale of property will only last as long as the property remains in the hands of local governments. In other words, such a policy is not sustainable.

In general, however, funding that originates with the central government is not enough to support the level of services and care demanded by local citizens, at least not in the long term. For the few cities and counties that have been able to attract sustained investment, economic development and the taxes it brings can provide the necessary funding for the provision of services and the upkeep of the community (Hungary and Poland are the best examples).

Many local governments outside of the capital cities are further hampered by a small tax base. As Illner illustrates in chapter 1, this problem is especially acute in countries where political fragmentation has given rise to a substantial increase in the number of autonomous local governments. In the Czech Republic, for example, 78.6 percent of municipalities have less than 1,000 inhabitants (Bennett 1997). Such small populations are unable to contribute the necessary funds to run many of the social services that are now the responsibility of local governments. This leads to prolonged support from the central government for services delegated to local authorities, a reliance on the support of neighboring towns and villages, or both.

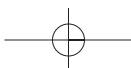
On the other hand, larger cities face their own problems. As Gábor Demszky and Ján Bucek point out in chapters 3 and 4, respectively, the decentralization of power, function, and responsibility to the region's capital cities extends past the central municipal authority to the district level. Politics, economics, and socio-economic conditions contribute to struggles over the control of the city's finances, property, and services.

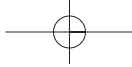
If local governments in Central and Eastern Europe are going to develop into independent, self-sufficient administrative units, however, they will need to promote economic growth and job creation. This process will involve attracting investment (foreign or domestic) and developing a community of entrepreneurs to drive the economy—a task that is especially difficult in this region because of the point from which many communities, especially rural communities, are starting. The chapters written by Przemyslaw Kulawczuk (chapter 5), George R. McDowell (chapter 6), and Gregory J. Ashworth (chapter 7) provide descriptions of potential strategies for development.



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The following chapters represent a collection of journal articles, chapters from books, speeches, and research reports that detail the difficulties inherent in the decentralization of power and responsibility in Central and Eastern Europe. These essays provide a glimpse of some of the issues being discussed around this complex topic. The intended audience for this collection are the researchers, practitioners, and activists who are working to make the decentralization process as efficient as possible. Although the following chapters offer only a small sampling of the available literature, it will hopefully provided an insight into the complex questions surrounding decentralization in Central and Eastern Europe and beyond.





## References

- Bennett, R. J. 1997. Local government in post-socialist cities. Discussion Papers, no. 2. Budapest: Local Government and Public Service Reform Initiative.
- Tocqueville, Alexis de. 1994. Democracy in America. London: Fontana Press.

