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A COMPARATIVE ANALYSIS OF RECENT TRENDS CONCERNING
THE EFFICIENCY OF LOCAL SELF-GOVERNMENT

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SUMMARY
The aim of this paper is to discuss the underlying factors determining the efficiency of local self-government that deal with more specifically with the factor of structure and organization.

As is well known, the efficiency of local self-government depends generally speaking on a variety of factors besides the aforementioned structural and organizational ones, namely also on the quality of the employees and management staff and on the choice of methods used to manage their tasks.

This paper will give an insight into some of the implications for efficiency on the various structural and organizational patterns which different national systems of local self-governments have followed.

The permanent drive towards new structure and organization of local self-government system has been determined by ongoing changes resulting from the decentralization of the state and also due to the process of devolution of powers in a top-down fashion to the relatively newly established local levels in nearly all transitional self-government systems. It is needless to say that changes in this field were going on also in the established western democracies, especially since the eighties onward.

The aim of this paper is also to discuss the theoretical justifications and reasons for greater local self governance, to review the general characteristics of local government or administration systems in the selected countries, to examine local government reform initiatives, and to identify general trends related to decentralization or other general characteristics of functions, values or structures of local governments in these countries. Moreover, the important factors that contribute to these trends are explored to the extent possible. Finally, an attempt be made to classify the systems of separate countries and develop a typology of local governments in general.

INTRODUCTION

A change in awareness is beginning to emerge at many points within local administration extending from acceptance of the need for cost accounting, through discussion on staff consultation as a management method, to task oriented performance using project methods.

The objective in detail could be summarized as follows:

- The tightening up of operational and management structures in local administration

This indicates a project with the objective of reviewing existing functions and examining which responsibilities could be cut back, transferred or abolished altogether, so as to make it possible to concentrate on core tasks and to create space for implementing new more pertinent tasks. The challenge with this type of reform is to identify obsolete functions, but also lies in the fact that management staff see themselves and their sphere of influence as going beyond their area of responsibility, which is also closely linked to the number of staff they are allocated.
As long as there is no meaningful incentive to eliminate unnecessary functions the psychological reluctance to do so will be greater than the motivation to carry out the reform.

Consequently, if the status of operational reform is low, this will be reflected in their own attitudes and judgements. The prior requirement of course is to have the ability to generate a strong local government leadership structure.

- **Raising the productivity of local administration**

Raising productivity is taken to mean improving the ratio between resources used and results obtained.

This oft-debated goal is based on the idea of a mental hurdle. Experience both at home and abroad during the restructuring of local administrations and also from the domain of the private sector has so far shown that providing a mental hurdle during rationalisation programmes both facilitates the work of reform and noticeably improves the outcome. This so-called mental hurdle is supposed to prompt staff to ponder their organisational structures and functions and to redesign them.

Large private companies in the service sector have raised their productivity by one-fifth in the last decade so this goal is also firmly on the agenda for the public sector, but given the lack of data on cost and performance - past and present - the actual measurements of productivity increases is scarcely possible. Consequently the most one could hope for is to come as close to the stated objective as circumstances allow, which again in turn imolies strong leadership capabilities within the local administration framework which will be considered later in this article.

However, the development of specific cost and performance data has made as much progress as the acceptance of the need for such measurement systems. If a rise in productivity is defined as an improvement in the ratio between the administration’s input and output, this immediately indicates how broad the scope for improving productivity is, because it ranges from quicker processing and therefore faster dispatch and, better-quality services to lower administrative costs, and also reduced staff ie. overhead expenditure.

It is thus evident that staff cuts are only one of several options for increasing productivity.

Although this fact has been repeatedly highlighted, the fear which identifies productivity enhancement with staff cuts alone has not been dispelled.

All kinds of new tasks not the least emanating from EU accession, will lead to a considerable work load increase and thus it is a priority to address the lack of staff skills by means of restructuring instead of hiring new staff.

Productivity levels are enhanced by means of the following actions:
- ... streamlining & duplication eliminating procedures in the procurement functions
- ... development of an EDP electronic data processing -based space-utilization scheme to ensure optimal space utilization by combining data on planning, staffing, management and stock
- ... a scheme to speed up transactions through shorter settlement times utilizing streamlined management structures and suitable EDP support
- ... better-grounded decisions based on faster and improved access to information (databanks, networking) through the provision of cost data, allowing specific comparisons and cost/benefit analysis for the facilitation of appropriate decisions
- ... staff-downsizing in specific areas where it can be applied harmlessly.
• **Reducing the cost of administrative action**

At the outset cost awareness did not play a role at all, which can be attributed to a lack of reliable cost data. Thus the personnel were utterly unaware whether it was cheaper to photocopy for example ten pages or to print them out again or whether it was cheaper to telephone someone or to send him or her a letter. The employees were completely ignorant of the cost of an administrative decision, the outlay of costs concerning the edifice or the hourly cost of labour involved, without even mentioning all the other secondary costs incurred. A multi-level approach is needed for tackling the cost cutting of administrative action by introducing cost-accounting and comparison of the actual costs of administrative services for which a fee is charged with the aim of contributing to greater cost-consciousness. Great endeavours should also be directed towards guidelines for calculating the secondary costs of new regulation in order to be able to estimate costs arising from the enforcement of a regulation that would fall broadly into three categories i.e. staff costs, expenditure on office space and overheads. On the basis of these guidelines it is then possible to assess whether or not the benefits of a new regulation are outweighed by its enforcement costs. Presentations and training sessions ought to be introduced in order to promote know-how in cost-accounting and controlling so as to create awareness of the need to introduce such modern management systems.

• **Concentrating on management tasks**

Management work should concentrate on staff motivation and development on the one hand and strategic performance targets on the other. However it has been repeatedly revealed that a large part of executives’ working time is taken up with routine tasks, advisory work and duties, which do not strictly fall within their competence. Through functional analysis, and streamlining of operational structures and by means of introducing management performance targets the right sort of balance between management tasks and those not so narrowly connected with them can be restored. Modern office methods can also play their part towards the aforementioned goal, if for example mail is distributed directly to the staff involved. Managers should assume a greater share of responsibility for the personal development of their staff.

• **Balanced division of labour for staff in local self-government administration**

It is a well-known fact that capable and hard-working civil servants are always given more responsibilities, due to their reliability in doing well whatever they are charged with. The less committed or less hard-working staff are thus not fully utilized, which in turn affects their motivation and increases the risk of their ceasing to make any effort whatsoever. The key to a balanced sharing of labour is, on the one hand, more functional analysis and, on the other, greater flexibility on the part of civil servants, backed by appropriate secondary measures on the employer’s part such as a job exchange capability, providing those wanting to alter their job with information on suitable vacant posts in order to encourage mobility. Remuneratory systems should also
be designed to ease as much as possible such mobility thus resulting in a relocation of labour to areas with staff shortages.

- **A more citizen-oriented local self-government administration**
  All the above-mentioned objectives and measures ultimately benefit the citizen, since the way local self-government as the employer treats its staff will be reflected in the way they treat the public at large, since only a motivated local service can guarantee high-quality and speedy service.

The aim of the above extensive digression, which delved in much detail into a variety of factors that have a direct bearing on the productivity of local self-government, is just to give an insight into a set of measures commonly used in the concerted drive to scale down costs and upgrade performance and efficiency.

However, my theme focuses more on the preconditions, which are of a more structural and organizational character. The structure and organisation of local self-government especially from the standpoint of organisational and fiscal autonomy form the basic preconditions for any productivity/efficiency enhancement. The rest of my article is focused on various models of local self-government in different countries with an evaluation of how such models could be ranked on questions ranging from financial to managerial autonomy, which are a precondition for any meaningful productivity/efficiency enhancement.

One of the most important characteristics of the last two decades in state administration has been the ubiquity of decentralization efforts and local government reforms. The powers and responsibilities of overloaded central governments have been increasingly given to or shared with local municipalities or other non-governmental organizations. The process of change toward greater local autonomy and the use of market mechanisms has varied in its extent and context. In East European countries, these changes have been far-reaching and the whole political and administrative systems were restructured. Moreover, local government reforms made up the essential components of this restructuring. Yet, in some other countries, such as Turkey, these changes were relatively small-scale adjustments in local and central relations or in the role of public administration in society. What seems to be common to almost all cases, despite variations in the extent of their decentralization efforts, however, is that the dispersion of power to local governments or administrations within the governmental systems themselves was accompanied by another apparent development in which market forces have become more and more involved in the provision of those services previously supplied by the public sector.

The paper first introduces definition and the types of decentralization, arguments for and against decentralization policies and a discussion of these policies' expected consequences. Secondly, a comparative analysis of local government systems and decentralization trends in the USA, Britain, France, Poland, Hungary, Slovenia and Turkey is presented. Thirdly, classifications of countries according to the level of fiscal autonomy and the form and strength of local executive are attempted. Finally, a

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1 A distinction is made between local government and local administration to indicate that not all local authorities have the necessary autonomy and powers to be considered a government, but rather seen as local administrations within the apparatus of the state that are inferior to the national government.
conclusion provides insights into the general trends and similarities and differences in the different countries' decentralization efforts and local government systems.

I. DECENTRALIZATION: CONTRIBUTING TOWARD GREATER LOCAL AUTONOMY?

Decentralization is about the distribution or redistribution of powers within government or within 'public governance' as put by Kettle (1993a, pp. 21-22) or March and Olsen (1995). In this context, decentralization could be defined as the dispersion or transfer of authority and responsibilities from central government, and the enhancement of the powers and autonomy of local and regional governments and of free market mechanism and competition (Bennett, 1993c, p. 11).

Decentralization can take place in different forms. Rondinelli (1981) and then Carino (1994), building on Rondinelli's work, identify four major forms of decentralization policies.

a) Deconcentration: refers to the territorial shift of workload and some authority from centre to lower levels within the apparatus of central government.

b) Delegation and intergovernmental contracting: is used to mean the transfer of managerial responsibility for specifically defined functions to public enterprises or special purpose organizations that are outside the directly controlled regular bureaucratic structure. These organizations have broad discretion to carry out the functions and duties given to them. They often act as the agents of local or central government and are indirectly controlled by the centre. The government continues to hold ultimate responsibility for these functions and duties.

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2 According to Kettle, government's role has changed in society; thus, he uses "governance" to define today's public administration. In governance, the network of government action involves the full range of public organizations either governmental or non-governmental organizations that are for-profit, non-profit, or voluntary. Thus, the domain of public administration is considerably enlarged. Similarly, March and Olsen's (1995) concept of loosely coupled systems is another form of governance. Loose coupling is used to describe high levels of delegation and decentralization mixed with fuzzy boundaries not only governmental but also private organizations and their customers and citizens. They argue that loosely coupled systems are an alternative to centralized and hierarchical structures.

3 In this paper, central government is used to mean either the federal government of a federal system or the national government of unitary states. Local government is used to refer the autonomous units of the governmental system of a country that are democratically accountable to a subnational electorate, but that operate within a constitutional and legal scope of actions set by sovereign upper level of governments. Today, local government is not considered to be merely a part of the governmental system, but also a part of a wide range of other private, not-for-profit, or voluntary organizations or individual actors as well as the formal agencies of the governmental system, called 'local governance' (Goodwin and Painter, 1996, cited in Johnston and Pattie). Local autonomy is viewed as a phenomenon that is related to the delineated responsibilities, rather than delegated, to meet the demands and needs of local community and, to the level of fiscal and administrative powers to carry out these responsibilities.

4 Intergovernmental contracts are agreements made by local governments or other state departments to provide services jointly among themselves, such as water supply, fire protection, school services, solid waste disposal, library services, sewage and water treatment, airport construction and operation, planning and zoning, jail services, and some others.

c) Devolution: refers to the creation or the strengthening of subnational autonomous units of government, separate from the central government. These local government units have authority to perform necessary functions to meet the needs of their communities.

d) Privatization or contracting-out to private sector: this type of decentralization is used to mean that some of the governmental functions are carried out either by contracting out to other private, or by establishing partnerships between private and public sector.

Wolman (1990) uses different words to categorize the types of decentralization, which, in its essence, are very similar to the above-mentioned classification. Wolman distinguishes three different types of decentralization: political, administrative, and economic. Political decentralization (devolution in Rondinelli and Carino's approach) refers to the dispersal of policy-making or decision-making power, that is “the scope of discretion with respect to decisions regarding policy issues, including the policy to be pursued, the amount of revenues to be raised, and the allocation of available revenues” (p. 29).

Administrative decentralization (deconcentration or delegation) is used to mean the delegation of administrative discretion to make some decisions at the lower levels of government without the approval of the centre. Economic decentralization (contracting-out and privatization) is related to the use of the market mechanism to provide services to citizens. This type of decentralization does not have much to do with the level of autonomy or discretion given to local governments or lower levels of central government, but rather the freedom of people as customers to choose and responsiveness to the desires and preferences of citizens.

Decentralization policies may vary from one country to another, but one of the main reasons behind decentralization policies is to reap the benefits of increased levels of local autonomy, such as increased responsiveness, citizen participation, or choice. Decentralization is also considered to promote the use of the market mechanism in the provision of services and help alleviate the problems of over-grown, over-loaded, and over-regulated central government. There are several arguments about whether increased levels of decentralization and resultant greater levels of local autonomy would be desirable or not.

1. Arguments for Greater Decentralization and Local Autonomy

First, supporters of policies of decentralization and greater local self-government argue that such policies increase liberty. Following the proposition by Montesquieu for the division of powers within sovereign central government among executive, legislative, and judicial branches, it is argued that a division of powers on an areal basis would also prevent the tyrannical use of power by the centre and promote the liberty of people (Sharpe,1970; Page,1982; Jones' and Steward,1983). Thus, self-governing communities or autonomous local governments are seen as the “countervailing centres of power and influence in a plural society” (Wolman, 1990,

p.35), as an inclination toward the promotion of the idea of a limited and passive state (Kjellberg, 1995; Tullock, 1990), and as an indication of “the dispersing of legitimate political power” (Jones and Steward, 1983, p. 5). In much the same token, the European Charter of Self-Government, signed by several countries since its introduction in 1985 regards self governance by localities as a touchstone of real democracies. Page further argues that local autonomy is a criterion for the evaluation of central government's efforts to reform local government structure and reframe the relationships between centre and locality (1982, p. 26).

Second, pluralists as well as many others favour local self-government because it provides better opportunities for people to participate. Active participation is considered to be a way of reinforcing democracy and the sense of community, and enhancing the understanding of governmental affairs by citizens. Moreover, participation creates opportunities for local leaders to develop and for people to be influential in decision-making processes closing the gap between the administration and the people (Kjellberg, 1995; Jones and Steward, 1983; Sharpe, 1970) and decreasing the levels of isolation and apathy among citizens (Dye, 1962).

Third, responsiveness and accountability are also seen as values enhanced by local autonomy because local self-governance increases affinity and accessibility of government to its citizens. Local government is more likely to know the needs and demands in the communities and make adjustments in the provision of services accordingly. Besides, citizens will have increased opportunities to access and control the actions of government.

Fourth, another justification, especially argued by public choice theorists, for increased local self-government and decentralization is efficiency (Sharpe, 1970, p. 166; Goldsmith, 1992, p. 394; Kjellberg, 1995, p. 44). Tiebout (1956) and Ostrom (1972) suggested the creation of markets consisting of many local governments providing multiple-products of public services, and argued this would lead to an efficient allocation of resources, and increased competition and quality in the provision of services. The mobile consumer could choose among packages of services or communities according to their preferences, cost of production, tax rates, population size, etc. assuming that the assumptions of the free market would hold. In addition, Wolman (1990) points out that the increased use of market and multiple autonomous local governments would further promote responsiveness to the desires and choices of citizens, diversity in policies, and experimentation and innovation. Moreover, there are practical benefits associated with decentralization such as the reduction of the budget deficits of the central governments.

2. Arguments Against Greater Decentralization

Despite these promising and encouraging assertions regarding the benefits of local self-governance and decentralization, Goldsmith argues that “the reality of local government seems to bear little relationship to these normative claims” (1992, p. 392). In retrospect, despite today’s strong belief in local government's promotion of liberty, local governments have been criticized for not being concerned with the issues of equality, integration, and redistribution. For this reason, central government has intervened to promote equality and to insure that basic human rights are free from invasion by local authorities (Kjellberg, 1995). To give one example, in the USA,
the termination of discriminatory regulations and practices, and the inclusion of minorities in higher percentages than ever before in city politics and government came after federal regulations to end discrimination and court orders to create more inclusive and just electoral systems. To give another example, the need to share the wealth of affluent communities with poor neighbourhoods may require some central or regional management and “a reshuffling of the competencies between the various levels” (Kjellberg, 1995, pp. 46-47). Similarly, local governments are not always considered to be cost efficient. Scales of economy in the provision of some services, governmental fragmentation and loss of accountability, externalities, and the duplication of services may require some sort of area-wide governmental organizations (Wolman, 1990, p. 31).

For developing countries, another problem may surface, especially for those with nationally, ethnically, racially and religiously diverse populations. Most developing countries have struggled to build a nation and to achieve economic development. In many of these countries, the aim of achieving national unity has come and, in some, still may come before the aim of achieving greater local autonomy as in the case of Turkey. Heper (1992, p. 170) points out the importance of the balance between the values of pluralism, individualism and participation, and the long term and broader interests of the community and state. If this balance is lacking, he argues, it would be difficult for a strong democracy to flourish.

Until recently in developing, there has been a widely-held suspicion of economic decentralization of government services to the free market. The values associated with the free market mechanism (such as making business with a motive of profit, tolerating inequalities in wealth, etc.) “were viewed to be immoral and anarchic, and that its impersonal operation rewards the few at the expense of the many” (Rondinelli et al, 1984, p. 1). Similarly, the arguments from the public choice view, holding that the public sector should provide services without producing them, have drawn intense criticism. Clear lines of delineation in the public sector have become blurred due to the contracting-out and outsourcing approach to the provision of services, increasing problems associated with democratic accountability. In addition, the passion for downsizing, cost-saving and economy results in the suffering of our public institutions from diminished capacity and from a demoralized public workforce with reduced commitment to public service (Levine et al., 1990; Frederickson, 1997). Furthermore, the pluralist view as well as the public choice perspective tends not to care much for the less privileged in society, and about whether they have resources to enter and function in the marketplace. “Without these resources, the marketplace is left to the more privileged” (Frederickson, 1997, p. 36).

The public choice theory also tends to see citizens as customers. They both emphasize serving customers after understanding the customer’s wants and perceived needs. Even though this may increase the responsiveness of the public sector to the choices and preferences of the public, a narrow use of the customer image has serious pitfalls for public administrators. “For example, thinking of yourself as a customer demanding service does not foster concern with the public interest or common good, but only with whether you are getting what you want or need out of government. Similarly, if public administrators think of citizens primarily as customers, the tendency to focus on the needs and wants of the loudest or wealthiest is strong. The customer image also easily translates to “selling” rather than “educating,”
II. A COMPARATIVE ANALYSIS OF LOCAL GOVERNMENT SYSTEMS AND DECENTRALIZATION TRENDS IN SELECTED COUNTRIES

The current state of local government in the countries studied in this paper and in most others has grown out of the unique traditions of each country and of pragmatic concerns with service delivery, social and economic problems, representation, responsiveness, liberty, fear of despotism and others. In this section of the paper, a comparative analysis of local government systems and decentralization efforts shall be provided for three Western democracies (the USA, Britain, and France) three post-communist countries (Poland, Hungary and Slovenia), and one developing country (Turkey. The review is centred on the following dimensions: (1) characteristics of local government systems; (2) distribution of power; (3) level of fiscal and administrative autonomy; (4) the strength of the state; and (5) reform initiatives and recent changes regarding decentralization.

1. The U.S.A.: Strong Local Autonomy vis-a-vis the State / Central Government

Americans have been used to the tradition of non-interference by government in local community affairs, and have had comparatively low levels of trust in government, especially in central government. The roots of this relative distrust in government can be traced back to “the popular reaction to the taxation without representation exercised by the British motherland” and to the experience of many who migrated to America because of oppression by the state or religion (Norton, 1994, p. 10). Combined with the lack of strong political parties, all these could be considered to have contributed to a local mood, in the USA, of cooperation and participation in handling local issues without central direction as indicated by the prominent writer Alexis de Tocqueville in the first half of the 19th century and, later, by Almond and Verba in the second half of the 20th century.
In the presidential system of the United States, the system of checks and balances is well established within the branches of the federal government as well as between the federal government and states. The U.S. Constitution reserves all the powers to the states and people of the USA other than those explicitly given to the federal government, and does not include any provision regarding local governments. Local governments are regulated in the constitution of each state, and, thus, regarded as the creatures of state legislatures (Viteritti, 1990, Keller and Perry, 1991). In its extreme, Judge John Dillon declared in 1868 that the powers of cities be limited merely to those explicitly granted by the state constitutions. Yet, most states do not get involved in most of the community issues and local government decisions. In fact, they have come to give cities (and sometimes other local government bodies) a great deal of freedom, in the form of home rule charters, and let them act as they wish without violating the provisions of state constitutions and general law.

“Such charters allow varying degrees of discretionary power to the city, meaning that it is authorized to make certain types of institutional changes without permission from the state capital. Cities may be free to take on additional functions, establish a pension system for city workers, or alter the size of their city council, and so on” (Pohlmann, 1993, p. 109).

The legality of the acts of local governments is maintained by courts, but not by the supervision of federal or state governments.

The U.S. local government system includes counties at the regional level and city governments, towns, townships and villages at the municipal level as general purpose governments and special districts providing area-wide services as special purpose governments. Counties (called boroughs in Alaska, parishes in Louisiana, and judicial districts in Rhode Island) can be considered as regional governments within the states, and, like cities, subordinate to the states. Yet, they are autonomous government entities, governed by an elected board of commissioners as they are called in many states, although there are examples of counties with county-managers or strong-mayor form of governments, and even with home rule charters.

Today, there are more than 3,000 counties in the United States, and they vary considerably in their area, population, functions and governing structure. The range of services provided by counties differs considerably from very little, as in New England states, to a major share of welfare, health, public safety, record keeping, public works, and some responsibilities regarding elections, as in Texas, Florida, or California. They also have some functions as the arms of the state at the local level. Counties have been criticized for the lack of a strong and unified executive, and their impotence to meet the changing needs of urban areas, mainly due to their rigid and obsolete structures (Cole and Taebel, 1987; Keller and Perry, 1991; Pohlmann, 1993).

Special districts (also called authorities, corporations, or boards) amount to a total of more than 40,000 units in the United States, each providing a particular service above and beyond city limits. They are also creatures of the states as other local governments; yet, they are essentially autonomous units of governments with their

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own taxing, charging, and borrowing authority. School districts and municipal utility districts are the most common types of special districts along with other less common kinds, such as mass transit or port authorities, and hospital districts.

City governments or municipalities are also autonomous entities with elected councils and mayors, providing services in a variety of areas. Cities with home rule charters have been granted a greater degree of autonomy over local affairs. They can also adopt their own government and exercise all powers of self-government within the scope of action allowed by the state constitutions and general laws (Morgan, 1989, p.59). Today, three main forms of municipal government can be listed (Pohlmann, 1993, pp. 114-l?1):

a) The mayor-council form: normally a popularly elected mayor as main executive figure and community leader. In the strong-mayor form, mayor has strong powers in relation to municipal council. The mayor can appoint or dismiss department heads, prepare the city budget and submit it to the council, and, sometimes, veto legislation, among others. In the weak-mayor form, the city council emerges as the centre of power. In the United States, one can discern a trend toward a stronger chief executive figure in city governments. Larger cities in particular tend to have the strong-mayor form of government. 19 of 24 USA cities with a population over 500,000 have the mayor-council form of government, and the rest, the council-manager form. The advocates of stronger and more visible chief executives argue that this would bring about a more responsive, accountable and effective executive to administer local policies (Viteritti,199o).

b) The city-manager form: the council hires a city manager to carry out the city's executive duties. This form was the key feature of the reform movement of the early 20th century in the USA to promote efficiency and professionalism in city government. Over time, many city governments with the council-manager form have evolved into the forms including mayors due to the need for an efficient executive as well as a community leader.

c) The commission form: this is a collective form of government; there is no single executive governing all the departments. The commissioners collectively constitute the city's legislative body, and one of them may serve as the mayor with no additional authority other than presiding over legislative meetings and representing the city in ceremonial functions.

Special districts refer to separate government units that perform one or more specific services such as sewage treatment, mass transit, water supply, soil conservation, library services, port services, education, health, and some others. This mechanism can help to prevent costly duplication of services, and help local entities with excessive service capacity to utilize it. The main arguments for their existence are to increase efficiency and professionalism, to enhance opportunities to exploit economies of scale, and to reduce waste in service provision. However, special districts have limited capability for solving the problems of coordination and cooperation among local governments along with equality and accountability concerns: fee mechanisms used by many special-purpose governments tend not be concerned with whether low-income people can purchase the service provided, or not. Thus, it would be much easier for local governments to neglect the needs of those people without enough purchasing power to enter the market and buy the needed services. In addition, unprecedented proliferation of special districts
jeopardizes the principle of democratic accountability because many special purpose
governments are invisible and citizens may not be able to control or influence the
provision of their services.

Towns and townships are generally found in the Northwest and New England. They
have responsibilities mainly related to public works, and can levy property taxes to
provide such services. They are often administered by trustees, elected bodies of
both legislation and executive, similar to the commission form. Despite the fact that
townships or towns are granted relatively limited authority compared to city
governments, the town meetings are still considered to represent genuine
representative democracy. Their number in the USA increased from 3282 in 1967 to

In the USA, there is a recognition of the fact that the need for a regional approach to
metropolitan problems has been manifested by several developments in many
metropolitan areas such as enormous population growth, low-density land use and
leapfrog growth patterns, destruction of neighbourhood integrity, decreased
environmental quality, traffic congestion, fragmentation, service duplication or lack of
services provided due to the confusion as to which local authority is responsible for a
specific service, inequalities in available resources and services provided to the
citizens, and some others. These regional problems with significant spillover effects
require a regional approach which would shift at least some power over to a regional
agency. However, suburbs are so eager to keep a hold on some local issues such as
land use to serve the interest of their existing residents and often lack the motivation
and willingness to cooperate with their central cities, so resistance to effective
regional administration is extremely strong in most metropolitan areas (Dorvns, 1992;
and Teafold, 1979). Therefore, metropolitan governments are rare in the USA.

One can, however, find some other forms of metropolitan organizations in the USA.
They are purely voluntary coalitions of local governments (Councils of Governments
or COGs) and market-oriented mechanisms, especially intergovernmental
contracting-out or contracting-out to private sector. These organization types seem to
provide satisfactory answers to concerns related to the economies of scale and
efficient use of resources. COGs are relatively successful in handling physical
problems such as land use, water and sewage treatment or transportation. Yet, they
are also considered to be the causes of increased fragmentation and proliferation of
local authorities in metropolitan areas. Moreover, their experience with dealing with
more social and controversial issues such as racial issues, discrimination, fiscal
disparities and redistribution of sources, powers, and the like has not been promising.
Further, it is indicated that the voluntary nature of COGs and the cutbacks in federal
aid to COGs have been detrimental to regional initiatives and the growth of COGs.

Regional councils of local governments may have responsibility for planning,
economic development, provision of technical know-how, education, data and other
aids to member local governments, contracting with member local governments for
the provision of certain services, and reviewing and commenting on applications for
state and federal financial assistance, provision of a convenient and regular basis for
exchanging ideas on regional problems.
2. The United Kingdom: An Atypical case

The United Kingdom has a tradition of a parliamentary democracy with emphasis placed on its legislature. It is a unitary state without a written constitution; thus, local self-government is not protected by the constitution. Besides, local authorities are bound by “the legal doctrine of ultra vires which prevents actions unless a local authority is specifically empowered” (Bennett, 1990, p. 9). The central government has been traditionally strong compared to the USA case and can determine the functions and structure of the local governments, even its very existence, giving the national government considerable power to impose a system of local government or administration which meets its political agenda. This, associated with the existence of strong political parties at the national level with their own distinct ideologies, has brought about the continual central manipulation of local government in recent decades (Johnston and Pattie, 1996).

Britain has been a leader in the development of the welfare state and went further than many other countries in the provision of public services and in imposing nationally uniform standards. Local authorities developed an early independence, but lost most autonomous powers and revenues over time. ‘New Right’ programs of the Conservative Party aimed at decentralizing the governmental responsibilities away from the government (local or central) to the market, on the one hand. The major components of this program included the privatization of municipal (or council) housing, ‘opt out’ provisions for elementary and secondary education, mandatory procedures of contracting out, and competitive tendering for local services. On the other hand, these policies intended to reduce the political character of local government as well as imposing new centralizing controls over local authorities, such as limitations on local expenditure and tax raising powers, the manipulation of central grant formula, direct capital and current expenditure controls, and directives to modify local services (Johnston and Pattie, 1996; Bennett, 1990, p. 9).

The British local government system is one of the most complex structures in the Western world, which has been subject to endless changes and reform initiatives, and has been a major battleground for central and local politicians. Until the 1960s, Britain had a two-tier structure, while the remainder (mainly large cities) had unitary, all-purpose local authorities. This was changed to a two-tier system everywhere, starting with the 1960s reforms in Greater London. The upper tier was county (non-metropolitan counties or ‘shires’ and metropolitan counties), and its functions were mainly related to education, welfare, public safety, refuse disposal, and some public works. The lower tier, known as districts, had fewer service responsibilities which were related to some road construction and maintenance, refuse collection, and providing rental housing. In British local government systems, executive authority is performed by councils, and, thus, there is no strong executive leader.

Within the British welfare system; local governments were involved in the delivery of many services. The Conservative Party attacked this role of local governments largely on ideological grounds. The existing system was seen as inefficient and in contradiction with the New Right ideology of the Thatcher administrations. The way to handle this was not to abolish local governments but to restructure it so that it would fit better into the market model and into the “new conservative” view, and would reduce the role of local government within local governance (Johnston and Pattie,
In 1987, the two-tier structure in London and the six other metropolitan counties were abolished by the national parliament, and replaced by unitary, single-tier, all-purpose local governments (King, 1990, pp. 143-144). Thereafter, the central government began to restructure local government throughout the country with the goal of achieving a system of unitary, all-purpose local authorities. Scotland and Wales have installed new structures of unitary authorities throughout their countries with elected councils since 1996. These uniform local government structures comprise 28 unitary authorities in Scotland and 21 in Wales.

In England, the government decided to establish an independent commission (the Local Government Commission) to promote its goal of unitary, all-purpose local authorities through a process of local consultation. Yet, this commission stimulated aspirations among local politicians and bureaucrats that could not be met. Besides, there was a lack of consensus among the interested parties on the desirable outcome. Thus, the commission failed to provide the government with clear answer to this issue. The result of this period of restructuring in England created a complex and hard-to-understand structure of local governments that lacks any clear consistency (Johnston and Pattie, 1996). The government's aim to create a unitary single-tier system failed. “All that was implemented was the replacement of two-tier by single-tier local government in a few large towns outside the metropolitan areas, with the status-quo remaining in place throughout almost all of rural England.”

The influence of the change in government to the Labor Party has not yet become clear. However, “there are signs of a recognition of the need for consideration of the role of local government” (Steward, 1996, p. 42). The Labour Party proposed a Bill of Rights, a constitutional settlement, which not only would include the basic rights of individual citizens, but also would define the rights and responsibilities of communities or local governments. Steward argues that, if this happens, it would mean a movement toward greater self-governance.

Bennett (1990) and Steward (1996) both argue that the UK has been moving in a new direction quite distinct from that taken by other Western democracies, developing a style of government which is heavily market-led but also centralist in its approach in recent decades. These shifts toward more centralized form of governmental structure in the UK, away from local government, could be summarized under four main areas (Goodwin and Painter, 1996, cited in Johnston and Pattie, p. 672):

a) decreased local control of finance, with spending priorities and levels increasingly determined by central government;

b) privatization and commodification of certain local services;

c) loss of local state autonomy over various service functions; and

d) expansion of non-elected subnational bodies to regulate local economies.

3. France: Unitaristic state structure with formidable Local Governance

France has a presidential democracy, with a popularly elected and influential president performing functions both as the head of the state and as the head of the government (Stevens, 1992; the U.S. Department of State, 1998). The system of French government has traditionally been very centralized, and the central
government has been very strong until recently. The origins of local government units were administrative rather than political, and scope for genuine local government had been very limited. The national government took on the responsibilities of the welfare state and of economic development. Despite the deconcentration of the state work to regional and departmental centres, local governments played mainly a subordinate role until the early 1980s. In 1976, a report by a government commission on the role and problems of the government in France concluded that the central government was overgrown, overloaded, and over-regulated, experiencing “the problems of centralization without the benefits of unity”. It also pointed out that local governments were under financial and technical supervision by the central government (Norton, 1994, p. 124; Stevens, 1992, pp. 160-161).

Today, the Constitution of the Fifth Republic specifies communes and departments as the basic units of local government, elected councils as the required representative bodies. The constitution also allows for the creation of new local government structures, a provision that led to a restructuring of the local government system, and decentralizing more power and responsibility to local and regional governments in the early 1980s. Local authorities became semi-autonomous governments rather than administrative bodies working as the agents of the state. They can levy taxes on property, incomes from property, and businesses, and also receive transfers from the central government.

In the French system, communes are the basic units of local governments. They have a communal council as the policy-making body and the mayor as the executive. The mayor is elected from among the councillors, and has the role of both community leader and chief executive. The mayor cannot be dismissed by the council. S/he is regarded not merely as an elected representative, but also as an official of the state serving a number of functions on behalf of the state. As an official of the state, the mayor is subject to oversight by the prefect, the representative of the state in the department who is responsible for law and order, and efficient and orderly provision of state services in the department. The decentralization laws of the early 1980s gave the councils of communes and departments powers to determine their own budget, rather than agree to a budget set by the prefect. Furthermore, the role of the executive in budget process was increased. Stevens argues that a major impetus of the decentralization reforms was the desire of local political leaders, specifically mayors, to enlarge their scope of action. Thus, decentralization increased the powers of local political elites, but did not enhance the democratic role of ordinary citizens (Stevens, 1992, p. 161-162).

The responsibilities of the communes include public works, public safety and health, land use, provision of cultural services, developing programs to attract investment and employment, and to encourage tourism. Yet, they are not allowed to engage directly in industrial and commercial activities. In general, the powers and responsibilities of the commune may provide scope for important and effective municipal policy. However, the uniform structure for all communes with very different financial, technical, and personnel powers and sizes places a de facto constraint on their autonomy, except for the largest and wealthiest communes (Stevens, 1992, pp. 143-146).
The department is another level of local government above the communal level. There are 96 departments in France along with 4 overseas departments. They were developed as administrative divisions of the state, and became local government units in 1872. The departments have elected General Councils under leadership of chairpersons (presidents), selected from among the councillors. The reforms of the early 1980s increased the autonomy of the General Councils of departments. Yet, department are still important territorial units for the organization of state responsibilities, and are divided into smaller units (called arrondissements) to provide central government services. The responsibilities of the departments as local governments are mainly related to welfare, health, construction and maintenance of roads, bridges and small ports, among some others.

The third tier of local government is the region, which has existed since the 1950s, but became a fully developed level of local government in 1982. The region has a directly elected council with responsibilities largely for economic development, some public works, and planning. The chairperson of the councils, elected from among the councilors, acts as the chief executive.

The existence of too many local governments (36,750 communes), fragmentation, and the application of the same law to all local governments with different sizes, needs, sources, and populations are among the main problems of the French local government system. To cope with these problems in the metropolitan areas of Paris, Lyons, and Marseilles, a different local government structure was created. In these metropolitan areas, the city functions as both local and regional governments, and has the powers and responsibilities of the communes and departments. Similarly, they are also divided into arrondissements. Each arrondissement has its own council and mayor; one third of the members of the arrondissement council are also members of the communal council.

4. Centralistic Imprint on Local Administration: South-east Europe's and Turkey's Ottoman and French legacy revisited (present-day Turkey as a case)

There has historically been a tradition of a strong, centralist, and bureaucratic state since the Ottoman times, and a system of tutelage by the national government over local governments. After the establishment of the Turkish Republic, Kemalist republicanism, maintained the statist-centralist frame of the Ottoman Empire, and thus transition to a decentralized form of democratic government has not been as successful as the transition to a national representative democracy. Compared to other Middle-Eastern countries, the strong state tradition is considered as one of the reasons for the relative success of democracy at the national level in Turkey. However, the strength of the state has prevented not only the development of powerful and autonomous local governments; the development of a civil (or pluralist) society and the expression of community rights and interests have also been hindered (Koker, 1995: Heper, 1992).

The 1982 Turkish constitution establishes a public administration system based on both centralization and decentralization. In other words, local governments as public corporate entities have to exist, but it is up to the central government to determine the level of local autonomy. Local governments were borne from the central government's administrative and fiscal concerns and out of a concern for effective
participation of the people in local affairs. Local governments in Turkey can not be considered as autonomous local entities. They are still subject to the close financial and administrative supervision of the central government. The history of the Turkish local governments goes back to the mid 19th century, and carries the imprints of Western governmental systems, especially the French administrative system.

The Turkish system includes three basic units of local authority: the provincial administration, the municipalities, and the villages. The constitution also allows the creation of special government structures for metropolitan areas. It was this provision of the constitution that led to the creation of two-tier metropolitan governments after the 1980s. Moreover, the use of special districts to provide municipal services has increased markedly since the early 1980s. All types of local government, especially the provincial government and villages, are still subject to close financial and administrative supervision by the central government, and, thus, can not be considered as autonomous local entities.

The provincial administration is run by a governor and a popularly elected council chaired by the governor. The governor is a strong executive figure appointed by the central government. S/he has responsibilities mainly as the official of the state, but also acts to represent the interests of its province. There is also an executive board made up of the heads of the local governmental departments of the ministries to carry out the functions of the central government at the local level. The provinces are also divided into districts, which include similar governmental structure to the province, and provide services to the rural areas and villages. Village administration is a traditional local government unit, with a headman elected popularly, and a village council, with mainly elected members and some virilistc?* members. It acts both as a representative unit and the arm of the state.

Municipal government is the true local governmental unit. There is a strong mayor directly elected by citizens, a popularly elected municipal council, and a municipal executive committee. There has been a tradition of an elected municipal executive in Turkey since 1930. Municipal executive committee, composed of heads of the municipal departments and four other members elected by the municipal council, functions as the decision-making body, when the council is not in session.

The functions of municipalities are listed in the Municipal Act and they have a broad spectrum of responsibilities and powers to serve their communities. These powers were increased after the 1980s. For example, their power on land use matters increased. The status for all municipal governments is the same, and thus, all local administrations discharge the same functions despite huge differences in size, needs, population, and available resources. These functions can range from health, welfare, cultural and entertainment services, to economic development and public safety.

In 1984, two-tier metropolitan municipal governments were established, and their numbers were later increased. The metropolitan municipal governments are autonomous area-wide authorities and have popularly elected councils and mayors. Yet, the metropolitan municipal councils also include the mayors of district municipalities within the same metropolitan area and one-fifth of the members of the district municipal councils, determined according to the level of vote received in the
elections. There are also districts within the city with autonomous municipal governments. Yet, some of the powers of district municipalities, especially related to area-wide functions such as mass-transit, lands, and some others are given to the metropolitan municipality or subject to the approval of upper-tier local authority.

Local governments are still seen as subordinate units to the national government, reflecting the deeply rooted conception of guardianship and the strong state tradition. Yet, the reforms of the 1980s in Turkey can be seen as a sign of increasing sensitivity toward local-self governance. Dominant trends since the 1980s include the provision of some more financial and budgetary powers to local governments, the establishment of two tier metropolitan municipal governments, and privatization of municipal along with national service provision. The efforts of decentralization originated from concerns about overloaded and over-regulated central government, inefficiency in service provision, and as a rapid solution to the problems of uneven and distorted urbanization especially in large metropolitan areas.

5. The Austro-hungarian legacy in Central Europe\'s Local Government and the special case of the Baltic States

There have been extensive reforms in the post-communist countri of Europe since the 1980s. The two most essential elements of the East European countries\' transition to liberal democracy were the decentralization of governmental functions and power and the restitution of local self-government. However, until the 1980s, the communist party was the leading power of the society, and there was an extremely centralized system of decision-making. Such a system allowed for strict control over local governments in the form of direct interference in administrative affairs by higher level authorities within the centralized and hierarchical state apparatus (Regulski and Kocan, 1994).

During the Communist years, East European local administrations generally did not have their own property or sources of revenue, were heavily dependent on the centre, and were controlled by the several higher levels of the central government. Although there were represented bodies, elected from among the candidates proposed by the communist parties, elected governments were never allowed to be autonomous. Local governments were regarded as no more than a local, severely limited, extension of the state administration. The state ministries used to run most of the services that were local in nature, such as the construction of infrastructure, the provision of water and electricity, the construction and maintenance of roads, etc. The Communist party structure also paralleled these structures at every level, supervising and controlling state agencies, proposing candidates, etc. In Central Europe, however, the hold of the party over all spheres of life was sometimes weaker than it was in the Soviet Union, as in the cases of Hungary where private production in small businesses was permitted, or of Poland where production in small agricultural businesses was allowed (Coulson, 1995; Kovacs and Enyedi, 1994; Baldersheim and Illner, 1996).

The new governments with commitments to restore local self-government took control in Eastern Europe after the collapse of the socialist systems in these countries. New local government laws were passed in most East European countries in 1990, such as Poland, Hungary, the Czeck Republic, and Slovakia, the Baltic
States, and others. In general, these reforms enshrined the following principles (Coulson, 1995, p. 10):

- new adequate local revenue sources for local governments based on property taxes, shares from national taxation, local fees and charges are provided;
- communities would have the right to elect their own councillors and mayors;
- the councils so elected would have the right to act on behalf of their communities and administer services;
- other than the question of the legality of their action, municipalities would be free from control by higher levels of administration;
- municipalities would have the right to own and control property and buildings and to gain income from them;

a. Hungary

Hungarian local government reform started in the early 1990s, and has been far more comprehensive than in the other East European states. The reforms included an upper tier of local government in both Budapest and the 20 counties unlike reforms in Poland, the Czech Republic, and Slovakia. Moreover, Hungarian reforms did not leave a large local apparatus of state administration, allowing for the devolution of a wide range of functions to local government, including health care and elementary and secondary education.

Hungarian local government structure includes 20 counties and more than 3,000 towns and villages. Towns and villages are the real level of self-government with the right to elect a council. The county council are elected indirectly by the members of their constituent town and village councils. There are only 168 towns. Towns and villages have the same statues and functions. Yet, there are 20 towns which are also designated as counties to cope with the problems of urbanization. These county-sized towns can perform the functions at the county, and are not included in any other county's jurisdiction. They also receive grants from the centre related to both levels of local government with regard to their populations and institutions. Budapest is also divided into 22 districts which represents the primary level of local self-government. Furthermore, the city council of Budapest comprises both directly and indirectly elected members (Davey, 1995, pp. 59-60).

In Hungary, mayors are popularly elected in municipalities with a population of less than 10,000. In larger municipalities, mayors are elected by the local council and there is no executive board. Yet, the mayor does not seem to emerge as the centre of power. It is more like a weak-mayoral form of local government. The council seems to be more of a centre of power. The Polish mayors seem to represent a focal point of the executive process compared to Hungarian mayors (Baldersheim et al., 1996, p. 39).

b. Poland

The institution of local government has existed in Poland for several centuries. After the establishment of socialist government in Poland in 1950, local governments lost their autonomy in a liberal democratic sense. The Local Government Act of 1950 introduced a uniform state authority, abolished local self-government and defined a
new role for elected bodies. Local administration became controlled by and 
dependent upon the grants and transfers from the central government. From 1950 to 
1990, People's Councils not merely represented the local interests but also acquired 
state power in their area. They had the double roles of both the representation of 
local interests and the execution of state power (Cielecka and Gibson, 1995; Kocon, 

The first reform effort came during the socialist regime in the first half of the 1970s. As 
part of the reform, the number of regions (or voivodships) was increased to 49 from 
17, but the number of communes was decreased from around 4,000 to 2,500 and 
300 intermediate level administration (districts) were abolished. The reform was 
introduced with the intention of increasing decentralization, yet resulted in increased 
central control.

The round-table discussions between communists and the opposition (the Solidarity 
movement) led to the restitution of liberal democracy and local governments in the 
late 1980s. After establishment of first non-Communist government in 1989, local 
government reforms (a package of 8 different laws) were introduced in 1990. The 
reforms of 1990 in Poland restituted local self-governance. Municipalities (2,121 rural 
communes, gminy, and 819 towns, miasta became the only directly elected units of 
government. Local administrations are public corporate entities, and, thus, can own 
property, raise revenues from their property, and enter into legal contracts with others 
as autonomous entities.

The elected municipal councils represent the local community and its interests. They 
no longer have the dual role of both representing the local community and being the 
local arm of the state. The executive function is performed by the council's executive 
board, composed of the mayor, his/her deputies, and a maximum of five other 
members elected by the council. The mayor is not elected at large, and can be either 
elected among the council members, or appointed or hired from outside the council. 
The board is mainly responsible for agenda setting, administration of the 
departments, and implementation of policies. It also prepares the budget and submits 
it to the council. Many of the internal organizational issues are regulated by 
municipality or city charters. Their actions can only be scrutinized for the legality of 
their action (Regulski and Kocan, 1994; Kocon, 1991). Municipalities can enter into 
partnerships with other municipalities to provide some services. In 572 cases, 
municipalities formed joint urbanmunicipalities. Furthermore, Warsaw’s joint 
urbanmunicipality, is divided into seven districts.

Local governments have responsibilities in the areas of pre-school and elementary 
schools, cultural and recreational services, welfare and health, housing, planning and 
land use, public works, local public transport, public safety, waste collection and 
disposal, etc.. In addition to these delineated functions, there are some delegated 
powers to keep the track of births, deaths, and marriages. Local governments can 
levy local taxes on property, economic activity, and motor vehicles, among others. 
They also receive assigned shares of national taxation and specific or general central 
grants. The level of local spending was 15-% of the total public spending in Poland in 
the early 1990's.
c. An Evaluation of the Two Countries’ Local Government Systems

The general characteristics of the two countries as they relate to the local government structure and an evaluation of the recent development are given below:

First, extensive discussion continues regarding local government involvement in the provision of social services, education and housing. In general in East Europe, market competition and privatization of some public services tend to increase the problems related to poverty and, thus, tensions in society and the questions about the transition to a market economy as well as the competency of local governments to cope with this problem and to meet increased expectations from citizens. If local governments cannot catch up to what they are expected to do, there is real danger of disillusionment, which is already apparent in Poland.

Second, there are huge variations in the sizes of basic local government units, namely communes or municipalities, but all operate under the same law in both countries. This may prevent the wholesale transfer of services from the central governments to the local governments because very small municipalities will not be able to handle the provision of some specialized services. Yet, this can be solved by the creation of a second tier of local government, as in the case of Hungary, and Bulgaria.

Third, giving even very small villages the autonomy to handle their local issues and provide local services, and right to elect their own councillors or mayors to represent their interests has to be balanced with the need for minimum standards for service levels and for a minimum scale for the effective administration of services. The need for minimum standards in local service provisions may require central government involvement. Similarly, nationally set standards to prevent nepotism and waste may be needed, especially for the issues of property and planning permissions, which tend to create a lot of opportunities for corruption and fraud. Yet, a reasonable scale for the provision of some services can be achieved through joint arrangements, as in France, or contracting out to other public or private companies, as in the USA, the UK, or others.

Finally, in Poland and Hungary as well as in other East European countries, the fear, distrust, and even intense dislike of the totalitarian state along with the promises of supporters of liberal democracy gave rise to a strong shift toward local self-government and developed hopes of local governments providing responsive and efficient services and casting of the rigidities of the bureaucracies of former socialist regimes. This is good in the sense that it energizes people to take more responsibility to solve their own problems. Yet, in order to prevent a frustration over the long run, decentralization reforms should be re-evaluated and fine-tuned over time and the decentralization policies, especially in countries with different religious, ethnic, and racial groups, should be sensitive to the problems of excessive pluralism and group antagonism. Moreover, the balance between the authority, responsibilities, and financial powers tends to play an important role in the successful implementation of decentralization programs.
6. Slovenia: historically torn between the Austrian and French influence

During the reign of Empress Maria Theresia of the House of Habsburg-Lorraine from around 1749 onwards, with the adoption of enlightened absolutism, the Austrian Empire laid the foundations of the modern State also on the territory of present-day Slovenia, which constituted in the period prior to 1918 the Dutchy of Carniola as its centerpiece to which parts of Styria and Carinthia were added in the aftermath of WW I, plus some ex-Venetian territory along the Adriatic coast-line in the Mediterranean areas in the aftermath of WW II.

During the Napoleonic period the French set up the so-called Illyrian Provinces with the capital of Ljubljana.

After the Congress of Vienna in 1815 the Kingdom of Illyria was annexed and put on a par again with other constituent Habsburg domains.

In the Habsburg period the Rule of Law was introduced gradually in an evolutionary way in the mid-nineteenth century and this development was crowned by the adoption of a very modern Constitutional arrangement in 1867 unsurpassed to the present day (in Austria the major parts of this so-called Basic Law is still in effect or to be more exact, it was reintroduced after Austria reemerged as a sovereign state after WW II). The constitutional arrangement of 1867 also lay the foundation and structure of local self-government.

After the proclamation of the Kingdom of Serbs, Croats and Slovenes in 1921 that came to being by the merging of the independent real union of Slovenia and Croatia on one hand with the Kingdom of Serbia on the other, the whole system of public administration and local government became more French-oriented, although traits of the former Austrian system, at least in Slovenia, remained. Namely, the Austrian laws, previously in force for the north-western parts of the country remained in place even after unification on the condition they didn’t run contrary to the new public order brought about by the so-called Vidovdan Constitution, which was distinctly French-flavoured.

The constitution, in fact, under close scrutiny, was of course itself trying to escape that francophone mould by introducing the Belgian parliamentary system of government, some aspects of the westminster system, while social welfare clauses bore a marked resemblance to parts of the post-WW I German Weimar constitution. A Conseil d’Etat was introduced for the whole realm to deal with the contentieux administratifs, the French notion of administrative judicial control of the administrative authority and also of local autonomy, especially its scope of jurisdiction and task-execution, etc.

The previous Austrian local self-government was later abolished and the country was thereafter, alas, to a high extent centralised in the French mould. These changes were, however, confined to the politico-administrative sphere, which didn’t embrace the civilistic legal sphere, since Austrian civil law was in force in our part of the country up to 1978, when a new more German-Swiss-oriented civil law replaced it.

Ex-Yugoslavia was dissolved in 1991, when five successor-states emerged, among them Slovenia, which was practically spared the ensuing conflicts and was fortunate and affluent enough to be poised for the next round of admissions into the E.U. in early 2004 and also other relevant Euro-Atlantic arrangements (NATO, etc.).

At the present moment, the division between central and local public services causes some problems, since the local government system is still in the process of restructuring. The Local Government Act has been adopted in the mid nineties and it
envisages local units at two levels, with a high degree of independence and large competencies precisely in the field of public services. However, provinces as the second level are optional and have not yet been territorially defined nor has their mutual relationship with the municipal level been defined. It is therefore difficult to foresee the network of public services in particular fields. In my opinion, this can even be favourable to a certain extent, since the possibility of rational public service provision is undoubtedly a very important factor affecting the territorial modelling of local communities. It is therefore appropriate that the process of modelling public services and that of modelling the system of local self-government go on simultaneously, since in this way we can directly take into account their mutual influence.

In spite of the fact that territorial restructuring of local government system is still in progress, some results can be foreseen. The Constitution and the Law introduce on the one hand an excessively democratic and on the other hand a most unpredictable and irrational way of mapping out the territory of local communities that are being newly established. The decision on creating the territory is left to the people, who by referendum decide the size of a municipality and before such referendum takes place they can also influence the decision of over what area the referendum for a new municipality will be carried out. As a result of the law, Slovenia was split into 192 small municipalities with a lack of competencies and financial resources due to their weakness, which resulted in the strengthening of the process of state centralisation. The only counter-measure against the above described centralisation process is to establish a second tier of local government, what the municipalities could lawfully realise by their unification into provinces. Such provinces would be on the one hand only a kind of association of local communities as their competencies would be of a derivative character, while on the other hand they would be able to operate also on their own behalf according to the law as agents of the central government. The role of these provinces now mostly depends on regulation of the particular fields, where the relevant laws will decide whether or not to give competencies to the provinces.

The first tier of local communities is relatively small in terms of territory (considerably smaller than administrative units of the central government) and the eventual second tier would be relatively large. This means that the former will provide primarily those public services which relate directly to people and which, in terms of organisation and capital, are not very demanding, whereas the latter will provide public services that are more demanding in terms of organisation, technology and capital, among which one would find public services particularly in the field of infrastructure. So today, we are already in a position to foresee to a certain extent the network of public services in a particular field from the viewpoint of their rational provision. An even more rational, although only supplementary, solution to this problem is provided by a special regulation, which enables the establishment of special service provision mechanisms for managing, providing and regulating those public service needs, which surpass the territorial capacity of local communities.

The fundamental problem in modelling a particular public service lies in arranging its individual activities within the framework of state and local levels on the one hand, and compulsory and optional public services on the other. The solution to this problem is left to separate laws, which along with the system law represent the entire regulation of the public service system in Slovenia. Most of these laws are still in the
conceptual stage, which means that the final picture of the regulation of public services will be seen only after these laws have been passed. This will raise not only the question of the distribution of decision-making and public service provision at different levels of the administrative system, but also the initial question of the division between the private and the public sphere. In Slovenia, like in most East European countries, this division line is fairly unclear. Moreover, it needs to be drawn anew, since the regulation of public services has to be adapted to changes in the social and economic system. This question reveals in its entirety the complexity of public service regulation in these countries. Development analyses and analyses of possibilities will have to be carried out in all fields, and the entire public sphere will have to be defined. Analyses of possibilities are of special importance, since they prevent a simple transfer of patterns from the developed countries to a relatively undeveloped environment.

The process of the construction of the public service system will therefore be long and difficult. The system law provides only the foundations for their regulation, and these in turn represent only the base for the regulation of particular fields. Nevertheless, the system law introduces a whole range of interesting solutions and novelties representing the first and a considerably large step towards the reorganisation of public services in Slovenia.

The first such solution is the relatively strict division between decision-making and service provision in the field of public services. On the one hand, the law regulates the administrative system and on the other the system of service provision as well as their mutual relationships. In addition, it also regulates their relations to their environment, i.e. to the users of public services, which are reflected in the rights and obligations of all parties concerned.

The administrative system in the field of public services represents a classic system of state administration, which defines the type and scope of particular public services and their development, and performs all administrative and a majority of the supervisory tasks. The system of state administration has not yet been modernised, so it is partially regulated, for the needs of its field, by the Public Utility Services Act. A novelty with regard to previous regulation is the considerably larger competencies of the government. The parliament now makes chiefly strategic decisions and no longer the operational ones. The parliament defines by law primarily the fields and the scope of compulsory public services at all levels, while optional public services at the central State level are already being defined by the government and at the local level by local community agencies. The competencies deriving from the relation to the system of service provision have almost entirely been transferred to the government and administrative agencies, which enables greater flexibility in the choice of various forms of service provision. The government too, can, for example, establish public companies, in almost all cases it can formulate concession agreements, and through its administrative agencies it can supervise all types of public service providers.

In the system of state administration the law also introduces a distinction between the regulative and the expert-advancement function. So far the latter has practically been unknown, which is one of the main insufficiencies of the Slovenian state administration system. In the past administration did not act as an important
generator of development, but it more or less confined itself to the provision of narrow police and administrative services.

The importance of the introduction of expert-advancement tasks in the state administration system for the field of public services need not be specially emphasised. Public services in themselves are above all specialised activities and must therefore have a suitable expert partner also in the administrative system that organises and controls them. In this way a certain equilibrium is created between the management and provision system, since the preponderance of one or the other leads either to dilettante decision-making or to the creation of a completely uncontrolled monopoly.

The expert-advancement function is reflected in a special administrative organisation which is, as a rule, set up as a directorate. In principle it can be independent (at the local level) or incorporated into a particular administrative agency (at the state level). Its main tasks are on the one hand, the preparation of development programs and other expert bases for decision making in the administrative system, and on the other expert supervisory tasks concerning public service provision. Within the framework of the former (development programs), the directorates, for example, prepare development plans for public services and, within the framework of the latter (supervisory tasks), tasks related to the establishment and organisation of public companies, those related to the granting of concessions, expert supervising of providers, etc. As we can see, there is a tendency to provide the administrative system with the appropriate knowledge of particular fields, which it previously lacked or did not need.

The share of municipal expenditure as a percentage of Slovenia’s Gross National Product amounts only to only 5% and municipal budgets in relation to the overall public authority budgets for Slovenia ar approximately 12%. As regards the origin of resources for local self-government budgets, local taxes, fees and charges amount to 20,7%, while central government transfers account for the remaining 79,3% of resources.

III. ATTEMPTS AT CLASSIFICATION OF LOCAL GOVERNMENT SYSTEMS

1. A Classification Based on the Level of Local Fiscal Autonomy

In this attempt to classify the countries according to the level of fiscal autonomy, the indicators of local fiscal autonomy\(^9\) used are: local own-revenue raising power and local-expenditure levels (local budgets). Administrative autonomy\(^10\) will be also referred to, when relevant. Table 1 and the following models are developed by utilizing the data presented in Table 2 and presented to show the comparative positions of the countries studied in Table 1 below by using the data given in Table 2.

**THE CLASSIFICATION BASED ON LEVEL OF FISCAL AUTONOMY:**

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\(^9\) Local fiscal autonomy refers the extent to which a local government can manage its local affairs without central interference.

\(^10\) Local administrative autonomy is used to refer to the extent to which a local government can raise revenues from their own sources to provide services.
a) **High local own-revenue and fees & high local expenditures:** Here local governments have high levels of fiscal autonomy with high levels of responsibility to meet local needs and demands. One can also expect administrative autonomy to be high in these countries. It can be called *strong local self-governance*, and the USA would be the best fitting example.

b) **High own-revenue & low expenditure:** High fiscal autonomy, but low service responsibilities exist. Administrative autonomy may not be high, and low service responsibility may be an indication of the strength of the state. France and Poland would be the examples.

c) **Low own-revenue & high expenditure:** This could also be called the high service responsibility cum low fiscal autonomy model. In this category, we are talking about local administration rather than local governments, because local administrations are mainly subordinate to the central government (low administrative autonomy) and the state uses them to deliver or provide services at the local levels. The United Kingdom might be considered to fall into this category especially after the interventions and reorganizations efforts from the Conservative administrations during the 1980s and early 1990s.

d) **Low own-revenue & low expenditure:** This is the weak local self-government model. Fiscal autonomy as well administrative autonomy is low. Turkey, Hungary, and Slovenia could be viewed in this category.

<table>
<thead>
<tr>
<th>Local Own Revenue</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCE, POLAND</td>
<td>SLOVENIA, HUNGARY, TURKEY</td>
<td>the USA</td>
</tr>
</tbody>
</table>

Table 1: The comparative position of countries related to local expenditures and own-resources
Table 2: Local revenues from grants and own sources and the comparative size of government expenditures

<table>
<thead>
<tr>
<th></th>
<th>(% of total revenue)</th>
<th>(% of all taxes/fees)</th>
<th>(Ratio)</th>
<th>(% of GDP)</th>
<th>(% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>central grants</td>
<td>local fees/taxes</td>
<td>local budget/central budget</td>
<td>Local gov. expenditures</td>
<td>Total gov. expenditures</td>
</tr>
<tr>
<td>Hungary*a</td>
<td>54(1990)%</td>
<td>18%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>68(1991)%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Poland*b</td>
<td>45(1985)%</td>
<td>44%</td>
<td>15/85</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>14(1992)%</td>
<td>42%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>France(1988)c</td>
<td>-</td>
<td>18/82</td>
<td>8%</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>the USA</td>
<td>20.5(1987)d</td>
<td>23/77</td>
<td>9%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>the UK*e</td>
<td>48(1985)%</td>
<td>31(1985)%</td>
<td>28/72(1986)</td>
<td>13%</td>
<td>46%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>79.3%</td>
<td>20.7%</td>
<td>12/100</td>
<td>5%</td>
<td>43%</td>
</tr>
</tbody>
</table>

(Data, used to construct Table 2 above, are gathered from the following sources: *Baldersheim, 1996b, p. 32; *Castells and Bosch, 1994 pp. 395-396; *Kincaid, 1991, pp. 154-157; *includes state (18%) and the federal government (59%) expenditures; *Owens and Norregaard, 1991, pp. 22, 45-46; and Castells and Bosch, 1994 pp. 395-396; 'Agency for local government Reform, Ministry of Interior, Government of Slovenia, Bulletin, 1998)

2. A Classification Based on Local Executive

The following table is constructed to provide comparison of the forms and strength of local executive in each country studied in this paper. The table below shows that Britain has a weak-collective local executive system, where the executive is not the centre of power in the urban political system, which also indicates the traditional importance of parliament or elected councils, and unwillingness of councils to give up their power to a strong executive figure.

Poland is at the other extreme and has a strong-collective executive form. The executive function is performed by the council's executive board, which includes a mayor, his/her deputies, and a maximum of five other members elected by the council. The mayor is not elected at large, and can be either elected from among the council members, or appointed or hired from outside the council. The board is mainly responsible for agenda setting, administration of the departments, and implementation of policies. It also prepares the budget and submits it to the council.
France falls into an other extreme: *strong-individualistic executive form*. In this model, the mayor is a strong figure in city politics, and sometimes in national politics. S/he is publicly elected, cannot be dismissed by the council, can veto the decisions of council, can appoint or dismiss department heads, and some others. Hungary and Slovenia represent the form of *weak-individualistic executive*. In larger municipalities, mayors are elected by the local council and there is no executive board. Yet, the mayor does not seem to emerge as the centre of power. It is more like a weak-mayoral form of local government. The council seems to be more of a centre of power. Turkey has a relatively strong individualistic form of executive. Mayors are popularly elected, can veto council decisions, and can appoint or dismiss department heads. Turkish mayors especially in the large cities, are very influential in not only local but also national politics, due mainly to strong party ties. Yet, the Ministry of Interior has considerable levels of administrative supervision over municipalities including mayors, and the municipal council can vote to dismiss the mayor.

Finally, the United States represents a mixed form of executive. In the counties and the council-manager form of city government, the council emerges as the focus of the power. Yet, there are cities with strong mayor forms. Larger cities in particular tend to have a strong mayoral form of government. There is a tendency toward a stronger and effective executive figure to provide a focus for public attention and community leadership and to implement municipal policies. In fact, the indications of this trend can also be discerned in Poland, Hungary, France and Turkey.

**Conclusion: An Assessment Of Trends**

There are several trends related to local autonomy, the values of efficiency, choice, or responsiveness that became apparent from the analysis of the selected countries. First, there is a tendency toward a stronger and effective executive figure to provide a focus for public attention and community leadership, and to implement municipal policies. Indications of this trend can be discerned in all the countries studied in this
paper except for Britain. This tendency toward stronger executive can be seen in accordance with the drive for increased efficiency.

Secondly, there are huge variations in sizes, population, responsibilities, and resources of basic local government units in all the countries studied, but the same law applies to all, as if they were all the same. This dilemma has apparently been overcome by allowing local governments more flexibility, or by creating special types of organizations such as special districts, multi-tier metropolitan governments, and others.

Thirdly, decentralization policies, combined with higher levels of local self-governance tend to result in greater fragmentation and proliferation of local governments. This seems to be accurate for all the countries studied except Poland where such developments have not taken place so far. Some see increased local self-government and fragmentation being in accordance with arguments for increased accountability, representation, responsiveness, and so forth. However, there is also an increasing recognition of the need for the strengthening of governmental institutions on a metropolitan or regional scale. The developments that manifest the need for metropolitan-wide or regional approaches include national developments such as enormous population and urban growth, environmental pollution, traffic congestion, duplications in service provision among others, as well as other international changes, such as increased international interdependence, the lessening importance of the nation-state and the vulnerability of local governments to international forces.

Fourthly, concerns related to efficiency and local autonomy has increased enormously within the last years. The USA has traditionally had high degrees of local autonomy, and the value of efficiency has dominated American local government. There are strong indications that efficiency has also become the dominant value in other countries, as well. Associated with this is, however, the relative neglect of such values as equality and representation of socio-economically disadvantaged groups in local policy-making process.

Fifthly, centralization has taken place in two major forms in recent years. The first form is the decentralization or dispersion of governmental responsibilities and authority to the market, or *economic decentralization*, and is a universal trend in all the countries studied. The increased concerns with competition, emphasis on wealth creation rather than wealth-sharing, efficiency, responsiveness and choice as well as budget constraints seem to have led to the greater use of the market mechanism (privatization, intergovernmental contracts, out-sourcing, etc.) and a considerable decrease in the role of public administration in society. Privatization, especially the sale of municipal property is a popular short-term revenue strategy in Poland, Hungary and Turkey. The second form is the decentralization of responsibilities and power to autonomous local self-governing entities. This has also been a trend in all the countries studied, except for Britain. Britain has been developing a style of government which is heavily market-led but also centralist in its approach in recent decades. In other words, British local governments suffered increased intervention from the central government, a quite distinct development compared to international trends. Turkey has taken steps toward more decentralization in both economic and political and administrative terms. However,
they have been very limited, and mainly in the form of selling public properties and enterprises to lessen budget deficits. The decentralization of power and responsibilities in France has taken place within the governmental structure from the centre to the local and from the public to the private. Yet, the efforts towards political and administrative reforms could be considered to be more far-reaching than the efforts to decrease the size of public sector and to promote the use of market forces. In the United States, where the level of local autonomy is high, decentralization has generally gone from the federal government to the states, and from the public sector to the market. In East European countries, the level of local autonomy may still be considered to be relatively low compared to the USA or some other western democracies, yet the extent of recent decentralization efforts has been the greatest in these countries.

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