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“LEADERSHIP AS ENDOGENOUS FACTOR DEVELOPING CENTER-PERIPHERY RELATION”

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Working Group on Politico-administrative relations
Leadership as endogenous factor developing center-periphery relation

Gabriele Burbulyte¹

Abstract

The objective of the paper is to introduce a concept that development of any territorial unit depends on the leadership variable, which is crucial for public governance. The concept implies the idea that leadership acts as endogenous development factor. Besides, it has a strong impact in changing the status of certain territorial units especially of those acting as periphery/semi-periphery and shifting towards the status (respectively) of semi-periphery/center. The notions of institutional isomorphism and resembling activity model are introduced as the most adequate. The results of the research confirmed that public governance in CEE countries (the case of Klaipeda municipality is used in the research) is very disputable while undergoing the process of democratic transition.

Chapter 1: Leadership and local governance

The ongoing societal changes around the globe require wider citizens’ involvement into the policy process and broader dialogue among different political institutions. The coordinators of the Working Group on Politico-Administrative Relations have broadened the research focus of the group. The new focus more on governance than on traditional hierarchical government implies that the whole methodological background supports rather the idea of the new public service than the new public management (in accordance to Osborn & Gaebler). The cornerstone concept of the new public service lays in the idea that citizens - instead of the new public management’s promoted consumers - are the main target/object of public administration. Therefore, instead of researching static and hierarchic governmental structures as well as traditional policy-makers, i.e. politicians and civil servants, the new public service promotes the broader, more dynamic and fragmented concept of governance, as policy-makers encompassing not only politicians and civil servants but citizens as well.

Governance can be defined as the process of coordination of public and private actors, civil society, social groups and institutions in order to attain clear aims. (Jessop, 1995, p.317) Local governance should be extended to the whole of fundamental social relations, as they form an intrinsic part of local economic space, it could be seen as the declension of linkages in tensions between the local and global levels - tensions which contribute to territorial regularities and peculiarities. (Gilli, Wallet, 2001, p.508) It includes lots of formal and informal channels through which “commands” flow in the form of goals framed, directives issued and policies pursued. (Hope, 2000, p.519)

While being one of the most progressive concepts, it implies two interconnected problems:

First of all, it is the problem of democracy. Despite the fact that democracies enable universal participation, it becomes hardly possible in the contemporary societies (even with the widely promoted e-governance), therefore the main task lays in creating effective channels for citizens to participate. Most often, the other representative institutions, namely non-governmental organizations, take active role in expressing the so called public interest of the community.

Secondly, as it has been stated by OECD: “…countries are finding something missing between existing public service cultures and the public interest. A common complaint is lack of dedication to the underlying values of public service and the interests of the citizens served. A common response seems to be the attempt to promote a certain kind of leadership.” (Public sector leadership…, 2001, p.17)

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Public governance serves as endogenous factor (Davies, 2002) for sub-national territorial - administrative units’ development. Although public service can take some variety of forms (Davies, 2002) it undoubtedly has a strong impact in changing the status of certain territorial - administrative units, especially of those acting as periphery/semi-periphery and shifting towards the status (respectively) of semi-periphery/center. As authors maintain/argue (Johansson, 2000), differently from exogenous factors, endogenous factors refer to a system where the long-run growth rate is determined by the working of the system itself. In this case, there is a strong need for effective human resources in order to get public governance work as endogenous factor influencing development processes.

Leadership, being one of (possible) public governance elements, is an undoubtedly endogenous factor. Though it is a very hardly definable factor, countries from CEE tend to pay more attention on human resources management promoting leadership just as a small part of HRM. It could be explainable by the factor that there were no effective methods for researching leadership, especially at local level.

Chapter 2: Institutional isomorphism and resembling activity model

Using the notion of institutional isomorphism it was possible to strengthen the analytical and methodological content of the concepts of local governance and its key element leadership - both as endogenous factors, able to change center-periphery relation. The notion of institutional isomorphism was introduced by Powell and DiMaggio (Powell, DiMaggio, 1991). Quite often this notion serves for the prevailing concept of the new public management, representatives of which affirm that global pressures are producing an inevitable and inexorable global convergence on what they term ‘entrepreneurial government’.

Actually it is possible to agree that globalisation settles the convergence/homogeneity of the environment in which various organizations are acting. This external environment (macro-level) is changing very fast. Globalisation creates a strong need “for new capacities to exploit new opportunities to deal with international implications of policy issues.” (Public sector leadership…, 2001, p.13) Nevertheless, as Pollitt (2001) argues, Powell and DiMaggio’s model of isomorphism identifies a set of processes which could explain convergence of a kind that would not necessarily have anything directly to do with global economic pressures or with warranted gains in efficiency of effectiveness. At the so called micro-level, lots of different/various factors, such as political/administrative culture, historical heritage etc., are exerting influence upon public/local governance. Along with globalisation, “greater decentralization of national policy is increasing fragmentation of policy responsibilities, posing major challenges of policy co-ordination, accountability and coherence. Rapid development of information and technology gives the potential for governments to cope with new problems in a swift, transparent and flexible manner. … The growing need for people to think and act global and local requires leaders to pay more attention to policy coherence.” (Public sector leadership…, 2001, p.13) Therefore the notion of institutional isomorphism should not be treated as conditioning public management/administration’s convergence in different countries. It should be conceived as promoting a resembling activity model of different level organizations in one actual territorial unit. It means that instead of different territorial units’ organizational convergence, different organizations of actual territorial unit tend to get/gain the resembling activity model. (The notion of isomorphism as well as the resembling activity model is easily provable using the Hägerstrand’s model of diffusion.)

The need for public/local governance suits as the best example of institutional isomorphism. Under the influence of globalisation, decentralization, IT and growing need for public governance, the three most important elements of local self-government (political representation institution – local council, civil service institution – local administration, civic institution – local community of citizens) are gaining more and more features of resembling
activity. In the fragmented conditions, tracing the process of globalisation, various organizations have to repudiate/renounce the earlier fashionable power’s depersonalization (Weberian model). That is, there is a growing demand from local council (main governmental institution) to be more entrepreneurial (as in the new public management), from civil servants to be more (politically) responsible and independent (as in the new public service), from citizens to be more active in controlling the first two as well as to be more active in direct participation (in decision making).

Figure 1: resembling activity model in local governance

The resembling activity model may take into account lots of various elements. One of the most actual elements for local/public governance is leadership (variable). Almost all leadership theories are maintaining that organizations undergoing reform need leadership. It is especially evident in transition countries like Lithuania. Nevertheless, it is very difficult to create a correct model of leadership while countries are experiencing democratic transition because there is a danger that leaders may become closed strata, pursuing their own interests. Quite a long time leadership was perceived as only political. Right now public/local governance implies leadership in all spheres of public policy, i.e. civil service and citizens’ community. If earlier public sector was related only with the concept of management, right now there is a growing tendency towards the concept of leadership. Although not a clear-cut distinction, these concepts differ a lot. “They share many common features in that both are based on institutional structures and systems, and both are oriented towards better performance of the organization. But…leadership means paying more attention to the development of attributes that focus an integrity, vision, the ability to inspire others, awareness of self, courage to innovate, and judgment. …while management puts more emphasis on formal systems, processes and incentives, leadership is more about informal influence – how to mobilize people through values and visions.” (Public sector leadership…, 2001, p.14-15)

The article presents the idea that public governance, while being quite an adorable idea in mature Western democracies, is not the perfect one for countries experiencing transition (i.e. CEE). Choosing the performance of public governance at local level - local governance - as well as one of its key elements - leadership variable, and the particular local unit - Klaipeda municipality (Lithuania), the research proves fragmentation and lack of abilities to promote governance in transition countries.
Chapter 3: Decentralization in Lithuania 1995-2003

The process of territorial decentralization in Lithuania has started since 1995, when the new territorial-administrative reform was introduced. Until then the administrative division inherited from the Soviet Union has functioned. In accordance with the Law on Administrative Territorial Units, Lithuania was divided into two main sub-national territorial administrative tiers: 10 counties - higher administrative units, whose management is organized by the Government and 56 municipalities – lower administrative units, where self-government was preserved (since the year of 2000, there are 60 lower administrative units). By decision of a municipal council, a municipality may divide its territory into smaller units – wards. Lithuania, differently from its neighbours, has established large municipalities in terms of territory (by way of amalgamating many settlements in one municipal territory) and the population.

Table 1: Composition of Klaipeda county

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Total area sq. km</th>
<th>Total population sq. km</th>
<th>Density, population per sq. km</th>
<th>Number of wards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klaipeda county</td>
<td>5209</td>
<td>402.8</td>
<td>77.3</td>
<td></td>
</tr>
<tr>
<td>Klaipeda city municipality</td>
<td>98</td>
<td>201.8</td>
<td>2059.4</td>
<td>1</td>
</tr>
<tr>
<td>Neringa town municipality</td>
<td>90</td>
<td>2.8</td>
<td>30.7</td>
<td>2</td>
</tr>
<tr>
<td>Palanga town municipality</td>
<td>79</td>
<td>19.8</td>
<td>247.7</td>
<td>1</td>
</tr>
<tr>
<td>Klaipeda district municipality</td>
<td>1336</td>
<td>45.8</td>
<td>34.3</td>
<td>11</td>
</tr>
<tr>
<td>Kretinga district municipality</td>
<td>989</td>
<td>47.5</td>
<td>48.0</td>
<td>8</td>
</tr>
<tr>
<td>Skuodas district municipality</td>
<td>911</td>
<td>27.6</td>
<td>30.3</td>
<td>9</td>
</tr>
<tr>
<td>Šilute district municipality</td>
<td>1706</td>
<td>57.7</td>
<td>33.8</td>
<td>11</td>
</tr>
</tbody>
</table>

As shown in table 1, Klaipeda county is composed from 7 municipalities, each of them differs a lot in terms of area and population as well as socio-economic development. While being settled not on the mainland but in Kuronian Spit, Neringa municipality (which actually is the amalgamation of several smaller settlements) is the most exclusive community which could be called as a closed one. The core of development is Klaipeda city. County is the perfect example of the principle that socio-economic development rates are faster within the 20-30 km radius round the largest cities because areas that are adjacent to these cities form an overall labor market region (e.g. Kretinga, Gargždai - the center of Klaipeda district municipality, and Palanga round Klaipeda). Socio-economic position of remote areas (as Skuodas district) is quite worse.

Powers of municipality:

From one side, the reform implemented some features of centralization, i.e. some of the former powers of municipality were granted for the newly formed counties. The elected members of municipal councils do not have enough powers to make independent decisions. The rights of local self-government are very restricted because the activity of local self-government institutions in Lithuania is over-procedured in state’s legal acts. Narrow decision-making powers are limiting possibilities and abilities of local municipalities to react adequately to the needs of local communities, to adjust to socio-environmental changes. Actually, Lithuania has not been decentralized yet while lots of governing powers are concentrated in the hands of state’s administration. It is possible to argue only about some degree
of decentralization, which is at best visible analyzing the functions of local self-governments. According to the Law on Local-self Government powers of municipalities were classified according to discretion into:

1) **independent functions** (14 functions). Functions performed within the scope of competence granted to municipalities by the laws, taking account of obligations to the community and in the interests of community. In performing theses functions municipalities have the right to initiate, adopt and implement decisions;

2) **assigned functions** (limited independence) (27 functions). In implementing this and other laws and regulations municipalities perform these functions taking local conditions and circumstances into account;

3) **state** (delegated to municipalities) (30 functions). These are state functions assigned to municipalities having regard of interests of residents. The functions are delegated under the law and implemented in accordance with legal acts. In performing these functions municipalities enjoy the freedom of adopting decisions as prescribed by the law;

4) **contractual.** Functions based on contracts. (Lithuania. Country report…, 2003, p.19-20)

5) According to the numbers of functions it is evident that independence of local self-government is very limited. The functions also are over-detailed and freedom of activity is strictly defined by various legal acts.

Municipalities have powers in many areas of socio-economic development. They are partially independent in the areas of education/training, employment, physical culture and sport, tourism, environmental protection and protection of cultural heritage and business development. In some areas, independence of municipalities is limited by the implementation of powers assigned by the state. For example, the Law on Local Self-Government establishes that participation in the formulation and implementation of regional development programmes is an assigned (limited independence) function. In performing this function a municipal council delegates its members (according to a set quota) to regional councils/commissions, granting them relevant authorisations. The mayor represents the municipality in the regional development council with the right of a decisive vote in formulating and implementing the regional development programme. According to the legal provisions, municipalities themselves could allocate resources for at least partial financing of regional development institutions and their activities. However in the starting phase, with no experience beforehand, it is hardly possible. First of all municipalities themselves lack finances for preparation and implementation of their own economic and social development plans, furthermore it would be complicated to reach an agreement between municipalities on the proportions and priorities to be financed. Planning of territories and implementation of solutions of the master plan/detailed plans of the municipal territory is also an assigned function.

Income of municipalities is an important factor in the performance of municipal functions related to socio-economic development. Local self-governments have to obey to the powers of regional (county) and governmental institutions while they performe lots of state's assigned and delegated functions. For the implementation of these functions local self-governments get financial resources by the decision of central government, not municipal requirements. Financial resources of municipalities consist of:

1) tax revenues received by municipal budgets under the legislation;

2) income from municipal property;

3) fines collected under the law;
4) local dues;
5) income from services provided by municipal budgetary institutions;
6) interest on balances of accounts held by municipalities;
7) income received upon allocation of funds received from sale/lease of state land lots of non agricultural purpose;
8) subsidies from the state budget;
9) other income established by the law;
10) grants (non-repayable financial assistance);

Tax revenues represent part of municipal income; municipal councils may reduce tariff rates on account of their budgets within the limits established by the laws. Funds of municipal budgets may only be used for the performance of functions of municipalities; implementation of socio-economic and other programmes approved by municipal councils; maintenance of municipal budgetary institutions; and provision of public services. Any additional income exceeding estimated budget income as well as saved funds may be retained by municipalities. Funding for the performance of state (delegated) functions is allotted from the state budget or state funds and transferred to municipalities as special-purpose grants.

**Powers of county:**

County is state’s administration subject directly subordinated to central government. It is a higher territorial administrative unit the governing of which is organized by the Government through the governor of the county, ministries and other governmental institutions.

Functions and tasks performed by county’s governor display the purpose of county at best. According to the Law on The Governing of the County there are three main tasks performed by county governor (county):

1) to implement state policy in the spheres of social maintenance, education, culture, health care, territorial planning, monument protection, land use and protection, as well as agriculture, environmental protection and other spheres, and to implement state and inter-regional programs;
2) to co-ordinate the activities of the ministries and other structural subdivisions of governmental institutions lying within the limits of the county, as well as to co-ordinate the activities of executive institutions of local authorities in implementing regional programs;
3) to provide for the priority trends of the county development and prepare its programs. (Law on The Governing..., 1994)

At the beginning of implementing territorial-administrative reform counties were foreseen only as state’s administration subjects. During the integration process into EU countries were realized to form an inevitable background for developing regional level of governing. Right now situation is quite complicated because “the objects, functions and responsibilities of regional institutions and counties are separated by legal acts but in fact regional institutions and counties are indivisible units.” (Raišienė, 2003, p.25)

On 16 May 2001 Lithuanian Government adopted a resolution No.569 on the introduction of the system of the European national accounts. The resolution establishes Lithuania’s regional classification according to NUTS principles
and assigns Lithuanian territorial/administrative units to the following levels for the purposes of international socio-economic comparisons according to NUTS:

- **NUTS 1 and 2** - entire country;
- **NUTS 3** - counties;
- **NUTS 4** - municipalities;
- **NUTS 5** - wards.

In 2003 the Government adopted two important concepts that provide for gradual decentralization of certain governance functions and improvement of the system of administrative units: *Concept of decentralization and deconcentration of certain functions performed by central government institutions* and *Concept of improvement of the system of territorial administrative units in Lithuania and plan on its implementation measures*.

Concept of decentralization and deconcentration of certain functions performed by central government institutions as one of the lines of improvement of the public administration system foresees democratization of county management by setting up partial representation institutions (as proposed in Helsinki Declaration on Regional self-government) in Lithuania’s higher administration units – counties and strengthening already established regional development councils.

Implementation of the concept will be phased as follows:

**Phase 1.** Deconcentration and decentralization of certain functions of central government institutions (2003-2004);

**Phase 2.** Decentralization of certain functions of central government institutions, redistribution of responsibility for certain functions between county governors and municipalities, and democratization of county management - from 1 July 2005, powers of county councils are to be extended by granting them the right of decision concerning certain functions currently performed by county governors;

**Phase 3.** Further democratization of county management. The timeframe will depend on results of Phase 2. The current procedure whereby county governor is appointed by the Government will be abandoned; county governor will remain as an executive authority implementing decisions of the county council. The statutory powers of the county governor (control and surveillance functions) will be transferred to a public administration entity. Further reforms will be carried out taking account of regional management documents adopted by the European Council. (Lithuania. Country report..., 2003, p.24)

Thus essential institutional changes in the present system, namely democratization of county governance will not start before July 2005 – that is after elections to Lithuanian Parliament.

The Concept on the improvement of system of administrative territorial units of Lithuania foresees increase in the number of municipalities, however increase will be gradual as new territories will have to meet criteria and other conditions outlined in the concept. Concept includes commitments to prepare methodology of economic reasoning for setting up new municipalities as well as to carry out surveys of local residents. According to the officials of the Ministry of Interior the very start of establishing new municipalities could be related only with next election to municipal councils in year 2007. According to the concept, number of counties in the period up to 2010 will remain the same. County borders while establishing new municipalities could be revised.

**Interaction among central government, municipalities and counties:**
Analyzing the interactions of these different levels of governing there are some interesting outcomes. First of all, conventionally the relation among central government, counties and municipalities should be as following: central government - region/county - municipality. The Law on Local Self-government, however, induces some deviations from the conventional model. The main problem is that the law implies direct interaction between municipalities and central government. The Law on the Governing of the County also induces some deviations from the conventional model while the law implies direct interaction between county governors and citizens. Thereof the main principle of subsidiarity is infringed. Nevertheless the reform has not been finished yet and there are some positive steps towards the purifying relations among different levels of governing.

The main aims of the further reform are purification of the relations among different levels/tiers of governing and minimization of the distinction between governmental authorities and citizens (actually, this is the main task of public governance). Situation is quite complicated due to the reason that on the background of former planned state’s administration level - county, - the new administrative level - region, - was introduced. Regional level differs from county level because the former is oriented rather to self-governing than state’s authority, therefore it has more independent functions. The practice of mature Western democracies implies that local self-governments should be oriented towards the solving of problems of local community, as regional level is solving more bigger problems as economic development, investments etc. In Lithuania it becomes hard to imply while local self-governments are very big in terms of territory and population (average number of population living in local self-governments in Lithuania is 60 thousands). Moreover, as it was mentioned above, there are plans to imply only partial self-governing of regional level while the practice of Western democracies shows (and Helsinki Declaration on Regional Self-Government proposes) to imply direct and full regional self-governing.

Chapter 4: Leadership as endogenous factor in local self-government: Klaipeda case

4.1 Leadership in local council

As governance is first of all conceived as a broader citizens’ involvement, the primary way to it is participation in elections.

First elections after the implementation of territorial -administrative reform were held in 1995. Members of local councils were elected for a two-year term in multi-member constituencies on the basis of universal and equal suffrage, by secret ballot in direct elections according to the proportional election system. In 1997 the term was prolonged for a three-year and since 2002 law’s amendments members of municipal councils are elected for a four-year term (the same as parliament’s term). Despite that elections are the straightest way for electing the most worth persons representing community, representation of local community in local council differs a lot from the main structure of the city.

First of all, despite the fact that women compose 54 % of city’s population, their under-representation in local council is apparent. As represented in Figure 2, disproportion of men and women in the council has not changed since 1995.

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2 Author’s calculation using statistical information from www.vrk.lt
Secondly, there was an apparent over-representation of some very small national minorities during the first three elections. As represented in Figure 3a, the main two national groups in Klaipeda city are Lithuanians and Russians forming, respectively, 71% and 21% of the whole city’s population. The other national minorities are not so apparent, however, as represented in Figure 3b, they had their representatives in the council. Until 2003, Polish, Ukrainian and Belarusian minorities were represented in council by 3-6.5%, while they compose only 0.4%, 2.4% and 1.9% respectively.

**Figure 3a: Representation of national minorities in Klaipeda city 2001**

**Figure 3b: Representation of national minorities in local council 1995-2003**

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3 Author’s calculation using Housing census statistical information from [www.std.lt](http://www.std.lt)
4 Author’s calculations using statistical information from [www.vrk.lt](http://www.vrk.lt)
The third interesting aspect about national minorities is that almost all representatives participate as members of independent political powers. As shown in the Figure 4, political powers, representing national minorities, are stably pleaded in local council as independent political powers.

![Political affiliation representation in local council 1995-2003](image1)

One more apparent approach analyzing political affiliation is that all this time there was a consistent support of right or central-right political powers. It may be one of the factors, conditioning fast economic growth of the city. However, as shown in Figures 5a and 5b, differently from the city’s structure, local council was and is dominated by 40-49 age group persons.

![Age groups representation in Klaipeda municipality council 1995-2003](image2)

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5 Author’s calculations using statistical information from [www.vrk.lt](http://www.vrk.lt)
6 Author’s calculations using statistical information from [www.vrk.lt](http://www.vrk.lt)
It wouldn’t be any exclusive case, but, as shown in Figure 6, until 2003 local council was dominated by business, some part of education and very little of other professional groups’ representatives. Besides, more than 50 % of members of local council are heads of various organizations (namely, business).

Figure 6: Representation of professional groups in local council 1995-2003

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7 Author’s calculation using Housing census statistical information from www.std.lt
8 Author’s calculations using statistical information from www.vrk.lt
Distinction was very notable during the period of 1997-2000 when there was going the biggest process of privatization in Lithuania. Connecting these presumptions, it may be possible to affirm that the dialogue with the society wasn’t very efficient and political leaders were getting the features of closed strata.

Nevertheless, there are some positive changes towards a greater representativeness. Despite that impulse comes from central government (as “top down initiative”) it has a very positive and progressive impact on local self-government. Until the decision of Constitutional Court, forbidding the members of parliament to be the members of municipal councils at the same time, there was a strong tendency towards electing the same councilors to the local council every next election as shown in figure 7. After the amendments were introduced, more new and young people came to local council (as shown in figure 7, 2003’).

Figure 7: The change of the members of municipal council 1997-2003

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9 Author’s calculations using statistical information from [www.vrk.lt](http://www.vrk.lt)
Local councils, as well as all political representation structures, are the most “leadership” from all local institutions. Leadership here is an active variable, sometimes even over-active. The main problem concerning leadership in local council is how to achieve democratic and transparent, correct representativeness. As shown in all the figures of this chapter, political leadership (especially in local communities) gets features of closed strata in countries experiencing transition, as is in Lithuania. Local society, while living in transition period and concerned mostly with its own (socio-economic) survival, is not able to dissolve these closed strata’s. Therefore the “bottom-up initiative” doesn’t work enough and there is a huge need for the “top-down initiative” as was in the case forbidding to be the member of parliament and local council at the same time.

4.2 Community leadership

Community leadership, as proved in various investigations (Johansson, 2000), could be a very effective endogenous factor if used correctly.

Community leadership most often is related with:
1) nongovernmental community organizations, namely NGO’s;
2) direct participation (various movements, IT possibilities etc.).

It is proven that NGO’s are the main endogenous source for local (economic) development (Johansson, 2000), as they are the most capable to endow resources (human as well). However, as in the case of Klaipeda, the existing amount of NGO is hardly classifiable due to various reasons. Secondly, it is noticed (though not proven) that local council members, besides taking the leading positions in various organizations, also participate in activity of NGO’s. Therefore the requirement of transparency and accountability - as the main for local governance - are hardly taken into account.

Actually citizens are less interested to use traditional methods for participation and are more interested in ways for direct participation and influence. According to Finnish Participation Programme (Kurikka, 2004b), the main trends of direct participation by citizens were grouped as follows in Table 2, while marks show the intensity of participation possibilities according to the trends in Klaipeda municipality (1- no abilities for participation, 2- small abilities for participation, 3- good abilities for participation, 4- very good abilities for participation):

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information - participation</td>
<td></td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning - participation</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision - participation</td>
<td></td>
<td>+</td>
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<td></td>
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<tr>
<td>Action - participation</td>
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<td></td>
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</tbody>
</table>

Information - participation means easy forms for implementing the participation, like information to citizens, hearing of the citizens, replies to questionnaires and service quality norms. (Kurikka, 2004b) This form is mostly related to e-government’s development which is getting better in Klaipeda municipality and county. The comparative research

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of all Lithuania’s municipalities and counties, however, show that Klaipeda municipality and county are not the best at developing e-government. (Petrauskas, et al, 2003)

Planning - participation is deeper co-operation between municipality and citizens than information. It may include joint planning processes and city forums. (Kurikka, 2004b) Planning and participation has not been regulated enough yet. The simplest example is the event when city’s authorities decided to build a monument in the center of the city without deeper discussion with local community and even against the widespread opinion. Of course, local authorities take public problems into account but direct participation in planning procedures is quite restricted and available mostly to the well informed people.

Decision - participation may include joint production of services or direct participation in decisions on the citizens’ neighbourhoods. (Kurikka, 2004b) This form of participation tends be pluralized when the so called “tribune of the citizens” will be introduced.

Action - participation is citizens own actions in their living environment or in the service- or operational unit. (Kurikka, 2004b) The city is not divided into smaller territorial-administrative units, namely wards, therefore the abilities of taking any local actions is quite complicated.

The research of Klaipeda municipality showed that there are some participation channels, but they are not effectively used and are quite limited. Public democracy and participation will not work while abilities to create sub-local territorial units - wards will not be introduced for Klaipeda citizens.

Actually M.K. de Vries’ (2003) investigations, especially those concerning attitudes towards leadership and participation, compared to Klaipeda municipality data provide for quite similar results, which are distinctive for the whole CEE region. Dominating attitude that “most decisions should be left to the judgement of experts” (de Vries, 2003, p.57) confirm the actual situation in local self-governments. There are lots of various experts working for Lithuanian municipalities, especially from Scandinavian (including the Netherlands) countries. It explains why Lithuanian municipalities have established lots of elements similar to the Scandinavian type of self-governing while the whole environment and historical heritage is completely different and not always suitable for it. The principle of isomorphism is working here also, but at different scope.

The research of Klaipeda municipality confirms another statement from de Vries’ investigation, that “East European local elites are, however, much less favourable about public participation as such. … local elites in Eastern Europe are much more skeptical about public participation in general and like decision processes to be restricted to knowledgeable people.” (2003, p.59)

Summing up the situation it is possible to state that citizens are not participating as much as they could. The channels for it are created but there is a lack of information how to use them. The problem could be solved if there were some “top-down” impulses, but it is hardly expected due to the reasons stated above. It shows once more that local self-governments are over-politicized and community leadership here depends on political leadership a lot. Therefore the research confirms that all local self-governments in transition countries are over-politicized.

4.3 Public service leadership

Leadership in public service is one of the weakest positions in creating local governance in Klaipeda municipality. Nevertheless, Klaipeda is one of the best examples from all other Lithuanian municipalities. Tendencies towards the New Public Management are the most obvious in Vilnius, Klaipeda and Neringa municipalities. The reason
for this is that almost all the time the councils of these municipalities were dominated by central-right wing parties which declared lots of NPM’s elements in theirs programs. Above all, Klaipeda municipality was the first in Lithuania which has introduced Strategic Development Plan.

The basic starting principle for effective public service is application of Weberian style public administration. Mature Western democracies have passed from Weberian style to public governance gradually. Countries experiencing transition are distinguished because their public service has lots of different elements of public administration styles combined. First of all, the communist heritage could be called only as pseudo-Weberian. Secondly, the time when countries of new democracy have started implementing independent structures of public administration, countries in the rest of the world were experiencing the development of the New Public Management’s idea. At the moment public administration is experiencing some kind of post-NPM period, while public service in countries of new democracy provide for some kind of mixture of Weberian, NPM, post-NPM ideas and some elements of communist heritage. It complicates not only the research but the possibilities of future prognosis and reform’s directions as well. The variable of leadership here works at least.

Conclusions

The objective of the paper was to introduce a concept that development of any territorial unit depends on the leadership variable, which is crucial for public governance. The concept implied the idea that leadership acts as endogenous development factor. Besides, it has a strong impact in changing the status of certain territorial units especially of those acting as periphery/semi-periphery and shifting towards the status (respectively) of semi-periphery/center. The notions of institutional isomorphism and resembling activity model were introduced as the most adequate. The results of the research showed that:

1. While the reform of territorial - administrative decentralization has not been finished yet, it is very difficult to create effective public governance because the relations among different levels/tiers of government and citizens have not been purified yet.

2. Local self-governments are over-politicized in transition countries therefore leadership (as endogenous factor of any local governance) in the three main components of local governance - local council, local community and local public service - are distributed disproportionately. Citizens do not have enough information and knowledge about the participation abilities therefore the main networking channels remain unused.

3. The research confirmed that public governance in countries of new democracy is very disputable while they are undergoing the process of democratic transition.
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