LOCAL GOVERNANCE IN EUROPE
The experience of Spain
WHY EUROPE?

- Strong local tradition
- Diversity of institutional models
- Common challenges
- Intensive cooperation
- Extensive evidence (EGPA, EPAN)
Local governance is a public policy process with some special features:

- Composed by formal and informal rules, structures and processes to solve problems and meet social needs
- Inclusive, because of the legitimacy of all stakeholders
- Defined by the need of trust, commitment and a system of bargaining (EGPA, 2001)

Are local units making policy?

- CEE countries, what about the Arab world?
- Local empowerment: reinforcing existing communities
- Local decentralization:
  - Creation of new organizations
  - Constitutional arrangements to reform the legal and financial capacities
The decentralization dilemma

- Decentralization or local empowerment require
  - Identification of the endogenous forces that can support the process
  - Trust from people and trust from higher governments
  - Local force + trust = policy delivery

- Highly political issue
  - Is the elite of a given centralized country willing to change and share power, capacities and resources?
  - Is the elite ready to lose command and control?
Challenges driving local reform

- New forms of local governance emerge when:
  - Municipalities are reactive to
    - Positive economic opportunities
    - Negative economic pressures
  - Municipalities are reactive to more educated, aware and responsible citizens increasing popular participation
  - Municipalities are reactive to demographic changes
    - Ageing society
    - Immigration
    - New family structure
- These problems require intensive cooperation within organizations and with the environment
Local networks

- **Empirical facts:**
  - An increasing number of local policy issues are based on a consensus which looks for cooperative solutions through negotiations between local authorities and other stakeholders.
  - The number of actors involved in local public policies has increased considerably.
  - Public services are not provided in isolation by the public sector.

- **Normative approach:**
  - New concern for values such as equity, ethics, transparency and trust (going beyond the three E’s of NPM -economy, efficiency, effectiveness-.)
Who composes a network?

In general:
- Citizens (as individuals)
- Voluntary sector (unions, parties, community organizations)
- Business
- Media
- Higher levels of government
- Local authorities

But:
- What is the real community in a given place?
- How the real community can be involved in policy processes?
- Usually, all countries have institutions for self government that sometimes have been overtaken by other
- In remote areas civil society is stronger
Do networks cover all forms of local governance?

- Network management is an important aspect of local governance, but other mechanisms remain:
  - Hierarchies
  - Markets
  - Communities

- Governance not only involves co-operation, but also competition and conflict management

- The key governance issue is not how to network, but which governance mechanism is appropriate in which context

- Governance does not replace government, but it is a complement: power cannot be on the street but on representative institutions
Some key issues

- The role of local authorities
  - Facilitating or leading role?, in which areas?
  - Avoiding the reactive government, direction and strategy are needed

- The role of citizens
  - Civil participation requires social capital, information, trained local officials
  - Civic participation is still the exception rather than the rule

- Networking in local governance is still an emerging trend
Are we so different?

- Research agenda for local governance in Europe, EGPA, 2002
  - Factors leading to success
  - Impediments to the developments of good local governance
  - How transfer lessons
  - Explaining variation: what constitutes excellence in one country may have become the norm in another country or even have negative connotations in another country
  - More research is needed on: stakeholders, instruments, ICT approaches
Spain

- From napoleonic system...
- ...to a highly decentralized system...
- ...looking for cooperation, governance and participation
Sub-national government share in general government revenues and expenditure

![Graph showing sub-national government share in revenues and expenditure for different countries.](image-url)
SUB-NATIONAL SPENDING AND EMPLOYMENT

A. Sub-national government spending in Spain and in selected OECD countries

B. Employment by level of government
Public employment structure
July, 2005

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<tr>
<th></th>
<th>Number</th>
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<td>Central government</td>
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<td>Regional governments</td>
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<td>Universities</td>
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Regional vs. Local governance

- Competition for responsibilities and resources
  - Tendency to limit the local autonomy through invasive regulation
  - Duplication of resources and programs
- High level of conflict and judicial intervention
- Politization of relationships
Current trends

- Institutional setting for intergovernmental relations
- Direct democracy and participation
- Reinforcing capacities for political leadership
- Revising powers
Too much or too little decentralization?

- From succes stories...
  - Welfare at micro level
  - Immigration
  - Infrastructures and equipments
  - Political participation...

- ...to the Marbella scandal
Costa del Sol or Costa del Concrete?

- Monopoly of decision over
  - land use & building licenses & land market

- In a honest way
  - Too much construction
  - Too high prizes

- In a corrupted way...

- Central government intervention
POLIBIUS PROJECT

REINFORCING ACADEMIC RESOURCES IN THE FIELD OF GOVERNANCE AND PUBLIC ADMINISTRATION IN THE MEDITERRANEAN REGION
SITUATION IN MEDA

- Evaluation of higher education and research resources

Conclusions:
- Big challenges in the area of new forms of governance
  - Networks of public service delivery
  - The role of citizens/civil society institutions in governmental affairs
  - Management under conditions of public accountability
- Mismatch between academic supply and policy/practitioner demand in good governance
  - Limited diversification of programs and expertise
  - Social divide: elite institutions and the others
  - Research deficit
    - Limited production and dissemination
    - Lack of empirical culture
INITIATIVES

- Reinforcing research
  - Journal of Public Administration
  - Network of young researchers
  - Workshop in EGPA annual conference

- Links with the profession
  - Participation in the network of national schools of PA
  - Intensive training program for officials and scholars

- Academic development
  - Platform for joint curriculum development
  - Quality assurance
References

