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(editor)

# **Local Reforms in Transition Democracies**

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## 1. Local Public Reforms in Central and Eastern Europe: Agendas for the Future?

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Public administration reform is one of the most frequently exercised plans of action that almost all governments of the world exercise in order to either improve something or declare some improvement. However, public administration reforms fail quite often and do not result in promised outcomes. From this perspective, Central and Eastern European countries are perfect research areas. They have implemented plenty of reform strategies since 1989/1990, including those linked to local governments. Only some of them may be considered successfully implemented reforms. The main goals of this chapter are to point out several phenomena that were linked to the local public reforms in Central and Eastern Europe, and to stress that there is still a significant number of issues to be solved.

**Keywords:** public administration reform, decentralization, local government, Central and Eastern Europe (CEE)

### Reforms of Public Administration Structures in Europe

The debate on reform, both political and academic, is often a debate with rather rationalistic, normative and sometimes even moralistic undertones. “Reform” should be identified at the outset and attached to a formal government program. The reality of administrative reform as a process, however, is that it constantly circles around two principles, and it is best conceived of as somewhere on a continuum between planned change on the one hand, and emerging strategy on the other (Toonen 2007, p. 306).

Administrative reform is one of the most frequently exercised plans of action that almost all governments of the world have tried in order to streamline their administrative systems and to carry out public

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policy choices ever desired or demanded by time and change since the ancient world. Indeed, administrative reform may be considered a hallmark of governmental actions that signal changes and transformation, promises and prospects, and hopes and opportunities. However, reforms may or may not result in promised expectations, and very often reforms fail for a variety of reasons (Farazmand 2006, p. 546).

Basically, the problem is that reforms in government often start with high expectations and end in disarray and disappointment, usually for two reasons. One reason is bureaucratic resistance to change, and the second is associated with lack of political will. For instance, the process of decision making over decentralization in Slovakia (2000-2001) is a painful example of how administrative/bureaucratic obstruction and unwillingness to forge political compromise can delay, and almost destroy an ambitious policy of decentralization (Verheijen 2002, p. 48). However, although reformers may get both bureaucratic resistance and political will under control, it is not sufficient to guarantee the success of any reform. As listed in *Preparing Public Administrations ...* (1998), it is possible to identify five conditions that can determine reform and its quality:

- External pressure – all countries (or more precisely their governments) of the former socialist bloc – including countries compared in this monograph – were under enormous pressure from various actors to introduce those reforms which furthered the process of their transition;
- Internal dissatisfaction – a feeling that things could be done differently and better is essential to maintain the motivation for reform, which means that a *status quo* policy approach is very rare the best;
- A reform strategy – without a strategy and a clear reform project, every reform is sentenced to failure;
- A mechanism for managing reform – in modern government, reform is the management of change in organizations as well as the working relationships among networks of organizations;
- Feedback and evaluation – these two elements are important politically (to give reforms political visibility) and managerially (to provide reformers relevant evidence and information with regard to realized activities), too.

Managerial and organizational reforms have been the key concerns to the field of public administration ever since the invention of modern organization theory, beginning with the scientific management and science of administration in the first half of the 20th century (Burrell

and Morgan 1979, p. 118). As written by Toonen (2007), the utilitarian, instrumental and technocratic character has been very typical for earlier administrative reform movements (movements that came in the light especially during 1960s and 1970s), stressing for example rationalization and democratization of administrative systems.

If we restrict ourselves to the past twenty years, the reality of international public administration manifests a much larger variety of models and modes of reform (Toonen 2007, p. 301). According to Toonen (2007), one can recognize several models of public administration reform in the recent two-three decades:

- (1) New Public Management reform – It was successfully implemented for instance in the United Kingdom. However, if one looks at the United States or other former Commonwealth nations, the implementation of managerial reforms led to very diverse picture of outcomes.
- (2) Welfare state policy reform – A major goal of this kind of reforms was cutting back expenditure. The countries with welfare state system were focused on redesign policies, budgets and policy programs.
- (3) Institutional reform – Reform processes aimed at privatization, de-bureaucratization, customer-orientation and decentralization were implemented especially in countries like Belgium, France or Italy. However, managerial philosophy was not engine of these reforms.
- (4) Regime reform – A few Southern European countries (e.g. Greece, Portugal and Spain) can be used as a suitable example of public sector reform area where systems faced a regime transformation from dictatorial/semi-dictatorial systems into civil democracies.
- (5) Comprehensive reform – Some British policies that were implemented at the turn on 1970s and 1980s can be characterized as comprehensive, non-consensual, centrally guided and legislated process of public sector reform. Furthermore, high degree of visibility, vigour and radicalism were quite typical for them.
- (6) Gradualist reform – Germany is considered an example of country where rather gradualist reform processes were implemented. These processes are characterized as consensual, step-by-step experimental proceedings. However, concerning Germany, comprehensive reform processes can be identified by the incorporation of the former Eastern Germany.
- (7) Transformation without reform – Gradual development led in some countries into transformation without implementation of any real public administration reform. A nice example is recent transformation of urban systems that were changed in the recent twenty years

mostly without an explicit reform strategy (usually as a by-product of other structural developments).

- (8) Non-reform – In the recent years, countries like Austria, Luxembourg or Switzerland implemented no significant public administration reform. This is not connected to their incapability to modernize its own public administration systems. Vice-versa, it is connected rather to their stability in terms of public administration.

The political and administrative transformation of the former Eastern block countries (the CEE countries) can obviously not be excluded by any definition of administrative reform (Baker 2002, p. 7). The CEE countries have gone through a few very important changes in a relatively short period since 1989. They have had to introduce significant changes: political (for example implementation of democratic elements, consolidation of democracy, horizontal and vertical division of political power, etc.); economic (for example elimination of the limits of market economy, extension of private property, implementation of new economic policies, etc.); and administrative (for example new structure of public administration system, new principles of action of this system and its bodies, improvements in delivering of public services, etc.). Besides, the introduction of pluralist democratic government at national level led in almost all CEE countries to an immediate demand for a parallel reform in local administration (Davey 2002, p. 35). Some of them were started already at the very end of 1989 or beginning of 1990s, and some later; however, only part of them is successfully finished so far.

The countries in the CEE region began with a wide variation of initial conditions before embarking on the transition process. They had different historical and cultural legacies, geography, economic and social structures, lengths of periods of central planning, experience with market reforms, etc. Even the effects of the communist legacy are not identical across the CEE countries (Meyer-Sahling 2009). For example, those countries – such as the Czech Republic, Hungary, and Poland – which already had an industrial economic base or had already experimented with economic reforms, were more easily able to liberalize their economies (Professionalism and Ethics... 2000, p. 10). On the other hand, there are also countries which economies were saturating before 1989 mainly “politically ordered” products for the other countries of the Socialist block. Stern ironically states at this point that Belarus “got” tractors, Slovakia tanks, and Bulgaria toothpaste (Stern 1998, p. 3).

As far as the Baltic countries, they were often considered to be among the more developed of the economies of the Baltics, Russia, and

other former Soviet Union countries, with a standard of living at the outset of the transition well above the average for the former Soviet republics. On regaining independence in 1991, the governments of the Baltic countries embarked upon comprehensive programs of economic and political reform (Berengaut and Lopez-Claros 1998, p. 2).

But generally, most of the CEE countries were in the early 1990s ill-equipped, with inadequate public administrative structures inherited from former regimes. Major political and economic structural changes have not been accompanied at an even pace with public administrative reforms. This has led to situations of a lack of harmony between a market economy and a democratic state on the one hand and an unchanged functional and organizational system of public administration, working under often outdated legal regulations, on the other (Professionalism and Ethics... 2000, p. 11). Furthermore, decision making processes about reforms and the implementation of reforms require highly professional staff at all levels of public institutions. Unfortunately, the role of education and training in public policy and administration has not been taken seriously as a valuable tool for facilitating successful reforms during the building of the new democracies in the CEE countries (Rosenbaum and Gajdošová 2003, p. 3). All these phenomena led to many misunderstandings, unsuccessful implementations or failures.

### **Importance of Local Level**

Turning specifically to the democratic theory, the theoretical antinomy in regard to position of local political level has at least two sources. On the one hand, the pluralist view of liberal democracy often idealizes local politics as a seedbed of democracy. At least since De Tocqueville, local politics have held a privileged space for educating citizens in democratic norms, organizing them in the pursuit of their interests through electoral politics, and more generally checking the centralizing, authoritarian tendencies of the central state apparatus. Even Schumpeter recognized that only local politics could allow for greater levels of citizen participation beyond voting for candidates (Oxhorn 2004, p. 17). On the other hand, communitarian alternative places community interests above those of the individual voters so important to the liberal or pluralist view. The communitarian theories of democracy are also based on what is essentially local politics. The work of Rousseau stands out here, including its tendencies to at least implicitly endorse a tyranny of the majority that marginalizes (or worse) minorities and makes



active citizen participation redundant by stressing the objective nature of the “common interest” (Oxhorn 2004, p. 18).

The ubiquity of local political issues provides the most obvious testimony to its importance in the processes of governing the state. With few exceptions, all countries have a system of local government (or designated agencies such as local public utilities) through which those functions of government that need to be locally delivered can be structured (Paddison 2004, p. 19). It is associated with a fact that local governments are created to render services in defined geographical areas, primarily because of the inability of central governments to attend to all the detailed aspects of government (Reddy 1999, p. 10).

Local governments have essential roles to perform in providing urban public goods (streets and walkways, storm drainage, public green spaces, etc.), in facilitating efficient use of and equitable access to urban land, in ensuring coordination through planning and policy correlations, if needed, do account for positive and negative spill over effects of private activities (such as pollution), and in protecting public safety (Cities in Transition... 2000, p. 7). Besides that, local governments in the democratic countries usually employ notable number of overall labour forces. It comes to this, that local authorities' staff involves many different professions – from accountants and architects, through dustmen and gardeners, to solicitors and teachers. By means of Jackson's words, it involves everybody who is essential to the efficient provision of local authority services (Jackson 1976, p. 125).

The institutional representatives of local governments are usually communities (or municipalities). Obviously, there are countries where also some other institutional units act at the local level – e.g. the boroughs and counties in United Kingdom. Aside from this statement, communities or municipalities form the most fundamental base of local political level in the most of present democratic countries. However, communities or municipalities form not only some level within a frame of existing administrative and political structures. Vice-versa, they are considered a school of democracy because in the communities people can learn various manner of politically correct behaviour. Furthermore, people can train their political abilities in the communities or municipalities, for instance ability to co-operate, ability to be involved into decision-making processes, ability to decide in a case of division of opinion, ability to find a compromise, or ability to make use of various influences (Bogumil and Holtkamp 2006, p. 9). However, the communities and municipalities are described or defined alike by some other authors too.

In terms of political socialization as well as development of public participation the communities and municipalities are described as a