

Integrative Approach to the Reorganization of Self-Government and Local State Administration

Polonca Kovač, PhD¹

Abstract: Slovenia is striving for the rationalization and democratization of its public governance and administrative organization. The paper critically evaluates the reorganization of local administration – in terms of assessing its effectiveness – through the necessary integrative approaches at the state and local self-government levels. Local self-government in Slovenia comprises 212 municipalities and no regions, combined into 58 local state (general territorial) administrative units, which makes it rather fragmented and weak despite several reorganization attempts since the mid-2000 and the recently planned reform for 2014-2015 to overcome the two-tier public administration and economic local non-efficiency, which are typical of Slovenia. The analysis of the Slovene institutional landscape in local public administration can serve as a lesson since the strategic reorganization of political and administrative societal elements should – in addition to striving for local democracy – encompass administrative integration toward citizens, businesses and civil society in order to achieve good (local) governance.

Key words: reorganization, local governance, self-government, state administration, Slovenia.

1. Introduction

The paper critically analyzes several more or less elaborated strategic efforts to reorganize Slovenia's local administration, thus achieving an increased level of democracy and participation and rationalizing administrative structures. Local self-government in Slovenia developed most notably in the initial period of state independence in the early 1990s. After that, rather counterproductive processes took place, resulting – despite a population of only 2 million – in a fragmented local authority with currently 211 municipalities (and one to be established in 2014) and no regions, and a certain degree of etatization. Regionalization attempts around 2006 to overcome the two-tier type of public administration that was typical of Slovenia failed, too (cf. Vlaj, 2008, aimed otherwise at developing local governance and an efficient and sound management of resources to ensure quality services for the local and regional population). About the same occurred in 2007 when the Slovene government intended to establish (14) administrative districts, integrating 58 local general administrative state units and other decentralized entities of state administration (15 tax offices, 8-13 inspectorates, etc.). Slovenia thus presents a lack of systematic local rationalization compared to the majority of Western Europe (cf. Wollmann, 2011). However, to achieve an effective and good administration, particularly as regards citizens and businesses, local authorities and public services providers are expected to act as a harmonized system within good or collaborative governance (Schuppert, 2011, Virant, 2003). A modern local and state administration should be user-friendly and therefore meet some of the basic conditions, such as (Ferfila et al., 2008: 5) general concern for quality services, well organized provision of information for the users, properly trained local administration staff, decentralization to

¹ Polonca Kovač is an Associate Professor at the Faculty of Administration of the University of Ljubljana (Slovenia).

ensure better responsiveness, etc. (cf. Peteri et al., 2002, SIGMA, 2008). Despite the need in (post-transitional) Slovenia to still develop strong(er) local communities, the latest strategy on public administration development for 2014 and onwards aims – following the analyses and recommendations of experts – at a certain degree of unification or even centralization. The expert working group in fact suggested to the government that the administrative system be reorganized in 2014-2015 in the form of (8-12) local state administrative districts, simultaneously with the functional definition and territorial reorganization of state administration and the parallel (vertical) distribution of powers to/within municipalities.

Local self-government represents the realization of the right of the people living in a specific area to participate in public governance decisions concerning matters of local importance (as defined by the Slovene Constitution, Articles 9, 44, 138-144, more in Ribičič, 2010, Šturm et al., 2011). Since 1995, a two-tier administrative system has been in force in Slovenia, which gives primacy to the state government and an instrumental nature to local self-government (cf. Šmidovnik, 1995, noting that the administrative process at the level of a municipality is of an executive nature in relation to national regulation, but contains original self-governing elements). In order to prevent absolute concentration of political power, localize political conflicts, enable citizen participation in governance decisions, increase the quality of services, etc., the theory of political decentralization also provides well-grounded bases for the dualism of state administration and local government. The reason for the 1994 reform of the previous municipal system with a double function of municipalities was the theoretically and traditionally separate definition of the nature and functions of these two systems. When transferring to the new system, experts were subject to political compromises, thanks to which the current territorial fragmentation is merely a reflection of a deficient functional labor division. On the other hand, the two-tier system enables a parallel organization of local self-government and state administration at the local level. In this, the defenders and opponents of one or the other system – whereby diametrically opposing viewpoints are present even between ministries – emphasize only their part of the arguments (Kovač, 2008), whereas balance should be searched for instead.

Hence, the basic hypothesis of this paper pursues the reorganization of local self-government and/or local state administration as a reform reaching beyond the boundaries of only municipal or central/national/state structures. Partial redesign always raises the issue of redefining the tasks and restructuring counterpart (i.e. municipal v. state) administration, even within the two-tier state, and local self-government authority system is preserved. Since the entire public administration system should function interdependently, any reforms should be based on prior relative qualitative and empirical analyses. Overly rapid change in the political-administrative system is contrary to empirical base and open debate, and counterproductive to the fundamental values of public administration, especially acknowledging the rather low administrative capacity in the post-socialism environment, emphasized within local governance. The basic question of the analysis is to define elements which fundamentally distinguish local self-government from (local) state administration, and to balance these with elements requiring the harmonization of both institutional settings as a unified authority system with respect to its users in the local and broader communities. The analysis of Slovene institutional landscape at the local administrative level can serve as a lesson for other small countries and Eastern Europe states, since the strategic reorganization of political and administrative societal elements should encompass a systemic approach or a holistic administrative integration in order to achieve public policies' efficiency and good (local) public governance.

2. Good (local) public governance

The quality of public governance – also known as good, new or sound governance, and considered by OECD and EU documents (cf. Article 41 of the Lisbon Charter concerning the right to good administration) as a pillar of sustainable development, together with economic development and social cohesion – largely depends on professionalism and effectiveness of public administration. Public administration is a professional apparatus with a significant influence on the quality of public policies and their implementation, and hence on the quality of citizens' life and economic competitiveness. Public administration reforms are thus crucial for the society and the state. By improving the work of public administration, the state ensures itself an apparatus whereby it can make improvements in other areas as well. Public administration reforms are thus one of the major projects of independent Slovenia (Kovač & Virant, 2011: 30, 209, cf. Grafenauer & Brezovnik, 2006). However, authorities must distinguish whether they are dealing with power – as an institution and regulator (even if only in the executive capacity), or with services for the people – as an organization and service provider. When there is an organization in question, there is no doubt that an efficient public sector is also in the interest of the economy. But also regarding the regulatory role there is a doctrine on good governance in place. According to the OECD (2004, cf. Statskontoret, 2005), there are eight major characteristics of good governance: participatory by legitimate representatives or institutions, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, involving all stakeholders, follows the rule of law. The old regulatory role of the state and municipality is giving way to the new role of partner (Schuppert, 2000: 277, more 2011). Partnership of all forms fits in the center of good governance, emphasizing efficiency, involvement and networking, as well as public/private and state/self-governing administrative structures.

Restructuring, especially in terms of regionalization, is in place all over Europe, both in countries with a long tradition of local self-government (Germany, England, France, etc.) as well as in the new democracies (Czech Republic, Poland, Slovakia, etc., more Vljaj, 2008, Rakar, 2013). Constitutions are changing, new legal frameworks are being adopted, the principle of subsidiarity – which strengthens the position of local and regional communities – is being implemented, new financial arrangements between the state and sub-state levels of authority are being developed, institutional dialogue is growing between all levels and branches of governance, the participation of citizens in local and regional democracy is being fostered. Above all, with the Council of Europe as a change driver, emphasis is being put on good governance of local and regional communities to deal with public issues at a level as close as possible to the citizens (cf. the *European Charter of Local Self-Government*; reports and proposals of the *European Committee on Local and Regional Democracy*). In such context, a shift from traditional to modern can be observed, as the classic local governance merely refers to institutions set up to provide specific services and goods on a rather small territory, while modern local governance is a much broader concept exceeding the legal aspects and including a variety of (in) formal relations between different players in this and related fields (Bačlija et al., 2013: 39, 98).

In this, public administration as the reflection of state authority is a key factor of social development; it operates as a necessary regulator and performer of public tasks. The Slovene legal system defines public administration as an integrated system of several segments centered around state administration, followed by the administrations of local self-governing municipalities and the holders of public authority (usually within the framework of public services delivery) at the instrumental operational-professional level. However, in performing

administrative tasks and delivering public services and within modernization, globalization, and liberalization processes, public administration must improve its internal operations and performance in the sense of achieving goals, among which the most important are the protection of public interest and the satisfaction of public services users. According to the doctrine of good governance, public administration must establish participatory strategic planning within its own structures and in relation to other social subsystems (OECD, 2004, cf. Statskontoret, 2005, Kovač & Virant, 2011: 35). Decentralization from state to local self-government in this respect can range from a relatively small transfer of the implementing function to an almost complete transfer of all functions (the implementing, decision-making, and supervisory functions), except for supervisory work which functions as their final connecting component (Trpin, 1998: 254). In this context, the transfer of jurisdiction to the local level (regardless of the one-tier or two-tier system) together with the decision-making (and not only implementing) function could represent a positive change in Slovenia because local authorities usually show more understanding and even dedication to their local users, understand their problems better, actually solve their problems and do not merely “deliver public services”, are more adaptable and creative and even more cost-effective, and implement the standards of good behavior more effectively than the central office (cf. Osborne & Gaebler 1994: 66–70). Thus, the concept of the autonomy of local authorities is connected especially with users’ participation based on the society’s democratic nature, which leads to legitimacy of administration. However, public administration can only perform this if it is directed and controlled top-down at a central level and simultaneously bottom-up by the people i.e. the citizens.

The concept of municipality as the basic unit of local self-government is most often correlated to the concepts of self-governance and political participation. Yet at the same time not much is said in Slovenia about the role of the municipality as a governing system or system of governance at the local level. This is one of the reasons why the implementation of political decisions – similarly to economic (in)efficiency – in municipalities is often disregarded, poorly controlled and insufficient (cf. Ferfila et al., 2008: 7). It is therefore positive that (local) governance develops also based on complementary models, such as transparency, participation, local decision-making, public and private networking or relations between different levels, and accountability (cf. Bačlija et al., 2013: 97-117).

3. Differentiation and harmonization of local self-government and state administration

Institutional arrangements and procedures are – particularly in the initial periods of the reform movement – decisive for the progress of local governance (more in Grafenauer & Brezovnik, 2006, Ferfila et al., 2008, Bačlija et al., 2013: 129). Among the key guidelines for the reorganization of local administration, one must highlight at least the setting up of the organization as a reflection of jurisdiction and functions, and not vice-versa. The type of organizational structure is determined also in the public sector by the results that an organization must achieve; an individual organizational structure is suitable for performing specific tasks under specific conditions at a specific time (Drucker, 2001: 20–27). Additionally, the interconnectedness of various segments of public administration (especially in relation to users of public services) and rationalization are important. Not surprisingly, by reviewing the functional and organizational structure of public administration in their member states, the OECD and the Council of Europe (2004, 2008) established a parallel trend of both centralization and decentralization or deconcentration, depending on the nature of the public functions, especially in relation to users. In designing a system of local self-government and local state administration, however, other crucial differences need to be considered as well.

First, the system of local self-government comprises a political as well as an administrative dimension. Only the latter – with municipal administrations representing the instrumental level of public governance in the protection of public interest and delivery of public services – is directly comparable with deconcentrated bodies of state administration. The guiding principle in the organization of local self-government is thus democracy, with public participation and co-decision-making at the local level, while local state administration primarily strives (only) for rationalization, seeking balance between public accessibility and an organizational structure that is as cheap as possible since participation and institutional public governance as a whole are being provided by other state bodies and processes (particularly public participation in the adoption of regulations). Thus, in relation to local self-government, we speak of a vertical separation of powers, parallel with the various branches power at the level of the state (legislative, executive, judiciary) or even municipality (legislative and executive, control). Local self-government in fact restricts the (ab)use of centralized (state) power, which is the foundation of a democratic system (cf. Council of Europe, Šturm et al., 2011). The overview of the number and size of municipalities is thus necessarily variegated, both within a state and between states, while the local units of state administration should be balanced and much more comparable.

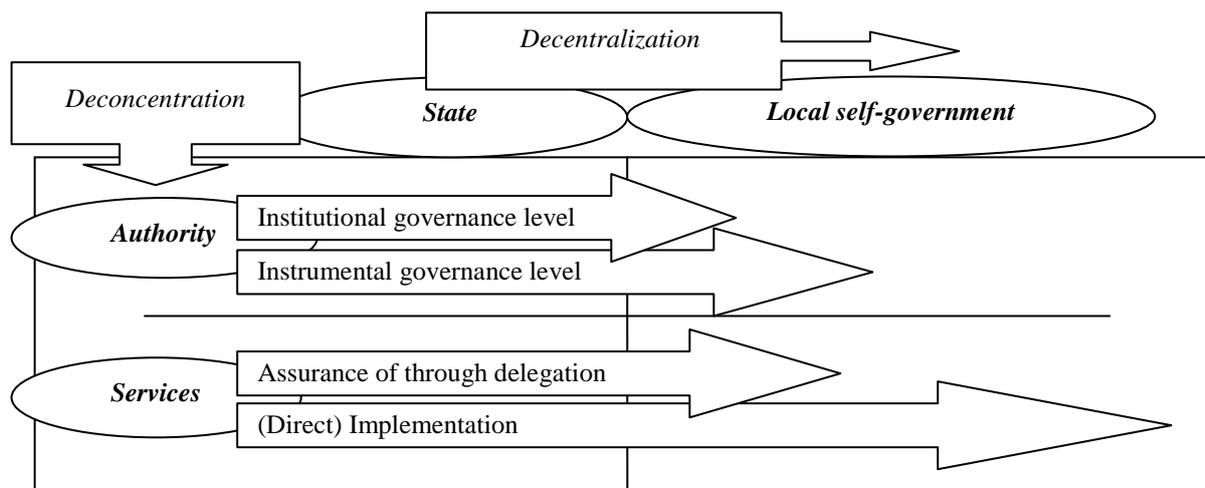
Second, an important difference in the organization of local self-government and state administration refers to the objective of equality of power and services for all users within the territory of the state, and to the legitimate and lawful differences in the first segment with the quasi competition (cf. Osborne & Gaebler, 1992: 45) between municipalities in attracting residents and company seats. In local self-government we thus speak of decentralization (of power), while in the case of local units of state administration (and, by analogy, in case of holders of public authority to whom the state has transferred (local) authority) we speak “only” of deconcentration. The state presents two aspects because it functions as an authority in relation to its citizens (the monopoly), and as a subject delivering various services (hence, as a general social organization). Both goals, democratization and efficiency, can be pursued at the same time only in the section of the administrative system in which the state functions as an organization or delivers a service, and not when it functions as an institution whose primary role is to exercise power/authority (Kovač, 2008). However, over time, the service role of the state becomes more important than its authoritative role. In this way, it is more responsive at the level of individual users of public services. The transfer of the implementing function to lower hierarchical levels is also known as deconcentration, which is merely an organizational and technical measure. The purpose of deconcentration is to achieve rational organization in the exercise of administrative tasks in order to improve its efficiency and economy. Moreover, deconcentration aims at facilitating user access to state administration. In fact, an excessive variety of organizational forms and an excessive number of organizational units, and thus a branched or even fragmented organizational structure increase the risk that the organizations will not pursue the common goal, which might impinge on the efficiency of delivering public goods as well as on the accountability that is dispersed and more difficult to establish (SIGMA, 2008).

The difference between decentralization and deconcentration can also be defined in the following way: in Slovenia, decentralization was performed by means of self-government and transfer to “independent authorities”, whereas (according to Waline, as highlighted by Šmidovnik, 1995: 33) deconcentration is merely an administrative decentralization within state “authorities”. The administrative units established in 1995 and other regional state administration units were/are thus merely a result of deconcentration. A similar classification is made by Schuppert (2011: 298), stressing the importance of different aspects in the basic

administrative processes or public tasks, with classic state monopoly – e.g. in security issues – on one side and welfare or public services on the other (cf. Wollmann, 2011: 3-7). But decentralization is also of special political importance because it involves transfer at the level of interest (cf. Peteri et al., 2002).

The concept of organization is inseparably linked to notions arising in the framework of the concept “public administration”, since organization is a precondition for governance or administration. Organization is the structure in which governance processes take place, which means that contemporary problems of public administration are also problems of organization – mainly in territorial and, partly, functional terms. In the organizational sense, the role of public administration as a whole is important since rationality, efficiency and user-orientation are the reasons why the territorial principle should be pursued also in the organization of state administration, not only local self-government. As regards the integrative approach to the (re)organization at the local level, it needs to be underlined that deconcentration of public tasks is quite often an intermediate stage or a useful preparation phase for decentralization, since it is much easier to transfer tasks from local state administrative bodies to self-governing bodies rather than directly from central state administrative bodies (Grafenauer & Brezovnik, 2006: 13, 150-152). It is therefore essential to distinguish when public administration acts or performs public tasks as an institution and when it acts as an organization, while both of these aspects are to be considered as related.

Figure 1: Basic criteria to (re)design the local administration structure



As regards the development of local self-government in Slovenia, the latter merely increased the number of municipalities even if these often failed to meet the legal requirements (e.g. at least 5,000 (or 20,000 for city municipalities) inhabitants, certain infrastructure), since political maturing apparently required – in contrast to the former state or communal municipalities – only the pursuit of the political will of the citizens to have the power “in their own hands”, regardless of the lack of resources and capacity in governance. Only two municipalities, Ljubljana and Maribor, have over 100,000 inhabitants. There are approximately 50 municipalities (25%) with 5,000 to 10,000 inhabitants, and a similar number of municipalities with 10,000 to 50,000 inhabitants, with an overall average of app. 10,000. As many as 110 municipalities (52%) do not meet the legal requirement of at least 5,000 inhabitants and some municipal administration.

Table 1: No. of municipalities in Slovenia in individual election terms

<i>Year of establishment</i>	<i>No. of municipalities</i>	<i>Note</i>
1991	63	“State” communes in former Yugoslavia: unified local state administration and self-government with app. 30,000 inhabitants and only up to 20% of original local tasks
1994	147	New municipalities: 82; 11 of which are city municipalities
1998	192	New municipalities: 43
2002	193	New municipality: 1
2006	210	New municipalities: 17 (two waves in 2006: 12+5)
2011	211-212	New municipalities: 2, the latest (Ankaran) to be established after local elections in autumn 2014

When it became obvious that a considerable part of municipalities lagged behind and failed to carry out the minimum legally prescribed basic tasks, the state tried to halt such trend by encouraging the establishment of regions and association of municipalities and by financing joint municipal administrations, most notably in 2006 when the Financing of Municipalities Act was amended to support such type of organization by covering 50% of material expenses from the state budget. Currently there are 49 joint municipal administrations, with 193 (90%) participating municipalities, yet almost entirely only in the field of inspection and communal police. The total number of municipal employees (Ministry of the Interior, 2014) grew from 4,277 in 2007 to 4,627 in 2012 (mostly (539) in Ljubljana, 0 in some other municipalities, leading to an average of (only) 4 new employees per municipality, whereby over 40% of municipalities seem to have problems finding qualified staff, cf. Ferfila et al., 2008: 50, 72). It seems, however, that the hunger for “paper democracy” – named so because of the true incapacity to implement the tasks in local practice – has not been satisfied yet as the above projects (with the exception of joint municipal administrations) have not gone much beyond political consensus in public debates. The low political, not only administrative capacity in Slovenia is indirectly reflected in the number of mayors who simultaneously hold the office of deputies of the national parliament, with a clear conflict of interests in both theory and practice (Rakar, 2013: 7). In theory and in Slovenian practice, administrative capacity is hindered by at least three elements: a legal or legislative framework that is too rigid to facilitate flexible and efficient organization, low financial and human resources, and a stiff administrative culture within the municipal administrative organization (Ferfila et al., 2008: 49, 74-85).

However, different numbers of local government units and of the inhabitants thereof are also characteristic of Western European countries with a total of app. 90,000 local and regional administrations in the EU and app. 5,630 inhabitants per municipality on average, and one to three local self-government tiers (in 2011; Council of European Municipalities and Regions, 2008, cf. Vlaj, 2008). A common characteristic of all countries is the constant search for the ideal size of the municipality which should enable local democracy and identity together with economic effectiveness in the delivery of public services. Theory and comparative studies (cf. Ramljak, 1991, Šmidovnik, 1995, OECD, 2004) indicate a positive correlation between development (of economic growth and technological progress) and decentralization, whereas others show a positive correlation between development and centralization of public administration. Contrary to Slovenia and Eastern Europe, the West (initially after WW2 Austria, Sweden) is characterized by:

- a shift from increasing the number of municipalities to merging municipalities particularly in the case of low administrative capacity or duplication of

administrative direction, while post-transition still prevents a mature evaluation of both goals of local governance;

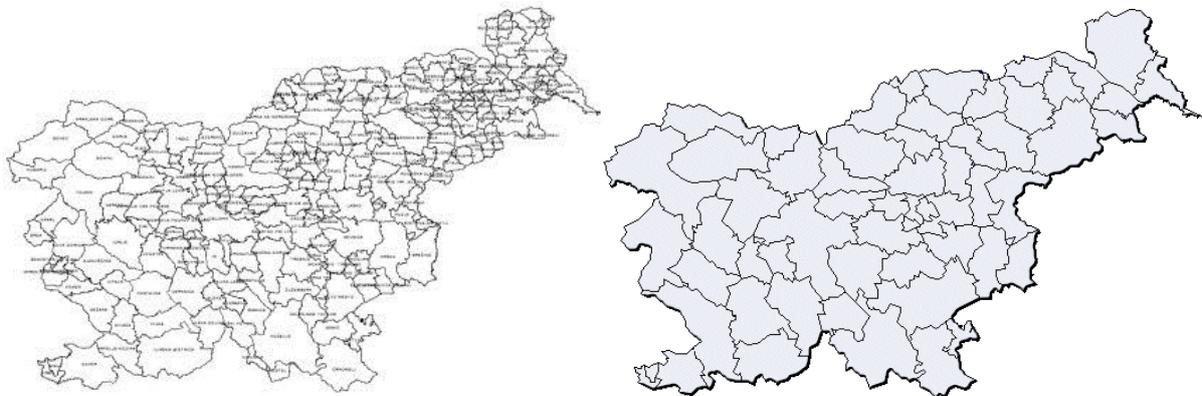
- deprivatization of numerous public services, a process known as “remunicipalization” (*Rekommunalisierung*, Wollmann, 2011: 7);
- parallel networking i.e. state-municipal or inter-municipal co-operation as a special public-public partnership (cf. Schuppert, 2011, Council of European Municipalities and Regions, 2008; cf. Rakar, 2013, indicating quasi regional bodies, development forums, joint organizations and/or agreements to perform public services);
- joint organization of local self-government and local state administrations in the relation toward the users, while e.g. Slovenia strictly distinguishes the two tiers of administration, where a problem arises with regard to the coordination of operations of public authority holders to perform certain activities (e.g. the administrative unit that issues a building permit in compliance with the municipal building plan and the local state building inspection supervising the legality of building) – consequently, the common point of coordination should be located no lower than at government or even parliament level.

On the other hand, in the field of local state administration, the establishment of today’s 58 state local administrative units in Slovenia took place in 1994 with a simple political transfer of jurisdiction, taking into account both the employees and the users, and the then number of municipalities (63; cf. Grafenauer & Brezovnik, 2006, Kovač & Virant, 2011: 60, Bačlija, 2013: 50). The territorialization of state administration was regulated with a new, integral regulation of state administration. Such did not bring any particular change at the level of the central state administration, but was nevertheless necessary to simultaneously introduce local self-government as the main reform process following Slovenia’s independence (in the so-called period of transformation 1991-1996, cf. the role of state administration in terms of decentralization in Peteri et al., 2002: 45, in particular the transfer of tasks in Hungary 151-160). This kind of transformation led to a continuity of work (users especially had no problems), but even today this is still reflected in the unclear identity of administrative units compared to the municipalities. For the most part, administrative units are too small for economical organization of administrative procedures and, precisely because of this, decentralization of decision-making and supervisory functions is not possible at this level (Trpin, 1998: 259, Kovač & Virant, 2011: 64). In addition, there are other factors of non-uniform status among administrative units because their size is not balanced in terms of territory size and population. Ramljak (1991: 1327-1332) emphasizes that (de)centralization can also represent a state or process in which extreme forms are not realistic because without the division of labor, which is the main point of decentralization, it would be impossible to perform complex tasks, and without central integration it would be impossible to ensure unity of purpose. Moreover, he emphasizes the differences between functional and geographic (de)centralization, in which the former refers to the relations between (non) central bodies, and the latter primarily to the local government in the sense of political decentralization. This means that, especially from the viewpoint of greater approximation to the needs and desires of the users of public services, decentralization would thus be possible if administrative centers with a critical mass of funds were established, albeit of a one-tier or two-tier nature.

However, administrative units were formed in Slovenia in a rather unusual way as joint territorial branches of several ministries and not as general decentralized units of the state, such as e.g. administrative districts. Even if the head of the administrative unit is appointed by the Government, the administrative unit is subordinate to individual ministries, depending on their scope of work. Each ministry provides to the administrative unit the relevant guidelines

and instructions and exercises control over such, while at the same time conducting appeal procedures in relation to first-instance administrative acts of administrative units in individual matters (Kovač et al., 2012: 121). In Slovenia, a rather inconsistent method of reorganization has been in place for almost 20 years now even for local state administration, basically introducing 58 general administrative units (mainly carrying out tasks with regard to internal affairs such as issuing documents or permitting public events, agriculture, issuing building permits, deciding on rights of war veterans and victims, etc.) and territorial units of departmental state executive agencies within ministries (such as 8 police directorates, 15 tax and 10 customs offices, 12 regional surveying and mapping authorities, 6 defense offices, 8-13 inspectorate units, etc.). The administrative units employed 2,435 public servants in 2012 (206 less than in 2011) while the coordinator, i.e. the Ministry of the Interior, obviously carried out governmental rationalization measures (cf. less than 297 employees in the administrative unit of Ljubljana covering 10 municipalities, to 538 employees only in the Ljubljana municipality).

Figure 2: Fragmentation of 211 municipalities and 58 state administrative units in Slovenia



To a certain extent, these differences are understandable, but in several places they appear merely as inertia from previous systems and not as legitimate organization based on functions and resources. The coordination of the system is made even more difficult given the inconsistent organizational structure of public administration bodies at the territorial level, their dispersion and lack of connection, as well as over 200 municipal administrations, 62 centers of work, 9, 10 or 12 units of the compulsory social insurance institutes, etc. With regionalization and related reforms, certain tasks of general local state administration (administrative units) have been or are expected to be lost in favor of municipalities (Kovač & Virant, 2011: 65, 94). In such regard, the principle of subsidiarity constantly seeks balance between the freedom of an individual and various authorities. This also means that the state and international institutions respect the role and position of local and regional authorities in a state, which makes the principle of subsidiarity the fundamental principle of the European integration process (more in Vlaj, 2008, Šturm et al., 2011). A fragmented authority has both positive and negative impacts, and it seems that in Slovenia, the negative ones prevail at the local level, where the excessive organizational dispersion of authority generates (also) a reactive, unstable and inefficient system of political decision-making (cf. Šmidovnik, 1995, Ferfila et al., 2008).

Hence, a modern public administration based on good governance should fulfill two goals at the same time: democratization with people's participation and transparency, and efficient and economical operation and use of public assets (taxpayers' money). Due to integrated functions of administrative sections, this usually represents a greater problem for individuals

or legal entities as users of public services than the remoteness of the seat of a given administration unit (more in Kovač, 2008). With the above mentioned system of work and organization of local self-government and local state administration in Slovenia (in the sense of the vertical separation of power), constitutional disputes concerning the competences of municipalities on one hand and (general) local state units on the other were unavoidable (more Ribičič, 2010: 126, 220, 304, 389, Šturm et al., 2011, Kovač & Virant, 2011: 33, 79, Kovač et al., 2012: 120). The relevant decisions of the Constitutional Court of Slovenia provide as follows:

- The state transfer of administrative tasks from the then municipalities to the new administrative units – representing the implementation of decisions in the fields whose regulation falls within the competence of municipalities (location permits, cf. Peteri et al., 2002: 156) – means an interference with the constitutionally protected nucleus of local self-government, yet this interference is not constitutionally inadmissible for it is based on the protection of other constitutional values – legal certainty and legality (U-I-98/95, 11 July 1996);
- A lower scope of the funds of a financial balance does not mean the incapacity of exercising local self-government, as the amount of a financial balance is always a missing difference of funds to the adequate expenditure of a municipality per capita, and its amount has no effect on exercising local self-government – yet on the other hand, two of the nine judges delivered a separate opinion stating that the regulation granting a financial balance to over two thirds of Slovenian municipalities is inconsistent with the Constitution and the European Charter of Local Self-Government (U-I-165/00, 5 December 2002);
- State interferences with the autonomy of local self-government should be evaluated similarly to interferences with human and minority rights (U-I-252/03, 18 March 2004);
- Given that a public utilities charge is by its nature a strictly earmarked source of financing individual municipalities, the competent body that can decide whether such will be foregone is the municipality, not the state (P-18/09, 17 September 2009);
- The state cannot transfer on the municipality only the execution of a decision issued by a housing inspector, as it is not possible to exclude from state competence only a single task and transfer it on the municipality. The state's competence to carry out an inspection regarding the exercise of public interest in the field of housing, which covers several interrelated and interdependent tasks (including the administrative execution procedure), is in fact an inseparable whole (U-I-255/09, 23 June 2011);
- In establishing a municipality (namely Ankaran, the 212th municipality of Slovenia), it is necessary – regardless of its administrative (in)capacity – to take into account the people's will expressed at a referendum held on the territory of the planned municipality, and not of the municipality from which the new one wishes to exit (U-I-137, 26 November 2010, and U-I-114/11, 9 June 2011); irrespective of the parliament, the municipality was established by the Constitutional Court directly (!).

It can be concluded that reforms of the local organization can still be divided into two poles, namely the Western European and the Eastern European ones (cf. Wollmann and Council of European Municipalities and Regions, 2008: 84, Vlaj, 2008). In the first, local government is reorganized based on the tradition of local democracy, while in the second case the “new democracies” (still) reconstruct the entire local authority and public sector. Yet the common denominator of top-down rationalization of the past years – in the West mainly with the EU troika e.g. in Portugal, and in the East with the mergers of municipalities in 2009 in Latvia (partly following the successful model of Denmark, cf. Vlaj, 2008), or the joint municipal

administration in Slovenia (Rakar, 2013) and integration of state administration into general regional administrative districts (Kovač, 2008) – is the economic and social crisis. The latter further increases another development gap, namely that the population, according to evaluations and surveys carried out in Slovenia, shows no interest in participation (Bačlija et al., 2013: 112). For such reason, in Eastern Europe one could speak not only of low capacity of the authorities, but of the society as a whole. Thus, collaborative state and governance are gaining importance also in the organization of local administration.

4. Integrative reorganization of local public administration in the 2014-2015 reform?

The elements of distinction between local self-government and state administration at local level, and the importance of a coordinated system of public administration in relation to the users can be summarized in the table below, presenting the basic differences but also showing the indispensability of integrative action of public administration and the need for comprehensive reorganization, either regulatory (“hard”) reorganization or (“soft”) reorganization in the sense of networks between authoritative entities and common users. With due consideration of the necessary connection between local self-government and state administration, at the level of instrumental public governance the new State Administration Act adopted during the period of EU accession (2002) provides a mandatory integration of all local entities of power or public services into what are known as coordination councils under the authority of heads of administrative units. Amendments were adopted also as regards umbrella laws covering both state and municipal administrative bodies, so that the modern principles of good administration and the schemes from the citizens’ charters would be pursued by all local authorities. Unfortunately, in practice (see Kovač, 2008) these did not achieve their full potential neither in local reorganization according to users’ needs nor in informal co-operation.

Table 2: Differentiation and harmonization of local self-government and state administration

<i>Differentiation/ Harmonization</i>	<i>Local self-government</i>	<i>(Local) State Administration</i>
<i>Purpose, mission</i>	<i>Local co-decision-making</i>	<i>Ensuring implementation of national public policies</i>
<i>Strive for efficiency</i>	<i>Democratic primarily and economic</i>	<i>Economic primarily</i>
<i>Main principles</i>	<i>Participation, (local) democracy, subsidiarity</i>	<i>Legality, equivalence, good administration: efficiency</i>
<i>Differentiation of services</i>	<i>Yes</i>	<i>No</i>
<i>Local division of power</i>	<i>Decentralization</i>	<i>Deconcentration</i>
<i>Levels of governance</i>	<i>Institutional and instrumental</i>	<i>Implementation only</i>
<i>Organization</i>	<i>211 (+1) municipalities with single and 49 (193 participating municipalities) joint municipal administrations</i>	<i>58 general administrative units and a set of other territorial departmental units (15 tax offices, 14 surveying and mapping offices, 11 police directorates, 62 centers of social work, etc.)</i>
<i>Capacity in practice</i>	<i>Increasing, but rather low</i>	<i>Rather high</i>
<i>Users orientation/toward</i>	<i>Yes: citizens, businesses & NGOs</i>	
<i>Protection of public interest</i>	<i>Yes</i>	

Civil Service System	Unified
Public resources (budget)	Yes, both public, even municipalities in 2/3 out of state budget (partially)
APA scope and judicial and other review	Yes
Interdependence self v. state government	Yes, both directions

Aware of the inconsistency and irrationality of the local organization of state administration, as well as of the imbalance in the functions and organization of municipalities, the competent authorities made several attempts to reorganize the systems. In fact, with regard to both local self-government and state administration, the process of territorial (re)organization should take into account the findings of five analyses carried out before the introduction of reforms (Trpin, 1998: 252): normative (with regard to the interdependence of a particular change from other parts of an administrative system), institutional, social (the impact of a reform on general social development), cost, and interest analysis (the level of actual support for specific changes among the public). Considering at least a part of the above findings, particularly the last three, the competent Slovenian bodies designed several projects of reorganization, primarily concerning local self-government (only), such as regionalization or establishment of joint municipal administrations, with a lack of integration mainly in terms of redefinition of the role of the state in the society (cf. Peteri et al., 2002: 47). Or concerning local state administration only, in an attempt to set up 14 administrative districts for all state tasks at the local level in 2007, or by merging local units from e.g. 11 to 8 police directorates in 2012 (Ministry of the Interior, 2014).

Having regard to the theoretical findings and the shortcomings of the organization and organizational reforms of local self-government and/or local state administration in Slovenia in the past decades, 2013 saw the beginning of a comprehensive reorganization of local administration, with due consideration of political and administrative decentralization or deconcentration (according to Government's Guidelines for the Establishment of Administrative Districts adopted in August 2013, cf. Governmental National Reform Program, 2013). Such approach – contrary to previous strategies and measures (cf. Grafenauer & Brezovnik, 2006, Vlaj, 2008, Kovač, 2008) – seems promising, particularly because it is based on expert recommendations, but will bring the desired results only if political will is consistent and striving toward the development of administrative capacity at several levels. Moreover, a methodological progression was in place by the expert working group so that the harmonization of reforms would be first carried out through strategies by the Government, then by the Parliament and among the expert public, which is followed by intense expert analyses of the various tasks for the transfer and status reorganization in working subgroups within ministries and eventually sent for approval by the Government and further public debates, including the trade unions, in 2014.

The expert working group was required by the Government to design a comprehensive integrative model of reorganization with an integrative approach at the level of both state administration and local self-government. Such approach includes the following elements or steps. First, it is crucial to fully consider an integrative approach to the (re)organization of public administration at the local level, i.e. local state administration (general administrative units and all other deconcentrated units, including state holders of public authority) and municipalities. Second, a progression of reforms is to be planned step by step at a medium term.

Initially, the existing 58 administrative units are to be partly centralized into 8 or 12 (or 11 following the current number of city municipalities – having more numeral options enables greater flexibility and presumably less local resistance pending the final decision). New administrative districts would deliver services and conduct administrative procedures in a centralized way only if individual tasks – as assessed by experts – can be carried out independently from the number and sensibility of local users, and if procedural acts are not necessarily carried out at the micro-location (e.g. issuing acts only based on central records, amounting to about a quarter of all issues); nevertheless, some units can also specialize in specific issues (such as aliens' permits).

Then, in the following transitional year, most departmentally organized units of state administration (e.g. mapping and surveying, inspections) or other holders of public authority (e.g. social institutes in the part where social rights are being granted in administrative proceedings) are to be merged with administrative districts. Depending on empirical analyses and the normative specifics of tasks, some of them are to be reorganized parallel with the general units due to their specific nature of work, e.g. police directorates and branch offices of the Tax and Customs administrations (the latter merged under a special project in 2014).

Simultaneously, and particularly at the end of previous reforms, municipalities are also to be merged, based on the primary legal criterion of at least 5,000 inhabitants, from the existing 200 to app. 100 municipal administrations, preserving joint administrations and network partnerships with state administration. Compared to the previous stages, the main value added of this step is that centralization does not aim at rationalization (of state administration), but rather at local governance capacity building. In fact, almost a half of the existing Slovenian municipalities do not have sufficient finances and qualified staff and are thus unable fully implement even their original tasks. The above (can) also facilitate the development of the second level of local self-government i.e. regions, following the European Charter of Local Self-Government. In the following few years, regions could take over the original tasks of local self-government that are of regional importance, and assume the role of an appeal body with respect to the decisions of municipal administrations and administrative districts instead of the presently competent yet less qualified and (in)efficient mayors and line ministries.

The new model of reorganization takes account of the necessary development of 1) democracy and 2) local governance, and at the same time strives for 3) administrative efficiency. Considering the hitherto debates among the expert and political public, it is interesting that at least in principle the first two dimensions do not seem problematic, while the third is, with warnings that administrative, and more so political, rationalization has its limits in the postulate of democracy which should at least partly provide the local population with autonomy in public (co)governance.

5. Conclusion

It is a world of change that we are living in. The public sector, national governments and local authorities must adapt to or even act proactively within such rapidly changing social contexts. When discussing local reforms, a distinction needs to be made between reforming local self-government in political terms and the administrative capacity to support (local) public governance. The reorganization of self-government and local state administration should thus be based on parallel points of departure and a simultaneous correlation between democratic and administrative efficiency. In Slovenia and a broader Eastern Europe context, greater consideration is to be given to decentralization of state jurisdiction and the simultaneous

merging of municipalities when the latter lack the necessary resources and capacity. There are several different approaches, either one-tier and unified administrative districts for public service users' or the introduction of two-tier regions, combining second instance self-government and deconcentrated state administration. According to a case study of the reform of Slovenia's local governance entities planned for 2014-2015, step-by-step activities combined within a systematic reform are quite effective to achieve a harmonized local public administration. If for various (political) reasons it is not (yet) possible to establish general administrative districts by integrating all the territorial units of public administration, at least common public policies towards citizens, businesses and NGOs, following successful Western networking public-public (state v. self-government) role models, should be integrated in order to strive for an effective and democratic society with common good as a fundamental value.

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