

The Fall and Rise of the Local Community: A Comparative and Historical Perspective

by

Hellmut Wollmann

Humboldt-Universitaet zu Berlin

Hellmut.wollmann@rz.hu-berlin.de

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Abstract/summary

In pursuing a historical and cross country comparative approach the article aims at exploring the relation between local government and 'local community'. In the pursuit of its cross-country comparative intention the paper draws primarily on the U.K. /England, Germany and Sweden as pertinent „cases in point“. The explicitly *historical* approach of the article promises to recognise (and perhaps even re-discover) the distinct and, at the same time, symbiotic and dialectic development and relation which have existed between local government and local community throughout their evolution – from the ‘founding period’ of modern local government during the 19th century through its development under the (centralised) welfare state in the (mid-) 20th century to the present day. The historically educated perception should be helpful to identify and assess the dynamics and perspective of the recent ‘rise’ of the local (political, social and economic) community and its impact on redefining and recalibrating the relation and balance between local government and what, in the current social science debate, is called ‘governance’ – with the ‘re-emerging” local community and its manifold political, social and economic actors becoming part and parcel of the expanding and multiplying networks of (non-public) actors that are captured under the term and concept ‘governance’.

1. *Questions asked and problematic pursued in this article*

The article is meant to explore and discuss the relation between local government and local community in a historical and cross-country comparative perspective.

In focusing on the evolution of the relation between local government and the local community (the former understood, as will be spelt out later in this article, as the institutional form and structure of the elected local authorities, the latter as the collectivity or grouping of the local citizens/residents) the paper will distinguish three developmental stages. In its 'founding period', during the 19th century, local government evolved from and was embedded in the local (political, social and economic) community. Subsequently, the (centralised) welfare state, arriving in the course of the 20th century and climaxing after 1945, with its public sector dominance and its interventionist outreach into socio-economic processes, was mirrored and implemented by the transition and transformation of local government into an equally public sector-centred and interventionist 'local welfare state', while the local community was eclipsed and degraded in its importance. Since the 1980s the 'overgrown' post-war welfare state, not least the 'local welfare state' have been remoulded, *inter alia*, by the 'marketisation' of public services and the (re-)overture to social/societal actors, thus entailing local community's rise its (re-)gaining political, social and economic salience.

This explicitly *historical* approach promises to recognise (and perhaps even re-discover) the distinct and, at the same time, symbiotic and dialectic development and relation which have existed between local government and local community throughout their evolution – from the early beginning through the welfare state transformation to the current stage. By the same token, the historically educated perception and perceptiveness should be helpful to identify and assess the dynamics and perspective of recent 'rise' of the local (political, social and economic) community and its impact on redefining and recalibrating the relation and balance between local government and what, in the current social science debate, is called 'governance' – with the 're-emerging' local community and its manifold political, social and economic actors become part and parcel of the expanding and multiplying networks of (non-public) actors that are captured under the term and concept 'governance'. Thus, while the local community, in the 'founding stage' of local government, was crucial in 'embedding' the latter's evolution, it is, in the current phase, instrumental in carrying and shaping a new

balance between local government and (local) ‘governance’. One might say that, in a way, the local community has, since the 19th century until now, run, as it were, ‘full cycle’. Through its pronouncedly historical approach (which seems often neglected or under-used in the pertinent debates) the article aims at identifying these dynamic changes ‘over time’ and their implications for the present development and perspective.

In the pursuit of its internationally *comparative* intent the article is bound, not least because of limited space, to be restricted in the in the selection of countries to draw on.. Gathering from the available comparative literature and findings there seems to be good reason to focus the following account and interpretation essentially on the U.K./England, Germany and Sweden as “cases in point”¹.

2. *Introductory remarks on definitions and terminology*

It is helpful to be clear from the outset, what precisely is meant by the term ‘community’.

As a generic (sociological) term (local) ‘community’ can be understood as a collectivity of persons living together in a defined local area. The generic term can be specified in singling out and highlighting particular features and criteria:

- The *political* community refers to the collectivity of citizens that makes the relevant (political) decisions participates in their implementation.
- The *politico-cultural and socio-cultural* community is the collective setting with which the citizens identify emotionally and to which they feel attached (for instance, in terms of local allegiance, ‘belongingness’, ‘civic pride’).
- The *social* or *societal* community is made up of non-public (‘NGO’) groups and organisations, self-help groups, particularly of the voluntary, non-for-profit sector, linking up, as local actors, with the Non-Profit (or Third) Sector and the Civil Society at large.
- The *economic* community is formed by the economic actors and enterprises operating in the local space.
- Finally, the *religious or ecclesiastical community* is made up of the members of the respective religious congregation.

¹ The article is based on tentative findings from a comparative study which the author is undertaking on the development of local government systems in the U.K., France, Sweden and Germany. The study is supported by Wüstenrot Foundation. Further interim findings have been published in Wollmann (2004c).

While in the real world ‘communities’ all or most of these dimensions merge and blur, it is useful for analytical reasons to keep and treat them analytically distinct.

Second, a terminological problem needs to be addressed which comes up in any comparative discussion of local government if the discussion is conducted in English. A key problem is posed by the English term (local) *government*. In English the term ‘government’ refers to the policy making (parliamentary) body as well as to the executive/administrative structures. Furthermore it is applied to the central level as well as (since the 19th century) to the local authorities. In contrast, in the Continental European tradition, the term ‘government’ (*Regierung* in German, *gouvernement* in French) is equated with the exercise of sovereign power (see Norton 1994: 17), seen to be wielded at the central, but not at the local level. In (Continental) European countries, moreover, the main function of local government is understood to be administrative rather than political. So one speaks of ‘local self-administration’ (*kommunale Selbstverwaltung* in Germany and *administration libre* in France. While keeping these peculiarities in mind, the term ‘local (self) government’ will be applied in this article to all countries referred to. Furthermore the terms ‘local government’ and ‘local authority’ will be used interchangeably.

3. The emergence of modern local government arising from and embedded in the local community

Early forms of ‘local self-government’ were practised in medieval times in rural areas in countries like England and Sweden, where, in the absence of hard forms of feudalism, the peasants remained free and enjoyed the right to make their local decisions in local assemblies and to look after collective tasks in voluntary work (for England see Stewart 2000: 30, for Sweden see Strömberg/Westerståhl 1984: 12). Another historical origin of forms of self-government was the ecclesiastical parishes, which, while standing under the direction and guidance of the church, were engaged in (religious) community-related services. Finally, local self-government in an already advanced form was exercised in medieval towns and cities which were (in England) founded by Royal Charters and were (in Germany) ‘quasi-republican islands’, having the status of ‘free Imperial cities’, amidst absolutist monarchic States and territories. Although ruled by the aristocratic, commercial and craftsmen elites, such towns and cities were constituted by the collectivity of their ‘citizens’ (insofar as they were granted the property-dependent citizens’ right). This facilitated the emergence of a ‘civic’ tradition (a

famous slogan in German medieval cities was: “breathing town air makes you free”, *Stadtluft macht frei*).

In line with this development the introduction and design of modern local government, as it evolved in the late 18th and during the 19th centuries, was premised on the ‘community’ as a collectivity of citizens.

The first path-breaking step towards modern local government was taken in Europe by the French (revolutionary) Assemblée Constituyente with the adoption of the (short lived) Municipal Legislation of 1791 by which the ‘communes’ were created on the territorial basis of the some 40,000, century old, ecclesiastical (Catholic) parishes. While the communes were also conceived as legal entities (see below), they were understood to be essentially ‘communities of inhabitants’ (*commuautés d’habitants*)’ (see Némery 2004: 68).

In a similar vein, the Prussian Municipal Charter of 1808 (which was Europe’s first municipal charter of lasting duration) revolved around the ‘municipal commonwealth’ (*Stadtgemeinde*) which was seen to be made up of the ‘citizens’ (*Bürger*) (that is, those to whom the property-dependent citizens’ right was granted) (see Engeli/Haus 1975). When in England modern local government (as an elected local authority) was introduced by the Municipal Corporation Act of 1835 in 78 towns, the Corporations – the effective local governments - were understood as being based on the ‘community of its members’ (Redlich 1903 quoted from Stewart 2003: 27).

As local government acquired a recognisable modern form, therefore, it had already diverged from a common understanding of seeing local government essentially rooted in the community as the collectivity of citizens and significant differences were already apparent between Continental European countries and Britain - particularly in two aspects. These are the focus of the next section.

3.1. Legal conceptualisation of local government and local community

First, there is a stark difference in the legal conceptualisation of the local institutions.

In the Roman Law tradition Continental European countries, the legal doctrine has it that the State is ascribed the legal quality of a self-standing legal entity, of a moral person (see Dyson 1980). According to this legal doctrine, the '(local) community' as a collectivity of citizens also has the legal status of a self-standing legal entity. From this it follows that the 'community' appears as two sides of the same coin. That is, it constitutes the (sociological) collectivity of citizens, on the one side, and the legal entity, on the other. The legal entity is called '*Gemeinde*' or '*Kommune*' in German, '*gemeente*' in Dutch, '*kommuner*' in Swedish, '*commune*' and '*collectivité locale*' (as the generic term) in French, '*collectività*' in Italian. All of these words having their common etymological root in the notion of 'common-ness' or 'collectivity'.

In contrast, the idea of ascribing the State (and, by the same logic, the collectivity of local citizens) the quality of a self-standing legal entity is entirely alien to British legal thinking (see Dyson 1980, Wollmann 2000a: 44 ff.). Embedded in the Common Law tradition and probably tinged with philosophical pragmatism and utilitarianism, the British thinking is profoundly 'functionalist and institutionalist' (see Johnson 2000: 33) in that the legal embodiment is seen in concrete institutions which are the bearers of rights and responsibilities. On the national level it is, formally speaking, still the 'Crown' that is the legal embodiment of the national government, while on the local level, the local council legally embodies the local authorities.

Hence, in Continental European countries the local citizens speak of their 'community' when they refer to the locality and its local authority they live in, while in Britain the local citizen is liable to point at the 'local council' in this context. There is no equivalent in English for 'community' the way the term is used on the Continent. It may well be argued that this goes beyond being a semantic difference. It may well have a cognitive and epistemological dimension. In a Continental European country the local citizen when saying 'community' may well, at least in the back of his/her mind, identify this with the collectivity of citizens he/she is part of, while in Britain when employing the term 'local council' any reference to the underlying community as a collectivity of citizens may get eclipsed and lost.

Finally, another peculiar difference stemming from the different legal traditions should also be highlighted. In Continental European countries, from the Roman Law-derived legal doctrine of the State being a self standing legal entity and 'moral person' it follows that

parliament (and in the same logic the local council) is an ‘organ’ through which the State, or respectively, the ‘community’ acts. To British legal thinking the idea of an ‘organ’ of the State or the community looks entirely outlandish.

3.2. Territorial and organisational reforms

Another importance difference between the early development of local government in Britain and in other European countries stems from the fact that in Britain a massive territorial and organisational reform of its two-tier local government system was carried out in 1888/1891 whereas the other European countries did not have such territorial reorganisations during this period nor in the next half century to come.

Prior to the reform wave of 1888/1891 Britain’s lowest local level was, with the exception of the municipal ‘corporations’ created in 1835, was made up of some 15,000 parishes with embryonic forms of self government for the residents in local matters. Besides the parishes the local space was occupied by a growing number of (single purpose) bodies and boards which were established under royal charters or parliamentary acts with the mandate to look after certain social, infrastructural etc. problems posed by Britain’s rapid industrialisation and urbanisation. In fact, in this period the local space was marked by a “plethora of single purpose agencies managed by boards that were appointed or elected in various ways” (Skelcher 2003: 10).

When in the late 19th century the British government went about radically reorganising its local government system, it drastically changed the status and functions that parishes had historically grown acquired. In contrast, the larger cities whose origins often dated back to century old royal charters (and most of which were recognised as municipal corporations in the 1835 reform) retained their self-standing status (as ‘county boroughs’ in the 1888 reform or as boroughs within counties as a result of the 1891 reform). This preserved their local identity and ‘civic tradition’ (see Stewart 2000: 32) in the perception of their citizens and, thus, their emotional and cognitive roots in the ‘socio-cultural community’.

In contrast, urban and rural districts were created as an entirely new layer of local government. “Although based on the previous sanitary authorities, they lacked the heritage of history” (Stewart 2000: 33). While, it is true, the historically grown parishes continued to

exist and to be rooted in their respective 'socio-cultural community', they were bereft ('disempowered', Chandler 2001: 18) of most of their previous functions which were transferred to the districts.

As a result of the 1888/1891 reforms the structure of local government England is seen as having diverged from its European neighbours through a process that marginalised the parishes, replacing them with authorities whose territories were delineated according to a centrally imposed rationale based on efficiency rather than community" (Chandler 2001: 18). This "separated developments in England from much of Europe where the commune remained the basic unit of local government" (Stewart 2000: 31). So, in deciding not to build the reform upon the existing historical parishes and, instead, to create an entirely new local government structure without any roots in local history and in the local socio-cultural community, the 1888/1891 reforms arguably have had a long term effect, in attenuating, if not extinguishing the emotional and cognitive ties between the local population and the newly established local authorities in Emgöamd.

As noted above, Britain was alone in 1888/1891 in embarking upon such large-scale territorial and organisational reform of its local government. Continental (and other) European countries retained the small-scale format of towns and parishes within century old boundaries.

3.3. Scope of responsibilities and functional profile of local government

Still another distinct difference between most European countries and Britain becomes manifest with regard to the traditional concept and definition of the tasks of local government which arguably stems, to a significant degree, from the different underlying understanding of 'community'.

In most European countries, since the introduction of modern local government, its competences have been defined on the basis of a 'general competence clause'. It was laid down in the Prussian Municipal Charter of 1808 that the municipal council has "the power to attend to all matters of the commonwealth/commonness of the municipality" ("*alle Angelegenheit des Gemeinwesens der Stadt*" (see Engleli/Haus 1975: 116). This and similar provisions in other municipal charters have arguably been inspired by the 'founding' idea that

the 'community' as a legal entity is based upon (and legally embodies and mirrors) the community as the (sociological) collectivity of citizens.

In contrast, in Britain the responsibilities of local authorities have rested on the *ultra vires doctrine* elaborated and confirmed by the English courts during the 19th century as stemming from the principle of Parliamentary Sovereignty. Under *ultra vires* local authorities are permitted to exercise only those powers which are explicitly assigned to them by an Act of Parliament (see Stewart 2000: 37). Thus, the range of local responsibilities does not rest on the concept of the 'common good' of the community as stipulated by the 'general competence clause', but is defined by specific and concrete ('enumerative') legislative provisions by Parliament.

Without going into details at this point it should be added that perhaps paradoxically British local government - notwithstanding the (formally) restrictive ultra-vires doctrine - developed in the later part of the 19th century to become both politically and functionally by far the strongest in Europe (Sharpe 1993: 250). It was on the territorial and organisational basis effected in the reforms of 1888 and 1891 that the newly created two-tier local government system - made up of counties, boroughs and districts - moved towards adopting a multi-functional task profile as parliamentary legislation proceeded increasingly to bring the structure and function of the previous single-purpose bodies under the responsibility of the local authorities. In fact British local government, because of its unparalleled political and functional strength, experienced what was called the 'Victorian' "golden age of local government" (Norton 1994: 352), much admired and, to some degree, mythologized in contemporary (Continental) Europe.

In sum, essentially driven by the process of industrialisation and urbanisation, first in Britain and later Germany, local governments moved towards an ever more comprehensive 'multi-functionality' of their task profile in order to respond to the mounting social, infrastructural and other challenges and problems raised by industrialisation and urbanisation. As a result, in the countries concerned, local governments adopted the profile of embryonic 'local welfare states' before the national governments began to 'nationalise' and 'centralise' welfare state policies.

3.4. *The democratic expansion of the 'political community'*

As the development of elected local government constitutes a key component and driving force of the expansion and consolidation of democracy at large, the unfolding of the local electoral rights of the citizens was a crucial element and indicator of the 'political community' as the collectivity of citizens in their political role.

The legislative provisions on suffrage have advanced at different rates across the European countries.

- The earliest and most radical move was made by the French Constituante in its legislation of December 14, 1789 which stipulated the general suffrage (that is, without gender and property discrimination). This revolutionary act was, however, extremely short-lived.
- In Britain the Municipal Corporation Act of 1835 introduced local electoral rights restricted to male tax payers of over three years residence (see Wilson/Game 2002: 51). In the 1888/1891 reforms the suffrage prescribed for the elected county and district councils was all adult males.
- The exercise of the electoral rights provided by the Prussian Municipal Charter of 1808 and by similar subsequent legislation of other German States, was made contingent on tight property and income requirements which largely disfranchised urban workers; this highly restrictive electoral legislation lasted until 1919 (see Engeli/Haus 1975: 375).
- When in Sweden modern local government was introduced in 1862, the suffrage was limited to adult males and tied to restrictive property criteria. The general universal suffrage was introduced in 1919 (see Strömberg/Westerståhl 1984: 11).
- In France, the election of local councils was re-introduced in 1831 with male and property-dependent suffrage. In 1848 this was widened to general male suffrage.

Thus, through the entire 19th into the early 20th century, the 'political community' was restricted to the male population with often tight property requirements. Thus, the local councils were dominated by bourgeois majorities in general and socio-economic elites in particular, while the working population was largely kept from exercising electoral rights.

In most countries the introduction of local democracy was geared to the election of local councils (on a still limited suffrage), thus making the principle of representative democracy prevail. In some countries, such as Sweden, with a persistent rural character, the direct

democratic form of local assemblies (town-meetings) of all citizens was practised (which still applied in Sweden to 60 percent of the communities after 1919, see Strömberg/ Westerståhl 1984: 11).

3.5. Voluntary (unpaid) involvement of local citizens in political and administrative functions of local government – link with the political and social community

Also linking up with the earlier forms of local self government in the medieval parishes where matters of the local neighbourhood and collectivity were decided and handled by the local residents themselves, the introduction of modern local government since the beginning of the 19th century still revolved around the idea that the political as well as administrative functions of the local authorities should be taken care of by the local citizens in their spare time on a non-paid ‘voluntary’ basis. In the German tradition this ‘voluntary’ mode has been termed ‘*ehrenamtlich*’ (which means: ‘honourable’ as well as ‘honorary’, implying that it was an ‘honour’ for the citizen to be called upon to perform such tasks for the ‘community’ as the collectivity of citizens, see Engeli/Haus 1975: 119). Be it by holding a position in the elected local council or, depending on the respective municipal charter, in the local executive body, be it by getting involved in the provision of local services on a non-paid ‘voluntary’ and layman basis, ‘honorary-ness’ (*Ehrenamtlichkeit*) was at the heart of this early and basic form of local self-government. It established a personal link between local government (in the Continental European reading: between ‘the community’) and the ‘political’ as well as ‘social community’ (in the sociological sense).

In countries with rapid industrialisation and urbanisation (Britain and later also Germany) in a growing number of larger towns and cities local administrative units were built up with full-time personnel. Consequently the ‘voluntary’ commitment of ‘layman’ citizens was increasingly replaced by full-time paid staff whereby a traditional personal link with the ‘social community’ was attenuated.

However, this type of local self-government through ‘layman’ administration persisted well into the later 19th century and beyond in more rural countries with a slower pace of industrialisation and with correspondingly lower demands for local government activities and services. This was the case in Sweden where, in small rural localities, local administrative matters were handled by citizens on ‘voluntary’ unpaid basis even after 1945.

3.6. Local government and 'social community'

On the one hand, as was already pointed out, the local authorities were increasingly prepared, in an expanding ('multi-functional') task profile, to promote local policies on social, infrastructural and other issues particularly in the most rapidly industrialising countries. On the other, however, the local level was the arena which during the 19th century teemed with non-public organisations and initiatives which were meant to address the 'social question' as the acute social problems of the working class in the mushrooming industrial cities were called. Different conceptual and political currents and various social groups and movements contributed to the dynamics of the 'social community' throughout the 19th century.

A strong impulse came from (essentially bourgeois) reformers who founded, funded and operated charitable, limited-dividend/not-for-profit corporations and organisations in the broad field of assistance in social, health and housing matters. In Britain the Fabians were influential advocates demanding and designing reform policies and promoting charitable activities and projects. A similar groundbreaking role was played in Germany by the Association for Social Policy (*Verein für Socialpolitik*) which was founded in 1862 as a national association of reformist academics (nicknamed "lecturer desk socialists" - *Kathedersozialisten*) and reform-minded practitioners. Thus, 'the local authorities, in pursuing social policies, kept relying on commercial enterprise, philanthropic and voluntary activity to meet the fast-developing needs of local communities' (Leach/ Percy-Smith 2001: 47). Another powerful push came from the working class themselves, as workers' self-help groups and associations sprang up in great numbers to organise self-help, housing projects, mutual saving banks, mutual insurance facilities, learning councils etc.

Thirdly, the churches and the local level organisations affiliated with and funded by them bloomed. This held true particularly in catholic countries where charitable activities had been practised, for centuries, as a mandate of the ecclesiastical communities. In course of the 19th century Germany showed a particular trajectory in this regard, resulting from an agreement reached between the State and the (Catholic) Church in the 1870s at the end of a power struggle. The compromise and agreement was a division of functions in which, guided by the principle of subsidiarity, the State and, by the same token, the municipalities should be engaged directly in the provision of social services only if and when the Churches and their

welfare organisations were not ready to take over. The ‘principle of subsidiarity’ has been extended to other non-public (non-profit) welfare organisations so that the delivery of social services has traditionally fallen to the responsibility of non-public organisations, that is, to the ‘social community’. By contrast, France, while also a Catholic country, took a conspicuously different course during the 19th century, dating back to the decision of the revolutionaries of 1789 to expropriate and ‘secularise’ the assets and charitable facilities of the Catholic Church. In enforcing a strict separation of State and Church and imposing a kind of ‘reverse version of subsidiarity’, the Church was largely banned from any engagement in charitable activities and social services (see Pollet 1995: 116, Archibault 2003), thus squeezing it out of the ‘social community’

3.7. Local government and the ‘economic community’

In line with the medieval towns which originated, first of all, as places of commerce and trade amidst an economically backward rural society, the take-off of modern local government in the 19th century was essentially linked to cities’ economic function as the ‘incubators’ and growth poles of capitalist development. So the early focus of local government spending as well as local taxation was directed at the provision of local infrastructure (such as roads, water supply, sewage) primarily for the benefit of the local entrepreneurs. Thus, “historically local authorities were close to the private sector. In the 19th century most factories and commercial undertakings were owned by families who lived locally and often played a significant role on the local council” (Stewart 2003: 269).

4. The (centralised) ‘advanced’ welfare and the ensuing ‘local welfare state’ – overshadowing and eclipsing the local community

4.1. ‘Nationalisation’, ‘centralisation’ and ‘etatist’ of welfare state policies

The build-up of the advanced welfare state which set in during the 1930s (in the aftermath of the Great Depression) was marked by the expansion and *nationalisation* of welfare policies which, during the 19th and well into the 20th century, had been developed and pursued, albeit in an incipient manner and scale, by the local authorities themselves. Whereas in that earlier period the local government level possessed significant operational autonomy in what was figuratively described as ‘dual polity’ (Bulpitt 1983) - made up of the central and local

government levels - the intergovernmental relations were drastically reshaped when central government showed the resolve, in the build-up of the welfare state, to 'integrate' local authorities into the national welfare state and its policies by mandating them to carry out these centrally decided policies. Thus, the 'nationalisation' of the welfare state and its policies went hand in hand with the *centralisation* of power in relations between the two tiers of government as well as with an '*etatisation*' and the extension of its interventionist outreach and grip into the 'societal' and the economic spheres.

A number of major impacts on local government and the local community should be singled out and highlighted.

Territorial and organisational local government reforms

For one, a momentous change was unleashed by the territorial and organisational reforms which were carried out between the 1950s and 1970s in a number of European countries, particularly in the UK, in Scandinavian countries and in Germany (for an overview with country reports see Meligrana 2004). Their central strategic idea was to make the local authorities capable and 'fit', by strengthening their planning and administrative capacity as well as their administrative efficiency, to perform those tasks which the central government wanted them to discharge in the build-up and the implementation of the advanced welfare state. The crucial underlying belief was that, by territorially and organisationally enlarging the local authorities, significant efficiency gains (in terms of economies of scale, specialisation of personnel, organisational 'synergies' etc.) could be attained.

The countries concerned exhibited a considerable variance in their reform moves, particularly with regard to the scale of the territorial reforms. The most radical reform, guided by what was critically called 'sizeism' (Stewart 2000: 66 f.), was carried out in Britain in 1974 when the number of district councils, the basic local government level, was reduced, in England, to 365 - averaging 130,000 inhabitants - and that of the counties to 39 with a population average of 720,000 (see Leach/Percy-Smith 2001: 61 ff., Norton 1994: 40). Sweden was second in the scale of its territorial reforms ultimately arriving, after 1974, at an average size of some 30.000 inhabitants (see Norton 1994: 40). In Germany, where the responsibility for local government territorial reform lies with the Federal States (Länder), the scale of territorial reforms was more varied depending on the strategy employed by the respective regional

(Land) government. While the Land of Nordrhein-Westfalen went furthest in creating, through amalgamation, municipalities with an average size of some 40,000 people (that is around the 'Swedish' size, but much smaller than in England), most other Länder chose to retain many of the small municipalities (ending up with an average population size of between 9,000 and 6,000 and even of 1,700 in one of the Länder) (for details see Wollmann 2004a: 112 ff.). Those Länder which left the multitude of small municipalities unimpaired as political local government units have introduced a new level of intermunicipal bodies which are meant to provide these municipalities with supportive (organisational and personnel) resources.

While there is some (albeit not entirely conclusive or contested) evidence that the expected efficiency gains were, in fact, capable of being achieved, it cannot be doubted that the 'political' costs (in terms of the 'political community') as well as the 'socio-cultural costs' (in terms of the 'socio-cultural community') were considerable.

- The number of councils and, hence, of councillors was reduced significantly depending on the scale of amalgamation. Hence, the numerical, institutional and personal density of local representation and, thus, the traditional voluntary ('honorary', *ehrenamtliche*) involvement of citizens as members of the 'political community', has been severely reduced.
- In carrying out the reforms by way of large-scale amalgamations and boundary changes the (corporate) identity of the existing communities, often rooted in century old local history and 'civic tradition', was disregarded and the emotional ties of the citizens with their traditional 'socio-cultural community' were discarded. Again the English reform seems to offer a particularly striking example of this, since, as it was pointed out it, 'ran roughshod over local tradition... They resulted in authorities so remote from local communities in most instances that belief of their value as a focus for identification and loyalty lacks credibility' (Norton 1994: 359).
- Still another result of the territorial reforms was that, because of the enlarged size of the local government units, the principle of representative democracy became even more prevalent as the direct democratic form of local assemblies which was practised, after 1945, in a significant percentage of Swedish communities (and in a few exceptional cases in Germany) were finally phased out. (It should be added that now Switzerland is the only European country where a majority (60 percent) of the communities still do not have elected councils but practice the direct democratic form of local assemblies of all local

citizens, hinting at a remarkable political strength of the ‘political community’, see Kübler/Ladner 2003: 142 ff.).

Entry of the national political parties upon the local arena

Further evidence of the ‘nationalisation’ and ‘integration’ of the local government level in the political system, is the fact that national political parties began from the 1950s, increasingly to ‘penetrate’ the local arena as they have discovered it as an important political ‘battleground’ for countrywide party competition. While previously in many countries local political groups and independents competed for, and occupied the local council seats, the local political arena and the councils are now largely dominated by the national political parties. This has not only significantly redefined the composition and power-balance in the local ‘political community’, but has also narrowed down the participatory opportunities of the citizens, as the polytypical parties, in pursuit of their competition between each other, tend to ‘monopolise’ (or ‘oligopolise’) the local channels of communication and interaction, thus jeopardising alternative democratic and participatory modes.

4. 2. Expansion of the public sector-centred interventionist welfare state – with local social and economic communities losing ground

The advanced welfare state which climaxed between the mid-1940s and the early 1970s was strongly public sector centred in the sense that it was seen to be both the mission and within the (‘Keynesian’) capacity of the State to be comprehensive and interventionist and regulate socio-economic processes previously largely left ‘to the market’ and non-public (private as well as voluntary) actors. Given the widespread destruction of cities and infrastructure during WWII and the acute social and economic problems caused by the war and its aftermath, the post-war welfare state policies came to address urban, infrastructural and social problems, throughout most European countries, on an unprecedented scale. Thus, while the policy agenda greatly expanded, it was another widely shared bottom line of the advanced welfare state that, in order to carry out its mandate and the multifarious tasks this mandate required, it would be best to rely, first of all, on the public administration and its public personnel proper. Among European countries, this development was most apparent in Sweden. There, from the mid-1930s, under Social Democratic leadership, the welfare state which came to be known as the ‘Swedish model’ took shape. Sweden was not unique, however. In the UK there were

similar developments. There the decisive push towards the full-blown Keynesian interventionist welfare state was given by the incoming Labour government under Prime Minister Attlee in 1945. In West Germany where there was a conservative-liberal coalition throughout the post-war period, the public sector centeredness of the welfare state policies was somewhat less pronounced.

As the central welfare state came to dominate the public sector and with their mandate to be the instruments for implementing welfare state policies, local authorities proceeded to practise a local public sector based on the conviction that that public services and activities should best be carried out and delivered by 'self-sufficient' public/municipal personnel proper. From this quasi-monopoly in the provision of public services it followed that the role of non-public providers, whether non-profit voluntary/charitable or private commercial, was largely sidelined. Sweden went furthest in that a 'hidden social contract' was made in the 1930s between the (Social Democratic) government and the voluntary and not-for-profit sector. Under this informal agreement the state, through central and local government, was supposed to take care of areas such as military defence, health care, social services and primary and university education, while the voluntary sector put its energy and resources into providing the institutional support for citizens to pursue their political, cultural and leisure-time interests (Wijkström 2000: 163 f.). Germany is the exception in that the traditional 'subsidiarity principle' which ensures priority, in social service delivery, for the afore-mentioned non-public non-profit welfare organisations was retained and even written into 1961 Federal legislation (see Bönker/Wollmann 2000).

In some countries, such as Germany and Sweden, where the local authorities have traditionally been heavily involved in the production and provision of public utilities (water, sewage, energy, public transport) through a repertoire of municipal administrative units and municipal corporations, this engagement of the local authorities in the production of public utilities was further extended during the post-war period (see Wollmann 2002a). While, on the one hand, operating the public utilities as a public/municipal sector provided the local authorities with a lever to ensure 'the best common interest' of the local community, this was, on the other hand, at the price of reducing opportunities of private enterprises, not least local ones, to get involved on a competitive formula.

4.3. Professionalisation of local government personnel and squeezing out voluntary/layman involvement

In view of the momentous ('multi-functional') expansion of local government tasks and the accompanying growth of local administrative units and staffs, the local authorities saw the need increasingly to recruit professional personnel. These got their professional education and training in vocational schools which were established during the 1960s in most countries (for instance, for social workers, urban planners etc.). Consequently, the 'professionalised' personnel started to replace the 'laymen' in local government, whether the untrained full-time staffer, or the citizen who gets involved, on the time-honoured voluntary unpaid (ehrenamtlich) formula, in running local government matters such as social services. Although in Sweden's small rural communities local government continued to be administered by unpaid voluntary 'laymen' well into the early 1950s, the laymen finally disappeared in the wake of territorial reforms and the formation of larger municipalities.

4.4. Transition of the 'economic community'

As nationally and internationally operating (private or public) corporations both public and private have grown and increasingly replaced 'local' private enterprises, the local 'economic community' has undergone a conspicuous transition. As noted above, in the earlier period of the capitalist development during the 19th century, most enterprises were still small and directed by owners who were residents - usually natives - of the respective municipalities and often took an active part in local government (for instance, by sitting on the local councils). This is not the case with most national and international companies which increasingly have 'absentee-owners' (in most cases stockholders) and are directed by managers who often live in the community concerned only temporarily, being 'rotated' from one place to the other, and are, as a rule, scarcely involved in the community's affairs, let alone seeking and holding a seat in local councils.

5. Developments since the 1980s: The local community (re-)gaining ground?

The advanced welfare state and its politico-administrative profile, particularly as it was shaped particularly following WWII, was increasingly challenged and remoulded from

different conceptual and ideological angles and on different political fronts. This has had significant repercussions on the scope of local government and of the local community.

5.1. Empowering the 'political community'

Accompanying the build up of the advanced welfare state, local decision making processes had come to be dominated by the principle of representative democracy, embodied by the elected local councils and reinforced by the entry of the national political parties into the arena of local government. Responding to the growing criticism which was directed against this narrowed-down version of local democracy, various reform currents gained momentum in a number of countries. The general aim of the reformers was to enlarge the decision-making rights and participatory opportunities for local citizens and, particularly, to introduce greater direct democratic citizens' rights.

An important element in the changes demanded was the legal provision of binding local referendums as an empowerment of local citizens. The use of referendums acknowledges the collectivity of citizens acting as the local 'sovereign' besides, sometimes against, the elected council - the local 'parliamentary' body. Since the early 1990s binding local referendums have been introduced, as a regular local decision-making procedure, in Germany (see Wollmann 2004b) and Italy (see Magnier 2004), thus strengthening the direct democratic potential of the 'political community'. In the UK binding referendums were introduced, as ad hoc procedures, to decide on the creation of the Greater London Authority (in May 1998) as well as on the selection of the (two) directly elected mayor options laid down in the Local Government Act of 2000 (see Wilson/Game 2002: 74 ff., 100 ff.).

Another conspicuous current was the direct election of the mayors which was introduced with the intention of making the local political and administrative top position holder directly accountable to the local citizens (besides strengthening the political and administrative leadership potential in local government). Since the early 1990s the direct election of the ('executive') mayor has been provided for in Germany (see Wollmann 2004b) and in Italy (see Magnier 2004). In the U.K. the directly elected mayor is in place in Greater London and in a few of the councils by referendum where one was held.

5.2. 'More market' and 'more competition'

The advanced Welfare State, climaxing in the early 1970s, was increasingly criticised for the comprehensive and interventionist range and coverage of its policies and for its fixation on the public sector whose bureaucracy and ‘etatist’ outreach was bound, in the view of the critics, to stifle economic and social dynamism at both the national and local levels.

The neo-liberal attack against the advanced Social Democratic/Labour Party Welfare State was spearheaded in Europe, after 1979, by Margaret Thatcher’s Conservative government. It aimed to trim down the State by reducing and restricting it to its ‘core’ functions. These were seen as ‘enabling’ (and also financing) the provision of public services, while the delivery of the services themselves should be subject to competition and be, in principle, left to ‘the market’ and the private business sector. In a similar ideological vein, the message of New Public Management is to transfer and apply the managerialist principles from the private business sector to the public sector (see Hood 1991). The call for market liberalisation and privatisation also found strong conceptual and political backing from the European Commission and its commitment to create and promote the ‘single European market’ (see Wollmann 2002a).

During the build-up of the Welfare State, local authorities were mandated, in most countries, to assume the function of implementing at a local level the policies of the welfare state. As a result, local authorities, responding to and replicating the public sector-centeredness of the welfare state at large, adopted a quasi-monopoly on social service delivery. This applied particularly to Britain and Sweden where local authorities claimed their administrative staffs were ‘self-sufficient’ (to use the British term) in delivering these services. So, small wonder, the brunt of neo-liberal criticism was directed at the local social service departments - critically labelled “municipal empires” (Norton 1994: 378) – and aimed to dismantle them. The principle of ‘compulsory competitive tendering’ which was extended by the Thatcher government during the 1980s to an ever wider range of local government activities and services had far-reaching effects both inside the local authorities (by installing the ‘purchaser-provider split’ in their organisational set-up) and outside by ‘outsourcing’ local activities and services to non-public providers. As a result, significant shares of these services are now being delivered by private commercial and by voluntary providers (for instance 80 percent of the residential care for elderly people, see Hill 2002: 188).

Sweden's municipalities which have traditionally also exercised a quasi-monopoly in the delivery of social services have also been seized by a wave of New Public Management-derived reforms. Although so far only a relatively small share (up to 20 percent) of the municipal services have been 'outsourced' to non-municipal providers (see SKF/SCB 2004: 107), the overall effect on the pluralisation of the providers has been significant. In Germany, under the traditional subsidiarity principle, the lion's share of social services has, in the past, been rendered by non-public, not-for-profit welfare organisations – so not by the public sector but actors from the local 'social community'. Yet over the years the welfare organisations have formed oligopolies, dividing local 'markets' up between themselves and keeping potential competitors out. Through 1994 legislation on care, the care provision market has been explicitly opened to other providers, not least including private commercial ones (see Bönker/Wollmann 2000).

In some countries, such as Sweden and Germany, the production and provision of public utilities (water, sewage, waste treatment, energy, public transport) have traditionally been regarded as key responsibilities of the municipalities and as constituting part and parcel of the 'municipal sector'. In other countries, such as the UK, important elements of the public utilities were transferred, after 1945, from the local authorities to national corporations and agencies. Under the twin forces of the EU's market liberalisation policy and budgetary pressures, more and more German and Swedish municipalities have recently turned to selling their municipal assets and to 'privatising' previously municipal corporations. So the local economic community space has been increasingly entered by new ('absentee-owned') private sector players whose crucial corporate decisions are essentially made in the corporate headquarters located where in the country or abroad.

Hence, while varying between the countries, the local community space has seen the convergent development of two causally interrelated trends. On the one hand, local government has retreated from and abandoned the previous 'quasi-monopoly' type delivery and production of traditional functions, while, on the other hand, the involvement of private economic enterprises and private as well as voluntary service providers has expanded and multiplied resulting in the 'economic and social communities' regaining ground.

5.3 *'More (civil) society'*

From the 1970s on there was also another strand of criticism blaming the advanced welfare State for its bureaucratic, legalistic, etatist and paternalistic dealing with social groups and socio-economic problems. This came from not-for-profit social groups engaged in self-help and voluntary activities as well as in the 'alternative economy'. These social activists were supported by academics who conceptualised and envisaged the 'alternative' or 'third sector' as constituting an interface between the 'State and the Market' (see Anheier 2001). More recently this strand of thought and practice has been promoted and complemented by the concept of the 'civil society' (see Cohen/Arato 1992).

This conceptual and social movement got a strong political backing when the British (New Labour) Prime Minister, Tony Blair, and the German (Social Democratic) Chancellor, Gerhard Schröder, came out, in the late 1990s, with the concept of a 'Third Way'. This suggested an 'enlightened' Social Democratic alternative between the 'Old Welfare State' (with its fixation on an extended public sector) and the neo-liberal Minimal ('Lean') State – with the 'civil society' placed between 'the state and the market'. In this context, Chancellor Schröder propagated the idea of an 'activating State' (*aktivierender Staat*) which was meant to go beyond the 'enabling state' in that it envisaged an active State role in providing incentives and support for the unfolding of the 'civil society' and its actors and activities. The 'activating state' was thought to have its replica and main lever in local government and to essentially involve voluntary (*ehrenamtlich*) work (see Wollmann 2002b).

Sweden provides a striking example of this reassessment of the voluntary sector by government. The voluntary sector, in the 1930s, having been explicitly excluded from any social service delivery, it was encouraged to resume its role and welcomed back to such activities in the 1990s (see Wijkström 2000).

International comparative studies show that the scale of the voluntary involvement of groups and individual citizens in local level activities has noticeably increased over recent years in a broad spectrum of functions, not least in the social field, thus opening a new dimension to the 'social community' and to its multiplicity of actors and institutions. The profile of such voluntary engagements, however, has changed. While previously the individuals' engagement was channelled through organisations and was long-term, it now tends to be project-oriented and of shorter duration (see Anheier et al, 2002).

5.6. Entry of a new type of central government-guided local actors into the local arena – so far a case of British ‘exceptionalism’?

In recent years, initiated first under the Thatcher government but even stepped up by the Blair government, a new type of public actors has come to the fore. These are the re-invigorated ‘quangos’ (quasi-autonomous non-governmental organisations, see Skelcher 1998). The ‘quangos’ are bodies that are appointed directly or indirectly by central government and are funded by public money for the purpose of performing functions and providing services that were, until quite recently, provided mainly by local authorities (see Wilson/Grame 2002: 134). Early examples were the Urban Development Corporations set up under the Thatcher government in the early 1980s. But by 2000 ‘quangos’ constituted a broad array of some 5.000 bodies ranging from the Learning and Skills Councils to registered social landlords (see the list in Wilson/Game 2002: 136). This process of ‘quangoisation’ of local level public activities turns out to strengthen the local ‘presence’ and influence of their ‘sponsoring’ departments of central government and helps both to ‘hollow out’ elected local government and push it further from the mainstream. As it has been pointedly put, “the local quango state is now extensive and has taken over or usurped the role of local authorities in providing many services” (Weir/Beetham 1999: 251). Thus, these non-elected local bodies can be seen as both a local level extension of central government and as its agents rather than as organisationally and directly widening and reinvigorating the local community.

Although in other countries, too, central government has pursued strategies for getting direct access to and a foothold in the local arena, for instance, through initiating, funding and guiding projects in ‘local target areas’, the degree of direct central government intervention manifested in the ‘quangos’ as local level players still seems quite specific to the U.K. and so make for some British ‘exceptionalism’. (For a criticism of this ‘exceptionalism’ interpretation see John 2001: .174).

6. The local community regaining ground

6.1. The pluralisation of the local community - a case of ‘local governance’?

As our sketch should have shown, the local community in its different political, social and economic dimensions, guises and faces has, during different developmental stages, undergone

deep-reaching changes; from the founding period of modern local government politically, socially and economically interwoven with the 'community'; through the build-up of the expansive and interventionist welfare state under which the local community lost ground; into the most recent period, marked by the expansive welfare state and its public sector dominance at both the national and local levels being called into question and, to some extent, 'rolled back', with the local community appearing to have re-gained ground. In a way the historical development may be said to have 'run full cycle'.

As a result of this recent and still ongoing development the local arena and the local community space is now occupied and 'inhabited' by more political, social and economic actors and organisations than ever before. In the political community citizens now act in a significantly enlarged and 'empowered' role. This enhanced role draws not only on their electoral rights, but also on direct democratic rights (local referendums, direct election of the mayor) and widened participatory opportunities. The social community has seen an expansion of social actors and organisations from the voluntary and 'alternative' sector as well as from the realm of 'civil society', all engaged in social and 'civic' activities. The economic community has, notwithstanding the growing number of 'absentee-owned' corporations with shallow local roots, also experienced a multiplication of (small) economic enterprises and individuals responding to the 'market opening' in local services and other public tasks.

Hence, the local community space has come to be occupied and acted upon by a multitude of (single-purpose) actors and by 'function-based policy networks' (Rhodes 2000: 248) which the currently dominant social and political science debate now analyses under the label of 'governance' (see Rhodes 1997, 2000: 248 f., John 2001: 9 ff). The underlying concept is, needless to say, not entirely new. Similarly complex constellations of actors and institutions were already part and parcel of the political process and the 'polity' in the past (and were given labels such as 'policy networks', 'policy community' and the like). Yet, in the meantime, because of the developments which have been the focus of this paper, these 'phenomena' have attained such extension, density and salience that in combination they suggest not just a quantitative but a qualitative change. Thus, while accepting the need for caution and scepticism one is advised to observe in the face of often inflationarily and fashionably employed "new terms" one should acknowledge that 'governance' – both as a term and as a concept - does have some heuristic and analytical value. Given the exceptional progress of these developments in Britain it is not surprising - at least from a sociology of

knowledge viewpoint - that the 'governance' debate originated there and has been expanded and conducted internationally "with a rather heavy British accent" (Denters/Rose 2005:7). Indeed some maintain that it may even cognitively and epistemologically mirror and "extrapolate...a British peculiarity" (see LeGalès 2002: 262), if not 'exceptionality'. Furthermore it should be pointed out that, although such a distinction is often not made, but blurred, one should distinguish between the heuristic and analytical dimension of 'governance', on the one hand, and the prescriptive and strategic side, on the other. The latter conceives of and perceives 'governance' as the potential, made up of actors, institutions and other resources that can be mobilised and used in order to 'steer' the policy process and achieve the desired policy goals.

6.2. The actors of the local community and of local governance – between single-purpose orientation and common good (community good) concerns

As the political, social and economic communities have (re-) gained ground, the local community level is set to acquire and bring forth a new potential of political, social and economic initiatives and resources set free by the new political, societal and economic context and incentives. So, by using the device of local referendums, local citizens can put new policy initiatives on the local political agenda and through the instrument of the direct election of the mayors they may bear upon local government to be more responsive to citizen concerns – bypassing and complementing the communication channels of the political parties. Related to the social community, the growing involvement of the voluntary and 'civic' groups and institutions is liable to bring in and mobilise new and additional actor networks and resources derived from 'civil society'. As to the economic community, the emphasis on 'markets and competition' is likely to attract and activate private sector enterprises and providers with a disposition, within their specific purpose and objective, to seek cost-efficient and at the same time consumer-friendly, solutions.

While the multitude of single purpose actors may, thus, on the one hand, harbour and generate a formidable and promising potential of the local community regaining ground, it has the potential grave drawback in the "loss of community perspective" (Stewart/Stoker 1995: 201). Under their single-purpose orientation, the many actors are motivated, compelled and fixed, each and every one striving for the achievement of their individual and particular goals; on maximising gains and minimising losses and on 'externalising' costs, while ignoring or

counteracting the goals and interests of other actors. Thus, among the multitude and network of actors an all but structural blindness for the 'common good', for the 'best interest of the community' prevails as all are disposed to give priority to their own single purpose and self-centred interests over the common good and 'public-regarding' concerns. As a result of this fragmentation into multiple 'single-purpose' ('private-regarding') actors and organisations the local community may run the risk of being 'atomised' (Dieckmann 1996) into a multitude of self-interested stakeholders without 'community' ties and commitments.

6.3 *Local government coming back in as the advocate and 'co-ordinator' of the 'common good'*

The problem of 'coordinating' multiple policies and interests with the goal of achieving a 'common good' has always been regarded as a crucial task in intergovernmental settings - both vertically and horizontally (for an overview see Wollmann 2003). In the debate essentially three modalities of coordination are often discerned: hierarchy (within the politico-administrative system), interaction/networking (for a non-hierarchical setting) and the market (see Kaufmann et al. 1986). With the expansion and multiplication of actors and stakeholders with different (single-issue) interests in the emergent 'governance' structures, the 'co-ordination problem' has become ever more urgent and demanding. In the UK, probably reflecting the country's exceptionally high degree of actor fragmentation, a specific neologism 'joined-up' has been coined (see Pollitt 2003). This is largely, if not entirely synonymous with the 'classical' concept and term 'co-ordination' (see Wollmann 2003)

As was already indicated, the capacity of the actors within the community or governance setting to achieve a 'coordination' (or 'joining up') of their often divergent interests and 'stakes' seems structurally limited. As they relate to one to another in a non-hierarchical manner, not being subordinated to each other, but acting, instead, on an 'equal footing', if they seek 'coordination' at all, they are bound to seek it in its interaction/networking modality and procedure. An outcome of such interactions oriented towards the common good is not very likely, as practical experience suggests.

In Britain a new mechanism to bring about policy co-ordination (in British parlance: 'joining up') has been inaugurated in that central government initiates and financially supports local level 'partnerships' and local 'action zones'. These are meant to convene and 'bundle' an array of local actors and their resources around a joint project (area) for concerted action (see Wilson/Game 2002: 138 ff.). While it can plausibly be assumed that such arrangements do have 'coordinating' effects of sorts, it should be noticed that the elected local authorities play only a minor role in such partnerships since it is the influence of central which prevails. So, in limiting the influence of elected local government in this co-ordination or 'joining up' effort, partnerships are likely to fail to capture and cover the 'common good' concerns of the local community proper, while, at the same time, further weakening the position of elected local authorities and strengthening that of central government (see Rhodes 2000: 360, Leach/Pierce-Smith 2001: 232).

In turning to the role of elected local government, it should be recalled that its traditional model is premised on the assumption and mandate that, in its decision making and the conduct of its tasks and responsibilities, elected councils are held to pursue the '(best) common interest' of the 'community' as the collectivity of citizens. So an elected council is the 'born' advocate of the common interest of the community. The definition of what is the '(best) common interest' in the concrete issue at hand is supposed to be reached and agreed upon in collective political deliberations and in collective interest aggregation and conflict resolution, whereby the democratically elected local council is called upon and politically legitimated to take these decisions, in the last resort, by majority vote. Referring to the aforementioned coordination mechanisms the political coordination process goes through a sequence from 'interaction' (between the parties and stakeholders concerned) to, in the last resort (if interaction does not produce an agreement), the majority vote which is, in its core, 'hierarchical'.

The dominant position of the elected local council in the co-ordination of different local policies and interests has been weakened and eroded, since the (multi-functional) scope of responsibilities of local authorities has been curbed (albeit with considerable variance between countries) particularly by 'outsourcing' the provision of services and by 'privatising' the production of public utilities. So the multi-functional umbrella of responsibilities under which the elected councils exerted their decision-making and coordination power has been

curtailed. In other words, the decision-making reach and coverage of local *government* proper has become narrower.

At the same time, however, the role and responsibilities of elected local government can be seen to have widened as it is called upon to play a redefined but crucial role vis-à-vis the local community and local governance. The loss of formal functions and formal powers (in terms of local *government*) may be offset by a gain in *informal* influence in that local *government* has become a key player and chief networker ('reticulist', Friend 1976) in the 'governance' network and web of actors and institutions. In resuming this role the elected local authorities are called upon to act as the advocates of the '(best) common good' of the community and to ensure that these interactions and decisions be made publicly transparent and, hence, politically accountable to the largest possible extent.

In getting involved in the governance networks and in pursuing the goal of making the best common interests of the community prevail, local authorities deal with community and governance actors on an equal footing. So, it is first of all through persuasion, negotiation and compromises that the elected local authorities try to ensure the 'best common interest' is taken into account. Yet, although these dealings of local authorities with local governance actors take place, in principle, 'as equals among equals', they occur, as it were, in the 'shadow of hierarchy' (Fritz W. Scharpf) since local government disposes of significant formal powers and resources (budgetary means, development planning rights, development permissions). These powers may be held 'in reserve' as a kind of political 'sword of Damocles' but in the last resort all parties know they could be employed if advocacy or persuasion, in the name of the common good should ultimately be of no avail.

7. Conclusion and perspective: Towards a new balance between local leadership/local government and local community/local governance

Thus, a new balance is taking shape between the newly defined and 'revalued upward' local community aligned with local governance, on the one side, and local government, on the other. While the former releases and taps into a wide array of political, societal and economic potential and resources, the latter has the crucial mission of being the advocate of the common

good, of transparency and political accountability. In addition it represents a continuity by operating on the traditional formula while maintaining a reformed and 'enlightened' welfare state profile. In this sense, "elected local government... remains uniquely placed to assume a community leadership role. A positive scenario suggests that reinvigorated local authorities with the active support of local communities will be able to lead coalitions of interests and agencies to deliver 'joined-up' government and mount a sustained, successful attack on some of the more intractable 'cross-cutting' or wicked issues" (Leach/ Pierce-Smith 2001: 240)

Finally, given the urgently need for 'community leadership' it should be recalled that in recent years throughout European countries institutional reforms of local government have been inaugurated in order to strengthen local political and administrative leadership (see the country reports in IJURR 2004, Berg/Rao 2005, Larsen 2002). In those countries with a council/mayor form of local government the direct election of the mayor started to be introduced from the early 1990s. The countries in this group included Germany (see Wollmann 2004a) and Italy (see Magnier 2004). In other countries with a council/committee ('government by committee') form of local government (particularly in Britain and in Scandinavian countries) the traditional local council structure was revamped from the late 1990s by concentrating the crucial policy making (in British terminology: 'executive') powers in one politically dominant committee ('executive committee', 'cabinet') headed by a strong chairman (majority leader, mayor) (for the British reform see Wilson/Game 2002: 103 ff., Rao 2005, for Sweden see Montin 2005).

In this context it should be added that in Britain a significant change was made in the Local Government Act 2000 which mandates local authorities "to promote the economic, social and environmental well-being of their areas". Although the traditional ultra-vires doctrine formally has not been entirely abandoned, this provision marks a decisive step towards establishing British local government on the basis of a general competence clause, so converging to the basis of local government in most other European countries. Although the Act in its literal wording speaks still with some restraint of "of their areas" (still not explicitly referring to the 'community') it is clear that the call has gone out for '*community* leadership'. Indeed this was already signalled in the previous White Paper 'In Touch with the People' where it was stated that: "...enshrined in law the role of the council as the elected leader of their community (sic!) with a responsibility for the well-being and sustainable development of its area" (DETR 1998: 80, see also Stewart 2003: 121).

So the two main currents of modern European local government development, the Anglo-Saxon and the Continental European one, appear finally to be converging. This sets the stage for a new complimentary structure of, and a new balance between local government, committed to community leadership, on the one hand, and the local community and local governance. In this new adjusted balance the local governance and the local community has re-gained ground.

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