

Local Government Reforms in (Seven) European Countries: Between Convergent and Divergent, Conflicting and Complementary Developments

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ABSTRACT *In selecting the United Kingdom/England, Germany, Sweden, France, Italy, Spain and Hungary as comparative cases, and in focusing on three institutional tracks (local leadership, internal administration and external operation), this article first discusses, on the one hand, whether local government has been institutionally strengthened, and on the other, whether governance-type actor networks have expanded in the countries under consideration and whether, across-countries, this developments has shown convergence or divergence. Secondly, it addresses the question of whether the two currents (strengthening of traditional local government and expansion of local governance networks) are conflicting or complementary.*

KEY WORDS: Comparative analysis of local government, strengthening of local government, expansion of local governance networks, convergence and divergence in local government, conflicting and complementary developments in local government

1. Introduction

Since the 1980s throughout European countries local government systems have experienced significant institutional changes, particularly in two institutional dimensions.

On the one hand, a reform strategy and logic have been directed at enhancing local political and executive leadership as well as at improving (internal) administrative capacity, thus strengthening the 'classical' general-purpose, *common good*-committed elected local government form. On the other hand, another reform strategy, geared to *New Public Management* and

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the *European Union's* market liberalisation policy, has aimed at (externally) re-organizing local government by way of 'outsourcing' or 'privatizing' local government functions to single-purpose actors operating outside *local government* proper. Conceptually and terminologically drawing on and framed in the *governance* debate (see Rhodes 1997, Pierre 2000, John 2001), such actor networks typically operating outside *local government* proper are subsequently identified, in an *analytical-descriptive* understanding of the *governance* discourse, as *governance* structures¹.

Against this background in the article two guiding questions will be pursued.

First, in selecting seven European countries (UK, Germany, Sweden, France, Italy, Spain and Hungary) and in focusing on three institutional tracks (local leadership, local administration and 'external' operational setting) the article will discuss whether, on the one hand, *local government* has have been institutionally strengthened and, on the other hand, *governance*-type actor networks have expanded and whether, across-countries, the development has been convergent or divergent.

Second, the question will be addressed whether the two institutional currents (strengthening of traditional *local government* versus expansion of *local governance* networks) are *conflicting* or *complementary*.

2. Comparative and conceptual framework

2.1. Selection of countries

The selection of the UK/England², Germany, Sweden, France, Spain, Italy and Hungary has been inspired by various considerations.

First, although it might be objected that the intended comparative coverage of as many as seven European countries in the limited space of a single article may be seen overambitious and running the risk of remaining analytically too broad-brush and superficial, in our view such broad scope of countries holds the promise of generating novel and 'value added' insights.

Second, in methodologically terms the selection may draw on the comparative 'most different/most dissimilar system' approach (see Przeworski and Teune 1970) in which 'maximum variance' between countries is sought with regard to hypothetically powerful explanatory (independent) variables in order to identify correspondingly different effects. With an eye on the three institutional tracks under discussion, an analytically meaningful and productive typology can be still found, originally submitted by Hesse and Sharpe 1991, between the "*Anglo*", the "*Franco*" and the "*Scandinavian-Middle European*" types (for overviews see Vetter/Kersting 2003a, p. 22, Heinelt and Hlepas 2006, p. 26 ff.). Although this typological triad does not well capture the present reality of the respective countries any more it still is analytically helpful to highlight their historical legacies (such as the *Napoleonic* tradition in France, Spain and Italy, see Peters 2008).

Furthermore an important typologically relevant distinction between Anglo-Saxon and Continental European countries can be used (pertaining to law as well as local leadership traditions, see Wollmann 2000, 2009). On similar grounds, a typological “North-South” distinction (see John 2001, Borraz and John 2004, Heinelt and Hlepas 2003, p. 22 ff.) makes sense. Moreover, with regard to administrative reforms a meaningful typological distinction may be introduced between countries with historically grown ‘old’ politico-administrative structures (such as UK, Germany and, to lesser degree, Sweden) and countries whose local administrative structures are relatively ‘young’, be it because of recent decentralisation (such as in France and Italy) or of recent *transition* (in the case of Spain) or *transformation* (as in Hungary).

While these (and other) typologies are, no doubt, useful to heuristically educate and analytically guide comparative analysis, the country-specific complexity of local government systems defies the formulation of a single consistent and comprehensive typology that would lean itself to make use of a (*quasi-experimental*) systematic variation.

Hence, notwithstanding the need of methodological reflection the selection of countries a multi-country and multi-‘track’ comparative research is bound to be, to a significant degree, alas, pragmatic.

2.2. Analytical frame

As the article focuses on *institutional* developments it essentially takes an *institutionalist* orientation.

In analysing and explaining institution building conceptual guidance is sought from variants of theoretical *institutionalism* (for overviews see Peters 1995, Thoenig 2003, V. Schmidt 2006).

- *Historical institutionalism* emphasises the legal, cultural etc. traditions and *legacies* that weigh on the future course of institution building. The notion and image of *path-dependence* highlights the all but compelling force of such historical factors (see Pierson and Scapol 2002, Pierson 2000 with references). In a similar vein, the concept of *starting conditions* (see Pollitt and Bouckaert 2004, p. 40 ff.) synthesises an array of factors that, at a crucial point of time, may shape the subsequent institutional trajectory.
- *Actor-centred institutionalism* (see Scharpf 1997) directs the analytical attention on relevant political, economic etc. actors and actor coalitions, their political etc. interests and *will and skill* to impinge upon the decision-making in institution building – such as, on the national level, the top-down policy interventions by the Thatcher Government after 1979 or, on the supra-national level, the political push by the European Union at market-liberalisation.
- Finally, *discursive institutionalism* (see V. Schmidt 2008) emphasises the impact that (national as well as international) discourses and discourse

coalitions (such as *New Public Management*) can have on the institutional development. Similarly processes of transfer of and learning from ideas and institutional models are brought to the fore by variants of *isomorphism* (see DiMaggio and Powell 1983).

In view of the complex constellation of hypothetically relevant factors and in the face of the well-known limits to the applicability of methodologically rigorous comparative designs the article will pursue a *configurative analysis* (Verba 1967) which is bound to resort to (and be content with) plausible causal interpretations.

2.3. Sources and references

For one, the article is based, on research conducted by the author on Germany, England, France and Sweden (see Wollmann 2008a, 2008b). Furthermore it leans, by way of *secondary analysis*, on available research literature.

3. The territorial, functional and financial profile of the local government levels within the intergovernmental (*multi-level*) architecture.

At the outset, the territorial, functional and financial position of the local government levels in the intergovernmental setting of the countries under discussion shall be briefly outlined in order to set the stage for the comparative analysis of the three reform tracks.

3.1. Territorial profile

With regard to the regional level (see table 1, for an earlier discussion of the *meso* level see Sharpe 1993), Germany is the only historically federal country (see Wollmann and Bouckaert 2006), while Spain adopted a quasi-federal structure after 1978 and Italy likewise after the 1990s (see Bobbio 2005). With the creation of elected assemblies, after 1998, in Scotland and Wales the UK has moved towards a *quasi-federal* scheme which has remained *asymmetrical* because the *devolution* applies only to Scotland and Wales, while England retains unitary with centralist government (see Wilson and Scott 2006).

Concerning the local government level, the countries under discussion conspicuously differ in the average population size of their municipal/lower level units (see table 1 last column; for further comparative data see Dexia 2008, p. 35 ff., Marcou and Wollmann 2009, p. 133 ff.). On the one side, resulting from territorial reforms carried out during the 1960s and 1970s, by way of large scale mergers, the municipal levels in England, Sweden and in some of the German *Länder* have arrived at an average population of 140,000, 34,000 and 44,000³ respectively which has been referred to in comparative literature as the *North European* territorial reform pattern (see

Table 1. Intergovernmental structure (data for 2006–2009)

	Country	Levels	Number	Population Ø
1	Germany	Federal States (Länder)	16 ¹ (of which 3 City States: Berlin, Hamburg, Bremen)	average 5,200,000
	Local	(two-tier) counties (= Kreise) Municipalities (within counties) (= kreisangehörige Gemeinden)	323 12,196 ²	170,000 6,690 ³
	Intercommunal	(single-tier) cities (= kreisfreie Städte) Intercommunal bodies	116 1,708 'administrative unions' (= 'Verwaltungsgemeinschaften', 'Ämter' etc. ⁴)	
2	France	Local	Régions Départements Communes	2,300,000 550,000 1,560
	Intercommunal	Intercommunalité	21 + 4 (d'outre-mer) 96 + 4 (d'outre-mer) 36,569 ⁵ 12,840 syndicats ⁶ 2,601 communautés (à fiscalité propre) ⁷	
3	U.K.	'quasi-federal'	Regions Scotland, Wales	Scotland: 5,000,000 Wales: 2,900,000 (13 % of total UK population) 720,000 (counties) 140,000
	Local	(two-tier) counties Districts/boroughs (within counties)	34 + Greater London Author. 238 + 33 London boroughs + Corporation of London	
	Intercommunal	Single-tier authorities	36 metropolitan councils + 47 unitary authorities	

(continued)

Table 1. (Continued).

	Country	Levels		Number	Population \varnothing
4	Italy	'quasi-federal'	<i>Regioni</i>	20 (15 statuto ordinario + 5 statuto speciale)	2,900,000 ⁸
		Local	<i>Province Comuni</i>	103	570,000
		Intercommunal	<i>Intercommunal bodies</i>	8,101	7,270
				356 comunità montane (made up of 4,201 comuni)	32,700
				278 unioni di comuni (made up of 1,240 comuni)	16,700
				numerous <i>consorzi</i> and <i>conventi</i>	
5	Sweden	Local	<i>Landskap kommuner</i>	20 (of which 2 'regions': Skane + Västra Götaland)	420,000
				290	31,300
				17	2,500,000 ⁹
6	Spain	'quasi-federal'	<i>Komuniter</i>		
		Local	<i>Comunidades autónomas Provincias Municipios Comarcas</i>	50	870,000 ¹⁰
		Intercommunal	<i>mancomunidades consorzi</i>	8,111	5,430
				81	
				1,000	
7	Hungary	Local	<i>Counties (megye) Municipalities</i>	19	530,000
				3,175 (prior to 1990: 1,600 f)	3,170 ¹²
				- 2,863	
				265	
			- villages (községek) - towns (város)		

(continued)

Table 1. (Continued).

Country	Levels	Number	Population Ø
	-towns with county status Budapest (with 23 city districts)	23	1,700,000 million (= 17 % of total population)
	Intercommunal Single-purpose multi-purpose bodies	some 2,590	

¹Varying in size between Land of Nordrhein-Westfalen with 18 million inhabitants and Land of Bremen (City State) with 550,000 inhabitants

²of which over 75 per cent have less than 5,000 inhabitants

³in Land of Nordrhein-Westfalen: Ø 45,000 inhabitants, in Land of Rheinland-Pfalz: Ø 1,700 inhabitants

⁴in Land of Rheinland-Pfalz 95 per cent of the municipalities are affiliated with an intercommunal body (such as *Verwaltungsgemeinschaft*), in Land of Bayern 62 per cent, but in Land of Nordrhein-Westfalen and Hessen none

⁵with 93 per cent having less than 3,500 inhabitants

⁶as of January 1, 2009. Syndicats à vocation unique, SIVU; syndicats à vocation multiple, SIVOM, syndicats mixtes or syndicats 'à la carte'

⁷as of January 1, 2009: 16 *communautés urbaines*, 174 *communautés d'agglomération*, 2,406 *communautés de communes*, 5 syndicats d'agglomération nouvelle

⁸varying in size between 124,000 (Valle Aosta) and 9.5 million inhabitants (Lombardie)

⁹between 303,000 (Rioja) and 7.8 million (Andalusia)

¹⁰85% less than 5,000 inhabitants

¹²91% with less than 5,000 inhabitants

Source: mainly Dexia 2008, own compilation + calculation, own table; H. Wollmann

Norton 1994: 41). On the other hand, in countries, such as France, in most German *Länder*, Italy, Spain as well as Hungary where territorial reforms have not been effected (referred to as the *South European* pattern), the average population size of the municipalities stands at 1,560, 1,700⁴, 7,270, 5,740 and 3,170 respectively.

In the countries in which territorial municipal consolidation has so far not been effected, layers and types of inter-municipal formations have been created that are destined to institutionalise inter-municipal and inter-local cooperation and support. The development in France is exemplary with a multitude of 15,000 inter-municipal bodies (*inter-municipalité*), among them some 2,600 *communautés* which, being endowed with a taxing power of their own (*à fiscalité propre*), have moved towards an integrated form of institutionalised inter-municipal cooperation (see Marcou 2004).

Recently a new wave of territorial reforms has gained momentum since in East German *Länder* the territorial consolidation of municipalities by way of mergers as well as the concomitant reduction of inter-municipal bodies has progressed (see Wollmann 2010a) and as France's *inter-communalité* has moved towards functionally and financially, if not territorially integrated forms (see Marcou 2010, Wollmann 2010c, Comité Balladur 2009).

3.2. Functional profile

In the following, to capture the functional role of the local government levels in the intergovernmental (multi-level) setting the percentage of public employees by levels of government is used as an indicator with the distinction made between (central/federal) state, region (that is, *Land* in Germany, *Comunidad Autónoma* in Spain and, *regione* in Italy) and local government level.

With 83 per cent of the entire public sector personnel, Sweden has the by far largest municipal sector with two thirds employed, including the teachers, by the municipalities and about third by the counties which are responsible for the public health system⁵.

In the UK the share of local government staff of over 50 per cent indicates that the country's local government sector, including teachers, constitutes 'still very large business' (Wilson and Game 2006, p. 119) which has, however, come, since the Thatcherite centralist shift, under stringent central government control.

In (federal) Germany the local government personnel share amounts to some 30 per cent compared to over 50 per cent (including teachers) of the *Länder* and a conspicuously small share (of some 10 per cent) of the federal level⁶.

In (unitary) France the personnel share of the local government levels (*communes*, *départements* and *régions*) stands at around 30 per cent which signals the functional significance they have gained since the 1982

decentralisation. However, State personnel that includes teachers still makes up over 50 per cent which reveals the strong organisational and personnel presence the French State still has at the subnational levels and hints at the still persisting (path-dependent) legacy of the centralist *Napoleonic* State (see Hoffmann-Martinot 2003).

Notwithstanding Italy's *quasi-federal* decentralisation since the late 1990s which primarily surfaces in the political and functional ascent of the *regioni* the share of local government personnel still is not more than 13 per cent, while the share of central government personnel, including the teachers, is still over 50 per cent. This reveals that the devolution of public tasks to the municipalities (*comuni*) is still retarded and that in Italy, too, the organisational and personnel presence of the (*Napoleonic*) State in the subnational space is still momentous (see Bobbio 2005: 29 ff.).

Following Spain's *transition*, since 1978, from the centralist dictatorial Franco regime to democratic decentralised government the regions (*comunidades autónomas*) have gained *quasi-federal* status which is evidenced by their personnel share of over 50 per cent (also encompassing teachers), while the share of the municipalities (*municipios*) of 23 per cent has remained behind most of their European counterparts (see Alba and Navarro 2003).

In the wake of (unitary) Hungary's *transformation*, in 1990, from the centralist Socialist State to democratic (strongly) decentralised government the local government level has been assigned comprehensive responsibilities (see Wollmann and Lankina 2003, Soos 2005) which is indicated by the remarkably high share (65 per cent) of local government personnel (as compared to 35 per cent of State employees).

3.3. Financial profile

In order to characterise the financial (as well as functional) position which local government, that is, the lower tier (municipal) level has within the intergovernmental system two indicators shall, in brevity, be called up (see table 3).

For one, the share of the municipal level's total revenue as compared to the public sector's total revenues (see table 3, line 1) can be seen to indicate the scope of functions which the municipal levels need to finance from their total revenues. Again Sweden's and Hungary's municipal levels stand out with around 25 per cent, while German and Spanish municipalities follow with some 12 per cent and their French and Italian counterparts with some 9 per cent.⁷

Second, the degree of municipal level's budgetary autonomy in the intergovernmental setting can be captured and assessed by the share which state grants have in relation to the local level's total revenues (see table 3, line 2). On the basis of this indicator once again Sweden's municipalities enjoy the largest budgetary autonomy (with only 20 per cent of State

grants), whereas in the other European countries the share of State grants amounts to some 30 per cent.⁸

4. Reforming local political and administrative/executive leadership

Since the 1980s in most European countries the existing local decision-making and leadership structures have been increasingly criticised for (administrative and operational) *performance deficits* as well as for *democracy deficits*. Among European countries two major reform currents can be distinguished (see Berg and Rao 2004, Borraz and John 2004, Wollmann 2008c, 2009).

4.1. '(Quasi-) parliamentarisation' of the government by committee systems

In England the traditional *government by committee* system has been abolished and replaced (for details on the different reform options, see Stewart 2003, p. 55 ff., Wilson and Game 2006, p. 93 ff., Rao 2005, Colin 2009) with a *leader and cabinet* form which, being reminiscent of central level cabinet government, amounts to a '(quasi) parliamentarisation' of local government with the leader resembling the position of a 'local prime minister' (see Wollmann 2008c, p. 284).

In Sweden a less radical and more gradualist approach towards reforming the traditional *government by committee* system has been chosen (see Goldsmith and Larsen 2004) as the sectoral responsibilities of the committees have been in principle retained while the decision-making structure has been 'de-collectivised' (Larson 2002, p. 118) and 'quasi-parliamentarised' (see Bäck 2005). Hereby the position of the main committee (*kommunstyrelse*) has been strengthened, stopping short, however, of installing an *individualised (local prime minister-type)* leadership position. The ensuing local government form has been characterised as 'many actors and few strong leaders' (Montin 2005).

4.2. 'Quasi- presidentialisation' of the mayoral form

The 'quasi-parliamentarian' *council plus council-elected (executive) mayor* form was invented by the French (post-revolutionary) municipal legislation of 1790 and has prevailed in Continental European countries until recently.

In Germany where local government legislation falls to each of the *Länder* two of them (*Baden-Württemberg* and *Bavaria*) deviated, as early as in the 1950s, from this traditional *quasi-parliamentarian* pattern and introduced the direct election of the executive mayor in an obvious borrowing from the US example (for details see Wollmann 2008c, p. 288 ff.). Since the early 1990s, in a conspicuous legislative sequence and in a kind of from Land to Land *isomorphism*, all other *Länder* have adopted the directly elected executive mayor as a variant of *local presidentialism*. Drawing again on the

US example in some *Länder* recall procedures have been inserted as a direct democratic corrective to the increased mayoral power through which the sitting mayor can be removed from office by way of local referendum (see Vetter 2003).

In Italy, in the wake of the corruption scandal that rocked the political party system during the late 1990s an important institutional reform move was seen, in 2003, in having the mayor (*sindaco*) directly elected (see Bobbio 2005, p. 40 ff.).

Following Hungary's *transformation*, in 1990, the direct election of the mayors was at first put in place only in the small municipalities. In 1994, the direct election was extended to all municipalities on the ground to give greater political and operational stability to local government (see Temesi 2000, p. 355, Soos 2003).

4.3. Holding on to the 'quasi-parliamentary' mayoral form

In France the *quasi-parliamentarian* local government form with the mayor being elected by the municipal council has remained in place. However, in real terms, the municipal council election process comes close to a direct election of the executive mayor. Additionally because of the country's time-honoured practice of *cumul de mandats* through which many mayors are at the same time elected members of the *Assemblée Nationale* as well as of the *Sénat* (see Hoffmann-Martinot 2003, p. 166 ff.), the French mayor has risen to a powerful position that has been compared to a local 'president', if not, as it has been not only ironically said, to a local 'monarch' (Mabileau 1997, p. 353) who overshadows and sidelines the elected council (see Kerrouche 2005).

Following Spain's *transition*, in 1978, the national legislation of 1985, in line with Spain's pre-Franco local government tradition, provided for a (*quasi-*) *parliamentary* council plus council-elected mayor (*alcalde*) form. While formally elected by the municipal council the mayors have arrived, in the reality of local politics, at a position which, similar to France, has been likened to a local 'president' (see Ferran and Horta 2005, p. 82).

5. Reforming the local administrative and operational structures

Since the 1980s, the administrative and operational structures of local government have come under mounting criticism throughout European countries.

The reform movement was conceptually and ideologically influenced by the *New Public Management*, *NPM*, discourse (see Pollitt and Bouckaert 2004 for their, in the meantime, all but 'classical' comparative analysis of *NPM* with a focus, though, on the central level development) and has been moved forward particularly on three fronts.

- For one, it fell in line with neo-liberal criticism which, politically spearheaded at first, by the UK's Conservative government under Margaret Thatcher, charged that the overgrown welfare state (and its bureaucracy) should be reduced to 'lean government' by leaving as many as possible public tasks to the private sector.
- Second, borrowing from private sector managerialism, NPM aimed at undoing the traditional (externally over-regulated and internally over-hierarchical Max Weber) model of public/municipal administration and replacing it with an administrative scheme in which external policy-making is restricted to setting general (output) goals, while it should internally be up to managers ('let managers manage') to flexibly and efficiently use the (financial and human) resources at hand to achieve these objectives.
- Furthermore, it was demanded that the public sector should limit itself to an *enabling* function, that is, to restrict itself to *ensure* the provision of public and social services while the production and delivery thereof should be *outsourced* and *marketised* to be conducted by outside (preferably private sector) providers.

In the following analysis the distinction will be made between *internal* re-organisation pertaining to local administration proper (under 5.1.) and *external* re-organisation essentially brought about by the 'hiving off', outsourcing, marketisation etc. of public functions to outside actors (under 5.2.).

5.1. Internal re-organisation

In England, which was Europe's frontrunner in rapid capitalist industrialisation and rampant urbanisation, the build-up of (professionalised) local administration dates back to the mid-19th century (see Ridley 2000, Schröter and Röber 2000). The growth of local government personnel was further pushed by the advent, after 1945, of the advanced national welfare state in which the local authorities were assigned a prime function in social service delivery. The professionalism of British post-war local administration was rooted in the bureaucratic belief that that the public and social services would be best provided 'in house' by local government personnel proper (see Stewart 2000, p. 51 f.). The large-scale territorial and organisational local government reforms of 1974 were destined, in the heydays of the post-war welfare state, to enlarge the operational basis of professionalised and specialised government staffs. Thus, well into the 1970s British local government administration almost epitomised the quasi-monopoly of local government in the implementation of national welfare state policies.

Against these starting conditions the NPM-inspired call for undoing the quasi-monopoly and 'municipal empires' (Norton 1994, p. 378) rapidly gained momentum. It was additionally propelled by the Conservative

Party's political will to weaken the (largely Labour Party-dominated) local government level.

The early entrance and easy acceptance of the NPM message was furthermore facilitated by the *Common Law* tradition in which a legal distinction between public law and private law as well as between public and private sector is not made and in which, by the same token, (local) government staffs and private sector employees operate under the same labour law (see Ridley 2000, Schröter and Röber 2000). Hence, the transfer of managerialist principles and tools from the private business sector to local administration encountered hardly any legal, cultural and mental barriers (see Wollmann 2000, p. 4 ff., Politt and Bouckaert 2004).

Significant organisational changes were triggered by 'Compulsory Competitive Tendering' (CCT) legislation through which, during the 1980s, the Conservative central government made it obligatory for local authorities to have the local services delivered by way of competitive tendering. Its key operational concept (purchaser-provider-split) hinges on the functional, operational and organisational separation of purchasing function exercised by the local authorities and the provider function outsourced to outside (preferably private sector) actors. Although the CCT legislation was formally revoked by the New Labour Government after 1997, the purchaser/provider split has become a lasting organisational principle of English local administration.

Another important shift in internal organisation and operation has come through the introduction of essentially central government-controlled indicator-based performance management which, since the late 1990s, New Labour central government has imposed on local authorities (for details see Wilson and Game 2006, p. 361 ff., Stewart 2003, p. 141 ff.). Although the earlier stringently centralist Best Value regime has been replaced with a somewhat 'softer' and more coherent system (called Comprehensive Performance Assessments, CPAs), it still gives central government an amount of top-down influence and control, unparalleled in European countries, over the internal administrative operations of local authorities.

In Germany, too, the build-up of professional local administration dates back to the late 19th century when, *vis-à-vis* rampant industrialisation and urbanisation, the municipalities faced an ever wider range of social, infrastructural etc. tasks (see von Saldern 1999, Wollmann 2000b, p. 117 f.). Different from the U.K., however, German local administration has been embedded in a *rule of law* (*Rechtsstaat*) tradition in which the activities of public/municipal administration are seen strongly regulated by (detailed) legal provisions. This distinctly legal(ist) (Roman Law-rooted) context has conditioned the traditional (externally regulated and internally hierarchical) Weberian bureaucratic model as a (path-dependent) feature of German administration (see Wollmann 2000).

Although in Germany, too, the local authorities adopted a municipal sector-centred profile in the in house conduct of public functions, in a conspicuous exception, social services have traditionally been largely provided by non-public non-profit (NGO-type) organisations under the so called 'subsidiarity' principle which emerged in late 19th century Germany (see Bönker and Wollmann 2006, Bönker *et al.* 2010).

Well into the 1980s, Germany's local government levels stayed remarkably aloof from the internationally then dominant NPM debate. For one, as just mentioned, in the field of social services which is a key local level responsibility the local authorities have limited themselves since long to an, in NPM parlance, *enabling* role, thus, in a way, pre-empting and anticipating NPM concepts. Second, the *rule of law* (*Rechtsstaat*) tradition as well as the administrative (Weberian) tradition have set up a legal and cultural barrier against an easy entry of private sector-derived organisational principles into the public sector. Thirdly, Germany's municipal administration was highly esteemed, also in the view of international observers, for its performance, particularly for its legal correctness and reliability (see Sellers 2002).

At last, however, in the early 1990s, in the face of a mounting budgetary crisis which was caused by the costs of German unification the local authorities abruptly embraced New Public Management as a hopefully cost-cutting panacea (see Wollmann 2004b). KGSt, a local sector-funded consultancy agency, designed and propagated the so called New Steering Model (Neues Steuerungsmodell, NSM) which adopted and 'translated' some key NPM elements (see seminal Banner 1991). It was conceptually and strategically first of all directed at redressing the legal(ist) over-determination and hierarchical rigidity of traditional administration by instilling managerial flexibility and cost-efficiency, particularly by way of *output*-based budgeting, internally decentralised resource management, cost-accounting and monitoring (see Kuhlmann and Fedele 2010). Initially the message of the New Steuerung Model spread among the local authorities 'like a wild-fire' (Reichard 1994) in a broad bottom-up discourse and movement.

In the meantime, however, the New Steering Model has significantly lost momentum and attraction in the wake of sobering experience and results, as evidenced by a large-scale evaluation study that was recently conducted on 'ten years of New Steering Model' (see Kuhlmann *et al.* 2009, Kuhlmann and Fedele 2010). This study suggests that recent administrative modernisation measures have done best when NPM/New Steering Model-inspired concepts and tools (such as cost-accounting) were mingled and combined with traditional (Weberian) administration. In this amalgam observers have seen the emergence of an operationally successful type of 'neo-Weberian' administration (see Pollitt and Bouckart 2004).

As Sweden was historically a primarily rural country and a latecomer to industrialisation and urbanisation local level tasks were often handled by laymen-citizens well into the 1920s (see Strömberg and Engen 1996, p. 267,

Wollmann 2008b, p. 291 ff.). The professionalisation of local government staff set in when, since the 1930s, Sweden embarked upon building up a national welfare state ('Swedish Model') in which the (two-tier) local level was meant to act as the local corner stone (*den lokala staten*, Pierre 1994). The 1952 and 1974 territorial reforms of the municipalities which resulted in municipalities averaging 34,000 inhabitants aimed at providing the territorially viable base for professional local administration.

The build-up of Sweden's historically 'young' municipal administration coincided, during the 1960s, with the then internationally rampant debate on public sector modernisation through (PPB-inspired) planning, management and evaluation techniques. Due to the massive recruitment of personnel freshly graduating from the recently established professional schools the country's local administration has become lastingly shaped by the planning and managerialist *zeitgeist* of that period. Revealingly, *steering by results* (*målstyrelse*, see Brömstrom and Rombach 2004, Wollmann 2008b, p. 294) became and has remained a guideline in Swedish municipal administration – before being 're-invented' by NPM.

Another influential reform impulse came from the Local Government Act of 1991 that, again without recognisable direct link with NPM, gave the municipal councils far-reaching organisational autonomy which has ushered in an unprecedented organisational flexibility and variability among municipalities (see Montin and Amnå 2000, p. 9, Häggroth *et al.* 1993, p. 66, Wollmann 2008b, p. 296 ff.).

Finally, in the early 1990s the New Public Management debate made its entry also to Sweden's local authorities when, amidst a severe economic crisis, a bourgeois government (temporarily) replaced the ruling social democrats and proclaimed a (neo-liberal) 'system change' in Sweden's (social democratic) welfare state. As Swedish municipalities traditionally held a quasi-monopoly in the direct conduct of social services the adoption of the NPM message was targeted first of all at marketizing them and at introducing the purchaser-provider split by establishing corresponding council committee and administrative units (respectively *uppdratsnämnder* and *produktionsnämnder*). In most municipalities, however, the re-organisational impact of NPM has so far been limited (for details see Wollmann 2008b: 327 ff.).

Prior to the decentralisation of 1982, in France's centralist (Napoleonic) State almost all public functions were carried out by (central) State personnel. Even the few tasks assigned to the *départements* and *communes* as local self-government bodies (*collectivités locales*) were discharged by *département*-level State administration under the direction of the *préfet* – with the exception of larger cities (see Borraz 1998, p. 141 ff., Wollmann 2008b, p. 396).

After 1982, responding to the large-scale devolution of public functions, the subnational self-government levels began to build up their own administrative structures and staffs – largely 'from scratch', thus constituting a

somewhat 'young' subnational administrative structure. This applies particularly to the *départements* and also to the large and middle-sized municipalities while a great number of small municipalities have remained 'administrative wasteland' ('*véritable friche administrative*', Jegouzo 1993).

During the 1980s NPM concepts were embraced particularly in a number of large cities when following the municipal election of 1983 a cohort of neo-liberal-minded mayors subscribed to the NPM idea of running their municipalities as 'enterprises' (*ville entrepreneuriale, ville stratège*). Whereas the 'entrepreneurial' scheme was soon abandoned (see Maury 1997), managerialist concepts, such as indicator-based performance management, have been adopted quite broadly in municipal administration. Furthermore 'one stop' local agencies (*Maisons de Service Public*) have been put in place to give the citizens/clients access to the services (*polyvalence d'accueil*) of different (*départements, communes, private etc.*) providers (see Kuhlmann 2008, p. 214 ff.).

While Italy's decentrealisation (*decentramento*) since the late 1990s has strengthened the regions (*regioni*), particularly in their legislative and functional responsibilities, the transfer of public functions to the municipalities (*comuni*) has remained, by and large, limited as evidenced by the still comparatively small share of local government personnel (of some 13 per cent, see table 2). In their organisation the municipalities have been 'latecomers to NPM' (Bobbio 2005, p. 34). An important NPM-direct push has been given by the national legislation of 1993 which obliged the municipalities to conduct performance reviews (see Bobbio 2005, p. 42, Lippi 2003, p. 144). Furthermore, led by the NPM idea of institutionally separating politics and (professional) administration and drawing on the related US model of the City Manager, in 1997 the position of a (mayor-appointed) City Director (*direttore generale*) has been introduced as

Table 2. Public employment by levels of government in 2005 (in percentages)

	Country	central/federal	regional/Land	local	special sector
1	Germany	12.0	53.0	35.0	
2	France	51.0		30.0	
3	Italy	54.7	3.8	13.6	Hôpitaux 19.0 aziende sanitarie locali 20.3 enti pubblici 7.6
4	Sweden	17.0		83.0	
5	UK	16.8		56.0	National Health Service 26.0
6	Spain	22.7	49.9	23.6	
7	Hungary	35.5		65.0	

Sources: data (primarily) from Dexia 2008, 2006, own compilation + calculation, own table; H. Wollmann

Table 3. Subnational revenue in 2005

	Germany		France		Italy		Sweden		U. K.		Spain		Hungary				
	municipalities ¹		counties land communes		départements régions comunit provinces regional kommuner landstingskommuner single-tier ²		counties municipalities		provincias comunidades municipalities		counties		municipalities counties				
1 level's total revenue in % of total of total public revenue	12,0	2,4	24,5	8,6	5,5	1,9	9,4	1,7	22,0	26,7	13,0	14,0	11,7	4,9	35,3	24,5	7,4
2 State revenue grants in % of level's revenue	31,9	77,4	21,2	31,5	28,2	55,9	33,7	49,7	53,1	21,6	24,0	48,2	36,2	27,8	45,2	32,4	
3 level's own tax in % of level's total tax revenue	61,0	0,0	16,0	100,0	83,0	90,0	76,0	91,0	78,0	100,0	100,0	54,3	92,0	100,	51	44,8	10,1

¹ municipalities ('within counties', 'kreisangehörige Gemeinden') + county cities ('kreisfreie Städte')

² single-tier local authorities (unitaries etc.) + two-tier districts, boroughsM

Source: data from Dexia 2008, own compilation + calculation, own table: H. Wollman

professional and manager-type complement (and corrective) to the 'political' mayor (see Lippi 2003, p. 152). As City Directors are predominantly recruited from graduates of Bocconi University in Milan, the country's (NPM-committed) leading business school, NPM-trained professionals have increasingly made their entry into and career in Italy's municipal administration (see Kuhlmann and Fedele 2010).

In the wake of Spain's *transition* and 'quasi-federal' decentralisation after 1978, the personnel size of the regions (*comunidades autónomas*) rose to almost half of the entire public sector employment, while that of the municipalities (*municipios*), amounting to about 25 per cent, remained comparatively low (see table 2). At the same time, the post-*transition* organisational development of municipal administration has been shaped by national legislation that stipulates the position of a 'town secretary' (*secretario*) and a 'town treasurer' (*tesorero*) in each municipality. As these are civil servants who are professionally rooted in the (still caste-like) *cuerpo* system (see Parrado 2008, p. 237) they can be seen to represent traditional Weberian bureaucracy (see Ferran and Horta 2005, p. 81) and embodying concomitant professionalism in local administration *vis-à-vis* the council-elected (executive) mayor (*alcalde*) and his primarily *political* leadership. By contrast the appointment of city managers (*gerentes*) has been legally prescribed, so far only for big cities, who are likely to come in as a cohort of NPM-trained and -committed professionals. Accordingly, the larger and big cities have been deemed 'the most dynamic spaces of innovation and experimentation among the different public administrations' in Spain (Alba and Navarro 2003, p. 202).

After 1990, following Hungary's *transformation* and massive transfer of public functions to the country's municipalities, the local government staff expanded to reach the (by comparison very high) share of around 60 per cent of public sector personnel (see table 2). In building up their administrative structure and staff the municipalities faced the double challenge of, on the one hand, of re-establishing legal rule-bound (*Rechtsstaat*) Weberian administration and to thus link up with Hungary's pre-communist and historically *Habsburg* Austrian/Hungarian administrative tradition (see Horvath 2008, Soos 2003, p. 242). On the other hand, they were induced, by international ('Western') consultants and by the envisaged accession to the EU, to adopt NPM concepts (see Wollmann and Lankina 2003, p. 96 ff., Horvath 2008). Consequently, the proper 'sequencing' of employing Weberian organisational principles and NPM-concepts has proved problematic, as there 'was not enough time to deepen the Weberian tradition in public administration' (Horvath 2008).

5.2. 'External' re-organisation

External re-organisation may be effected by the local authorities through different organisational forms (see Grossi, Marcou and Reichard 2010).

- *Outsourcing* can be understood as transferring the conduct of (social) services, by way of contracting-out, commissioning etc., to outside (self-standing) providers.
- *Formal (or organisational)* privatisation can be termed the transfer of functions, hitherto performed in house by the public/municipal sector, to organisations and providers that operate outside local government proper, but still remain in municipal ownership (such as corporatised units, municipal corporations).
- *Material (asset)* privatisation signifies the entire or partial sale of local government assets to private sector investors and actors.

The commonality and variance in the pursuit of strategies shall be discussed across-countries in the following, by singling out social services and public utilities.

Social services

The *starting conditions* in the delivery of social services vary significantly between the countries under consideration.

In the UK, well into the late 1970s social services were delivered (in house) by local government personnel proper. After the Conservative government took office the local authorities were obliged by national legislation (Compulsory Competitive Tendering) to outsource and marketise the provision of services. As a result, the previous quasi-monopoly of local government personnel has been almost entirely replaced by external first of private sector, providers (see Bönker, Hill and Marzanati 2010, Hill, Long, Marzanati and Bönker 2010).

Until the 1990s, in Sweden, too, the social services was almost completely provided in house in what was part and parcel of the 'local (welfare) state' (den *lokala staten*, Pierre 1994). Since the early 1990s, in the face of a serious economic and budgetary crisis and under a temporary *bourgeois* national government, NPM-derived concepts, such as *outsourcing* and *marketisation* found the attention of local authorities. However, with the exception of municipalities with bourgeois majorities typically situated in the economically affluent region around Stockholm, the changes have been, in the end, remarkably limited. On average only about 10 per cent of local services and activities have been outsourced to outside providers while the lion's share of services continues to be rendered in house by local government staff (see SKF/SCB 2004)⁹.

In Germany the starting conditions of social service delivery are distinctly different from the UK and Sweden in that, under the traditional *subsidiarity principle*, social services were largely rendered by non-public non-profit (NGO-type) welfare organisations. However, over the years the welfare organisations have come to divide up among themselves quasi-closed and quasi-oligopolistic regional and local markets. In 1994 federal legislation on

old age and frail persons care was adopted which has opened the care market to all, including private commercial providers, thus marketising and pluralising the delivery of services (see Bönker, Hill and Marzanati 2010). For instance, in the meantime, domiciliary care is almost entirely in the hands of private (commercial) providers.

In Italy, the provision of social services was historically as well rooted in the subsidiarity principle and fell largely to local charitable organisations, primarily affiliated with the Catholic Church. This essentially charity-based scheme was confirmed by *legge Crispi* of 1890 which remained in force practically up to the national legislation of 2000 (see Marzanati 2009, Bönker, Hill and Marzanati 2010). Under the new legal scheme social services are being rendered in part (particularly in the larger cities) in house by the local government personnel and continue to be provided, to a significant extent, by non-profit (charitable) entities (see Bobbio 2005: 43).

In France, until the early 1980s social services were rendered essentially in house, that is, by State field offices and staff at the *département* level. Following the decentralisation of 1982 and the transfer of social policy responsibilities (*aide sociale légale*) to the *départements* as self-government bodies (*collectivités locales*) the latter have built up their own organisation and staff to provide social services in house. At the same time they have turned to *outsourcing* them to outside (non-for-profit as well as for-profit) providers (see Wollmann 2008, p. 104 ff, Kuhlmann 2009, p. 159 ff.).

Public utilities

In the UK, the sectors of health care, water and energy supply which historically were in local government responsibility were 'nationalised' after 1945 and, in the fields of water and energy), (asset) privatised during the Thatcher era. For the rest, local authorities have, by way of *corporatisation*, established local public companies (185 as of 2004) mainly operating in economic development and public equipment (see Dexia 2008, p. 631).

In Germany, the public utilities sector (such as water, sewage, energy, public transport), labelled *Daseinsvorsorge*, traditionally constitutes an important local government responsibility. The services have often been rendered by multi-utility municipal facilities called *Stadtwerke*. This sector has recently undergone significant restructuring.

For one, in order to achieve greater organisational and financial flexibility as well as higher economic efficiency the local authorities have increasingly proceeded to *outsource* the production and provision of public utilities, by way of *formal (organisational) privatisation*, to such 'hived-off' (corporatised) organisationally and financially self-standing units and companies (see Grossi, Marcou and Reichard 2010). By now on the average about one half of the entire local government personnel are employed in such corporatised

organisational forms outside the 'classical' core administration (see Bogumil and Holtkamp 2006, p. 92 ff).

Furthermore, pushed by EU market liberalisation policy and regulations as well as by their local budgetary squeeze prompting them to 'cash in' on municipal assets, local authorities have increasingly turned to material privatisation by selling their municipal assets to private investors or shareholders either entirely or partially (in *mixed* or *organisational PPP*-type companies). In the meantime, in a remarkable sort of come-back, German municipalities have begun to 're-municipalise' previously sold-off assets and facilities, for instance, in the local supply and even generation of electricity), particularly in order to regain political influence over the quality and price of services (see Wollmann, Baldersheim *et al.* 2010, Wollmann and Marcou 2010).

In Sweden where the municipalities have traditionally as well a broad responsibility for the public utilities sector (water, sewage, public transport etc.) they have increasingly turned to outsource the provision to corporatised ('hived-off') companies. Founded mostly in the legal limited liability form they amount to some 1,600 (see Dexia 2008, p. 612). At the same time, some services (for instance, waste collection, public transportation) have been 'subcontracted' to private sector providers.

In Italy, too, the provision of public utilities (water, sewage, waste management, public transport etc.) has traditionally been under the responsibility of the municipalities. The latter have also pursued the practice of outsourcing the delivery of services to municipal corporations (*municipalizzate, aziende speciali*) which usually take the legal form of stock companies (*società di capitale*) (see Dexia 2008: 408, Grossi, Marcou and Reichard. 2010) and often have a multi-utility profile comparable to the German *Stadtwerke*.

In France, in the field of public utilities, French municipalities, probably because of their small size (averaging 1,570 inhabitants) and the ensuing lack of operational capacity, have historically largely refrained from the direct provision (*en régie*) and have relied instead on so called 'delegated management' (*gestion déléguée*), that is, on outsourcing services, by subcontracts (*concessions*), to outside companies (see Lorrain 1995, Marcou 2002: 21). Among these local mixed economy companies (*sociétés d'économie mixte locale*, SEML) typically loom large in which the local government stake must represent between 50 and 85 per cent of the capital. As of 2006, some 1,130 such SEMLs existed (see Dexia 2008, p. 306).

In Spain's municipalities (*municipios*) public services are predominantly handled by local public companies (*empresa pública local*). Some of them are 100 per cent municipal companies, others are mixed companies with municipal and private shareholders. To date some 1,100 local municipal companies have been set up (see Dexia 2008, p. 590).

In some service sectors (water supply, refuse collection) the services is usually outsourced by way of concessions to private enterprises.

Whereas in Hungary under the Communist regime, a wide range of public services was carried out by the central state agencies or by State Economy units, following the country's transformation after 1990 most of them have been transferred to the local authorities. These have embarked upon different strategies how to institutionalise the delivery of public utilities.

For one, the services are handled either in house by local personnel proper or by municipal companies (called 'budgetary institutions', see Temesi 2000, p. 366, Horvath 2008, p. 233).

Second, the municipalities have turned to NPM-inspired outsourcing and marketising (see Kopanyi *et al.* 2000, Soos 2003, p. 248) by way of *organisational privatisation* or *corporatisation* in the form of (limited liability) companies either totally owned by the municipality or as 'mixed' (Public-Private partnership) companies (see Dexia 2008, p. 369).

Third, in reacting to the competition and marketisation pressures from EU market liberalisation policy as well as to their own budgetary squeeze the municipalities have increasingly sold off their public utility units to purely private sector companies (see Temesi 2000, p. 367, Horvath 2008, p. 233, Soos 2003, p. 248 ff.; for a case study of the energy sector, see Valentiny 2007).

Quangoisation

Since the early 1980s England's local arena has experienced a particular variant of outsourcing of public functions with the emergence and multiplication of so-called *quangos* (quasi-non-governmental-organisations). (Local) quangos are local level organisations which have been largely initiated, financed and directed by central government and are meant to conduct functions and provide services that were previously rendered, as a rule, by the local authorities (Wilson and Game 2006, p. 145). Introduced under Thatcher governments they were (party) politically purported to bypass local government. As of now they amount to some 5,000 units (for an overview see Wilson and Game 2006, p. 145).

Since the late 1990s, the local arena has seen further institutional expansion and pluralisation as the New Labour government promoted the creation of local partnerships and local zones in order to foster the cooperation and merger of resources between private business and voluntary sector actors as well as local authorities whereby the latter's role often tended to turn out marginal. By now some 5,500 such partnerships exist (see Sullivan and Skelcher 2002).

The multifarious 'local quango state' (Skelcher 1998) and the 'labyrinthine world of zones and partnerships' (Wilson and Game 2006, p. 148) operating largely outside the immediate realm of local government have become a distinctive feature of the local actor level in England and of what may arguably be interpreted as 'British exceptionalism' (critical of this notion is John 2001, p. 174).

6. Convergence or divergence?

In finally resuming the guiding question as to whether the institutional trajectories in the seven European countries compared have been 'convergent' or 'divergent' the across-countries comparison hints at a 'mixed' picture on the three institutional tracks under discussion.

Regarding local political and executive leadership a common trend shows in the seven countries that, in responding to democracy as well as performance deficits, local leadership structures have been reshaped. However, the reform trajectories exhibit distinct differences as England and Sweden have embarked upon a form of local 'parliamentarism', while most Continental European countries have introduced a form of local 'presidentialism'. The convergence within the two country groups has plausibly been induced also by institutional 'isomorphism' (evidenced by the swift sequel of largely congruent reforms in the German *Länder*), while the continuing divergence between the two country groups unmistakably hinges, in line with historical institutionalism, on different institutional and cultural ('path-dependent') traditions ('government by committee' versus 'mayoral' local government forms).

Concerning 'internal' administrative re-organisation, commonalities have emerged as significant administrative shifts have been effected by the introduction of managerialist concepts and tools that aim at overcoming the traditional ('Weberian') bureaucratic scheme in making local administration organisationally and procedurally more flexible and psychologically more cost-conscious. The reform measures have been driven, as suggested by discursive institutionalism, by the NPM discourse which has progressed as a Europe-wide, if not global current that was also carried by internationally (OECD) and Europe-wide (European Commission) influential organisations.

Yet, the timing, range and focus of internal re-organisation have distinctly differed from country to country due to country-specific features, essentially rooted, as highlighted by historical institutionalism, in the countries' specific institutional, legal etc. ('path-dependent') givens and traditions. In England, standing for the Anglo-Saxon ('common law') tradition, NPM concepts and measures had a politically and culturally easier access while in the continental European ('rule of law') tradition the legal and cultural barriers were higher and gave more resilience to the traditional Weberian model. In countries with 'young' local administrative structures (such as in France, subsequent to decentralisation, or in Hungary, following *transformation*) the internal re-organisation of local administration was shaped by the 'starting conditions' of this 'formative' period (surfacing in Hungary in the specific 'sequencing' problems). (For the cross country variance of local administrative modernisation see also Vetter and Kersting 2003b, p. 338 ff.).

Thirdly, as to 'external' re-organisation there has been a common trend throughout the seven countries to transfer and 'outsource' public/municipal functions and services to outside actors, organisations and enterprises,

public, non-for-profit or private commercial, be it by 'organisational (formal) privatisation' ('corporatisation'), by involving non-public non-for-profit (NGO-type) service providers or by 'material/asset privatisation'.

Apart from, and accentuating, the internationally rampant NPM-discourse the marketising and outsourcing strategies have been propelled Europe-wide by European Commission's market liberalisation commitment.

However, again, distinct differences have come forth between the countries in the timing, range and rate on this score with regard to the 'outsourcing' of social services, of public utilities (by way of 'organisational' or 'material' privatisation) as well as to other forms of actor pluralisation. In England, resulting from central government decisions (in accordance with *actor oriented institutionalism*) 'quangoisation' as well as the spate of 'partnerships' and 'zones' were triggered by respectively Conservative and New Labour political decision-making. While, in Germany and similarly in Italy, social services were already in the past 'outsourced' to NGO-type providers, the NPM-inspired 'outsourcing' was significantly bounded in Sweden by the country-specific traditional strength (and resilience) of in house provision. Notwithstanding the general trend, accelerated by EU market liberalisation policy, towards 'outsourcing' and 'corporatizing' the production and supply of public utilities, significant differences reigned from country to country due to historical givens (19th century-derived local practice of 'gestion déléguée', functional resilience of 'city works' in Germany etc.), not to mention a recent incipient trend, for instance in Germany, towards 're-municipalizing' sold off ('materially privatised') public utilities (see Wollmann and Marcou 2010).

7. (Local) government and/or (local) governance: conflicting or complementary?

Finally the findings of our comparative accounts shall be framed in the 'government and/or governance' debate in which local *government* is understood as the 'traditional' territorially defined, multi-purpose elected local authority, while local *governance* is conceived as networks of (typically single-purpose) actors and organisations operating outside the realm of (local) *government* proper (see Rhodes 1997).

Under these definitional and conceptual auspices the development of the local institutional setting and actor constellation presents an, at first sight, conflicting and contradictory pattern.

On the one hand, the preceding comparative accounts point at traditional local *government* having been strengthened in two crucial dimensions.

For one, throughout the seven countries the political and operational leadership capacity of local government has been enhanced through a type of local 'parliamentarism' in England and Sweden respectively through a form of local 'presidentialism' in most of the Continental European

countries. Second, internal administrative re-organisation has improved its operational capacity particularly through the NPM-induced introduction of cost-accounting, performance monitoring and 'economic thinking' in municipal administration.

Thus, the political and operational stance of 'traditional' local *government* has been consolidated and reinforced. This also pertains to its political mandate and legitimacy to represent, advocate and make prevail the 'common interest' of the local community in the local level political process.

On the other hand, the position and role of traditional local government has been questioned by the emergence and expansion of actors and institutions that, resulting from 'hiving off', outsourcing and privatizing local government functions to external actors and organisations, constitute local governance networks essentially operating outside the immediate realm of local government. The previously tightly defined and public sector-centred institutional fabric of local government has tended to be 'fraying out'. While such *governance*-type actors and organisations are prone, premised on their *single-functionality* and *special purpose* logic, to unfold individual operational flexibility and single function-related efficiency as well as to mobilise additional non-public (voluntary, private sector etc.) financial and human resources in local level activities, they are likely, in seeking to attain their single purpose objectives and particular interests, to challenge, and potentially run counter to, the logic of general-purpose local *government* and its 'common interest' commitment and mandate (for an earlier discussion of the two 'logics' see Wollmann 2004a).

Vis-à-vis the multitude of *governance*-type single-purpose organisations each pursuing its specific goals and particular interests traditional local *government* thus has the crucial task to mediate between and 'coordinate' the multifarious functions of interests of a plurality of local level actors with the mandate to (ideally) arrive at 'common good'-committed and 'general interest'-compatible solutions. Among the modalities to bring about 'coordination' in a multi-actor setting (see Wollmann 2002) the distinction has been proposed between the triad of: *hierarchy*, *interaction/negotiation* and *market* (see Kaufmann, Majone and Ostrom 1986).

Within this triad coordination by way of *hierarchy* can be effectively employed by local government with regard to those tasks which fall under its immediate political competence so that coordination can be effected, in the last resort, 'hierarchically' by binding council decision. When it comes to coordinating functions and activities in *governance*-type actor networks operating outside the immediate (political) reach of the local authorities and their councils, local government is liable to resort to and rely on coordination by way of interaction, persuasion, bargaining etc. Local government may, thus, act as a 'key networker' ('reticulist', Friend 1976) *vis-à-vis* local level *governance*-type actor networks.

The recently strengthened political and executive leadership of (traditional) local government can be seen as boosting its 'reticulist' standing and

'clout' in the local *governance* space. In drawing on the conceptual distinction which is made, in the 'governance' debate, between 'governance' in a *descriptive-analytical* meaning, on the one hand, and 'governance' in a *prescriptive-normative* understanding signifying the goal-oriented 'steering' capacity, on the other (see Wollmann 2006, Wollmann and Bouckaert 2006, p. 34), the potential of local *government* to exercise *governance* (in this *prescriptive* meaning) in influencing and coordinating local level processes and activities amidst local level *governance*-type actor networks (in the *descriptive* understanding) has been bolstered through the recent institutional strengthening of local *government*, particularly of its political and executive leadership.

Since the traditional general purpose elected *local government* is politically mandated to make the 'common interest' of the local community prevail *vis-à-vis* a plurality of single-purpose and particular-interest actors, while the *governance*-type actors, within their single-purpose and particular interest logic, strive for optimal flexibility and efficiency in the fulfilment of their specific functions and interests, the structures and logics of (local) *government* and (local) *governance*, can be viewed and assessed as mutually complementary and supportive rather than contradictory and mutually exclusive (see Wollmann and Bouckaert 2006, p. 34 f.)¹⁰.

Notes

- 1 Within the conceptually and terminologically more complex and quite fluid governance debate a meaningful distinction can be made between the *analytical-descriptive* understanding which aims at identifying actors, institutions and structures, on the one hand, and a *prescriptive-normative* understanding which envisages the capacity to influence and 'steer' governance structures, see Wollmann 2006).
- 2 The UK consists of England, Scotland, Wales and Northern Ireland. The following text largely refers to England (with 87 per cent of the UK population).
- 3 In the case of Land of Nordrhein-Westfalen, see table 1, footnote 4
- 4 In the case of Land of Rheinland-Pfalz, see table 1, footnote 4
- 5 It should be added that, buttressing the remarkably high degree of local autonomy, the local revenue stems predominantly from locally levied (income) taxes.
- 6 The federal level is constitutionally barred from having any administrative structures of its own in the subnational space.
- 7 For interpreting the pertinent situation in the U.K./England one needs to take into account that the respective data (14 percent) pertains to both tiers of local government.
- 8 In England the share of state grants is, by comparison, very extended (amounting to almost 50 per cent—*nota bene*: relating to both local government tiers) which hints at England's high degree of centralisation.
- 9 The source refers to an indicator-based data collection which has been compiled and published (also on the internet), since the late 1980s on an annual basis, by Sweden's local government association (along with Sweden's Statistical State Office). It provides regular (bench-mark type) monitoring of the spending of all 290 Swedish municipalities on a broad scope of local activities and services (for references see also Wollmann 2008a, p. 228, 2008b, p. 329 ff).
- 10 For an analogous interpretation in a similar argumentative context see Wollmann 2010c, Hooghe and Marks 2003, p. 240, Mayntz 2003, p. 31–32.

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