

Can Small Localities Perform? Trends in Administrative Capacity in Slovenian Municipalities

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The issue of economies of scale in many local services leads to amalgamation reforms that should provide economic viability for local governments. Larger local governments thus should be able to provide more functions, which may lead to more public interest and participation in local politics. However many countries have small local governments, pursuing advantages of smallness. Slovenia is one of them. Slovenian municipalities are about average size in comparison to European Union average, but are extremely heterogeneous in size. The smallest local governments

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have to provide all local tasks and services stipulated by law as the largest ones. This paper questions how (if at all) these small localities cope with workload and whether they possess enough administrative capacity to service local community. Authors present the results of a research project on administrative capacity carried out among the directors of Slovenian municipal administrations in both 2007 and 2012 and an analysis of the subject in the context of reorganisation of local administrations.

Key words: local government, administrative capacity, local administration, local services, municipalities

1. Introduction

Local self-government stands for the existence of local communities with democratically constituted decision-making bodies, and being endowed with certain degree of autonomy with regard to their responsibilities. The assumption is that the existence of local authorities with substantial responsibilities can provide an administration which is both effective and accessible to citizens (principle of subsidiary). Public services are endowed to local communities by national governments. Historically speaking, there are many municipalities presently that were originally established »from below« as independent political, social and economic entities. Over many years, these municipalities have voluntarily delegated some of their initial authority to the nation-state. Other municipalities were constructed »from above« by central governments that endowed them with various functions and rights (Doron, 2000).

Regardless of their origin, the types of service differ in the degree of discretion allowed to the authority undertaking them. The first are the services that are *delegated* to the local government by a higher-level authority, usually allowing no or only very little discretion in their execution. The second are the *obligatory* services, which local government is obliged to perform as a result of higher-government-level legislation or regulation. Although the local authority is obliged to provide the service in question, it may have considerable discretion in the way this service is provided. The last are the *discretionary* services, which the local authority provides at its own discretion.

The size of the locality also plays an important role in decentralisation of public service delivery. Larger localities are more likely to provide more

functions (see Swianiewicz, 2001) and national governments can endow them with more public services. However, additional problem occurs when local governments in a country are of very different sizes. Slovenia is a prime example of such a country. With the average size of municipality of 10,300 inhabitants, the largest ones have about 270,000 inhabitants and the smallest ones only 320.¹ The size heterogeneity as a salient feature of Slovenian local governments is not accompanied by asymmetric legislation, that would enable larger municipalities to perform more services or smaller ones to share the workload with the national government.² Thus local governments are under the same workload regardless of the size, which has double effect. It limits larger municipalities in providing more services to citizens (thus not complying with subsidiary principle) and hampers local economic development. The effect on smaller municipalities is that they are overwhelmed with providing basic services. Therefore the quality of these services is under question.

The aim of this paper is to present how Slovenian municipalities are coping with the given situation. Since the neo-liberal era »promotes« users who call for high-quality, fast and professional services, it is necessary for the municipal administration to operate in accordance with citizens' expectations, with the knowledge and techniques of modern management. The paper presents results of the survey conducted among the directors of Slovenian municipal administrations in both 2007 and 2012, with special emphases on whether municipal administrations are able to provide the needed staff for public service provision and if municipal administrations employ entrepreneurial approaches in management.

2. Local Public Service Provision in Slovenia

Slovenia is a unitary state with single level local self-government system. There are 211 municipalities. A municipality should have at least five thousand inhabitants, although exceptions may be made due to geographic, national, historical or economic reasons. Municipal policy is de-

¹ There is 52.38 % of municipalities that have less than 5,000 inhabitants.

² Urban municipalities do have additional functions (like regulating local public transportation; performing tasks in the area of geodetic services; establish telecommunications centres and specialized information documentation centres, etc.), but these are often viewed as obscuring and irrelevant.

terminated by law and is the same in all Slovenian municipalities. It consists of three bodies: the municipal council, the mayor and the supervisory board. *The municipal council* is the highest decision-making body which makes the decisions on all matters concerning the rights and duties of the municipality. It adopts general acts, approves the municipal budget and supervises the performance of the local administration and the mayor. The municipal council comprises between seven and forty-five members proportionate to the number of inhabitants in the municipality and it is elected by citizens. *The mayor* represents the municipality, and is its legal representative. Slovenian system falls within the Mouritzen's and Svava's (2002) type of the strong-mayor form of government, although mayor in Slovenian system is not as strong as French or Spanish mayors. The mayor proposes the municipal budget, decrees and other acts within the jurisdiction of the council and is responsible for the implementation of council decisions. The mayor is the head of the municipal administration. *The supervisory board* regulates the management of municipal assets, ensures the purpose and efficiency of budgetary expenditures and monitors financial operations. Supervisory board members are appointed and dismissed by the council and are not necessarily the members of the council, municipal administrators, public employees or members of the management of budgetary organizations. Due to questionable independence (members of Supervisory board are appointed by municipal council, the same council that adopts financial decisions) several calls have been made to destruct this mechanism altogether (Bačlija, 2012).

The organisation of municipal administration is the domain of the municipal representative body or the mayor and it encompasses the number of working posts, a detailed organisational structure and the possibility of independent decision-making powers delegated to the head of the municipal administration. In addition, the manner the municipal administration is organised, also depends on the competencies of a municipality, its size and its ability to organise and provide sufficient funding for the administration. According to administration scholars (Vlaj, 2004: 254), the administrative organisation of Slovenian municipalities should be adapted to their size and, similar to the examples from abroad, different models for various sizes of municipalities should be designed. The differences between municipal administrations in the country are immense as the number of employees varies from one in some municipal administrations to almost 600 in others.

The obligatory services of local governments are: primary education; primary health care; provision of essential utilities; municipal services; postal

and banking services; library facilities; for local administration premises; public transportation; public space maintenance and use (Setnikar Cankar et al., 2000).

Considering that the organisation of the local community, as well as its bodies, their tasks, competencies and responsibilities are stipulated in a legislative act, there is not much 'room for manoeuvring' as regards the changes in the static part of organisation. Hence, all Slovenian municipalities are more or less (depending on their size) organised according to the same model, with the same names of departments and working posts in their administrations.

But it is possible to abandon the otherwise well-rooted bureaucratic or line-of-command organisational structure, at least for the operative part. In the aftermath of local government and public administration reforms, there has been a decrease in the number of 'bureaucratic' administrative tasks which are to be handled by municipal administration, whereas the number of tasks of a service enterprise is on the increase. Accordingly, this demands the introduction of more modern methods of organisation such as project groups and the like. Municipal administration can be organised in accordance with modern organisational theories that include an ever growing number of organisational variables, especially those related to the human factor within organisations. There are many possibilities for changing the municipal administration in the dynamic part of its organisation.

3. The Administrative Capacity of Slovenian Municipal Administrations

Local administration is part of the public sector, which is changing into a user-oriented, efficient and effective public service (Thompson, 1993). This calls for the introduction of principles of measurement, adaptability, efficiency, effectiveness, coupled with autonomous and high-quality work of the administration (Knafelc, 2003: 73). The demands of modern society force (municipal) administration to search for more efficient approaches to leadership, management and operation and the develop systems for performance monitoring and efficiency and effectiveness estimates.

As all Slovenian municipalities are more or less organised according to the same model (Haček, Kukovič, 2012: 671), there is the problem of obligatory public services provision and the extremely small size of some

municipal administrations. This problem was to some extent recognised by national legislator. In 1993 Law on Local Self-Government (LLSG) there was a provision that enabled municipalities to adopt joint municipal administrations (or parts of administrations). In 1997 this provision was amended and functions of joint municipal administrations (JMA) were explained in details. However only later in 2005 the Law on Municipal Financing was amended by an article that enhanced JMA implementation throughout the country. New article (26.b) stipulates that 50 per cent of the costs of JMA for the previous year will be refunded by the state. This brought about significant change in merging administrative parts of municipalities. The long-term goal from the legislator was to create an atmosphere of cooperation that would inevitably lead to bottom-up amalgamations. This however did not occur (in-between more municipalities were created).

In order to explore the current administrative capacity and capability of Slovenian municipal administrations, we are presenting the results of two research projects, first *Administrative Capacity and Coalition-Building within Slovenian Municipalities*, which was conducted among directors of municipal administrators (highest ranking civil servants in the municipal administration) by the Faculty of Social Sciences in 2007, and second *Administrative Capacity of Slovenian Municipalities*, which was conducted by the Faculty of Social Sciences, Centre for the Analysis of Administrative-Political Processes and Institutions in 2012. Both projects, albeit to some extent different, were conducted by the same research team, thus questionnaires were much alike in both surveys, mainly for the purpose of longitudinal comparison.

3.1. Municipal Personnel and Quality of Work

From the standpoint of the efficient and effective management of an organisation, it is essential to have a suitable personnel structure. The personnel in municipal administration can be defined as the non-elected employees engaged in assisting the representative organs in the preparation and the implementation of local policies. Slovenian municipalities have had an average of just over 24 employees in 2007 and almost 27 employees in 2012 (the standard deviation is a high, 56.7 and 67.7 respectively, entailing a large degree of variation in the number of employees between individual municipalities). The two smallest municipalities employ only one or two persons and the largest one employs 584 (Table 1). The num-

ber of employees has increased by about 10% between both surveys (2007 and 2012) despite the fact that this was the time of global economic crisis which also impacted Slovenian economy.

Table 1: Number of Employees in Slovenian Municipalities

	Value 2007	Value 2012	Comment
(N=)	(111)	(92)	
Min	1	2	The lowest number of employees in a municipal administration
Max	555	584	The highest number of employees in a municipal administration
Average Number of Employees per municipal administration	24.15	26.70	
Median	10	11.5	50% of cases of MAs have fewer employees and 50% of cases of MAs have more employees than the specified number
Modus	4	8	The most frequent number of employees per municipal administration
Standard deviation	56.68	67.68	The variation in the number of employees from the average value

Source: Research projects *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007) and *Administrative Capacity of Slovenian Municipalities* (Faculty of Social Sciences, Centre for the Analysis of Administrative-Political Processes and Institutions, 2012).

Even more important than the mere number of employees is how many staff members would actually be needed in order for the municipality to be able to provide all obligatory public services. In 2007 approximately three-quarters of the directors of Slovenian municipal administrations (DMA) stated that the number of employees in their municipal administration is insufficient; the survey conducted in 2012 a slight minority (47.4%) of DMA believed that they were understaffed. Pearson's correlation coefficient shows a moderate correlation between the number of employees and the assessment of the (in)sufficiency of the number of those employed full-time (Pearson's correlation coefficients in 2007 and 2012 were -0.234 and -0.08). This means that those municipalities with a higher number of employees are more likely to state that they need additional staff than municipalities with a lower number of employees.

As public sector is not the most desirable employer, there might be some problems with attracting highly skilled workers into municipal administration positions.³ 55.9% of the DMA think the problem of attracting highly skilled personnel to municipalities is a consequence of the non-stimulating public sector environment (lower salaries, a less convenient system of promotions etc.), 20.3% add the poor supply of personnel in the labour market and 11.9% state various other reasons. On the other side, 24.6% of the DMA who answered this question claim they do not have any problems finding staff (Table 2).

Table 2: Most Frequent Obstacles to Acquiring Appropriate Staff

	Destimulating environment in the public sector	Poor supply in labour market	Other	We do not have trouble with staff	Don't know
(N =)	118	118	118	118	118
Yes	66	24	14	29	1
%	55.9	20.3	11.9	24.6	0.8

Source: Research Project *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007)⁴

Apart from the systematisation and organisation of work, it is imperative to suitably reward work results and further stimulate employees so that they perform their working tasks more efficiently. In public service such stimulants are quite limited in comparison to private sector. To some degree there is a possibility of a variable part of salary, additional options for training and education, the granting of a company phone and car and the like. The survey (2007) reveals that a variable part of a salary is offered in 45.8% of Slovenian municipalities as an important incentive, in 71.2% of Slovenian municipalities an element of stimulation

³ As far as the educational structure of staff is concerned, the majority of municipalities (59.5%), predominantly employ civil servants, holding a university degree, followed by 23.3% of municipalities where secondary school graduates, while 17.2% of municipalities have a majority of employees holding a Master of Science or even a PhD degree. The education structure clearly indicates a relative shortage of highly educated staff in municipal administrations that could be up to the challenges of developing the local environment in the circumstances of very limited resources, especially financial ones.

⁴ This question was only raised in the survey from 2007.

is said to be additional education, 39% of municipalities that responded to the survey allow their employees to use company mobile phones and company cars, while 14.4% use various other forms to encourage greater work quality (Table 3).

Table 3: Methods for Motivating Employees (Multiple Answers Possible)

	YES	
	(N =)	%
Stimulative variable part of salary	54	45.8
Additional education	84	71.2
Use of a company mobile phone and car	46	39
Other	17	14.4

(N = 118) Source: Research Project *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007)

The work quality control in public administration represents an ever more salient element of the very operations of the public administration. Only suitable control over work quality enables the effective evaluation of the work done and, as a consequence, leads to suitable rewards on the basis of individuals' work results. Mere 25.6% (2007) and 23.5% (2012) of municipalities employ different forms of control over municipal administrations' performance. Only 16.7% and 17.4% out of these municipalities say that quality is assessed on the basis of the ISO standards (Table 4), and we can observe that none of the different mechanisms of quality control is prevalent.

Table 4: Control over the Quality of Work in Slovenian Municipal Administrations

	Yes, we do		No, we don't	
	(N =)	%	(N =)	%
Do you perform any form of quality control in your municipal administration and what kind is it? – 2007	(30)	25.6	(87)	74.4
Do you perform any form of quality control in your municipal administration and what kind is it? – 2012	(23)	23.5	(75)	76.5
ISO standard (2007)	(5)	16.7		
CAF (2007)	(10)	33.3		
Other (2007)	(10)	33.3		
Don't perform, Don't know (2007)	(5)	16.7		
Total (2007)	(30)	100		
ISO standard (2012)	(4)	17.4		
CAF (2012)	(3)	13.0		
Quality Barometer (2012)	(0)	0		
Other (2012)	(16)	69.6		
Total (2012)	(23)	100		

Source: Research projects *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007) and *Administrative Capacity of Slovenian Municipalities* (Faculty of Social Sciences, Centre for the Analysis of Administrative-Political Processes and Institutions, 2012)

In the period of intensive informatisation at all levels of societal life, which aims at facilitating everyday life of both individuals and work processes, municipal administrations are no exception when it comes to the adaptation to and the use of information technologies and tools. However, only 33.9% (2007) and 48.9% (2012) of Slovenian municipalities use information and organisation software systems to assist in the organisation of work in their administrations. Among the different softwares available at the market, the most frequently used is the SAOP, (18.9% and 23.4% of municipalities, respectively), followed by the SAP, Vasco, Birokrat and other softwares with less than 10% share. 65.8% (2007) and 87.2% (2012) of municipalities say they use other software, which may lead us to conclude that they use the most fundamental ones such as the MS Office.

We can conclude that the above described state of work organisation is not very encouraging, but we can also observe some positive trends when comparing results from the 2007 and 2012 surveys.

Another important element of the informatisation of administrative processes, this time in relation to users, is the use of electronic mail for communication with customers. According to the survey⁵ results, 46.6% of municipal administrations regularly use e-mail to communicate with citizens, 48.5% use it occasionally and 5.1% of municipalities do not use e-mail in order to communicate with citizens.

3.2. Joint Municipal Administrations and Cooperation with Other Local Communities⁶

Because of the fragmentation of Slovenian municipalities, inter-municipal co-operation at various levels is the key to the co-ordinated development of a wider local environment. Co-operation was reported by 97.5% of municipalities. Most municipalities (75.2%) cooperate in the provision of a suitable public utilities infrastructure, followed by health services (59.3%), road network (50.4%), JMA (46.9%); 36.3% of the municipalities also cooperate in the provision of primary and kindergarten education while 15.9% of municipalities cooperate in various other fields (Table 5).

Table 5: Cooperation of Municipalities with their Neighbouring Municipalities (Multiple Answers Possible)

	Yes		No	
	(N =)	%	(N =)	%
Does your municipality co-operate with neighbouring municipalities?	115	97.5	3	2.5
In which fields?				
Public utilities	85	75.2		
Infrastructure	57	50.4		
Primary schools and kindergartens	41	36.3		

⁵ This question was only raised in the survey from 2007.

⁶ Questions regarding the cooperation with other local communities were only raised in the 2007 survey.

Health services	67	59.3
Joint municipal Administration	53	46.9
Other	18	15.9

(N = 118) Source: Research Project *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007)

Municipal administrations of different sizes and qualifications can offer assistance to each other in various ways, e.g. by performing another municipal administration's tasks in those fields where one municipal administration has sufficient staff and expertise capabilities and the other lacks such requisite capacities to perform normally in a certain field. Such a form of cooperation is carried out by 43.1% of the 116 municipal administrations that responded to this question. Among these, the biggest share (38.8%) concern the performance of inspection controls, while in 36.7% of cases the cooperation is about the joint provision of public services, 22.4% of municipalities assist other municipalities with personnel training, 4.1% cooperate in the implementation of quality control, whereas 22.4% of municipalities offer assistance in various other matters (Table 6).

Table 6: Offering Assistance to other municipal administrations (Multiple Answers Possible)

	Yes		No	
	(N =)	%	(N =)	%
Does your MA offer assistance to other MAs?	50	43.1	66	56.9
In which field?				
Staff training	11	22.4		
Implementation of quality control	2	4.1		
Performance of inspection control	19	38.8		
Joint performance of public services	18	36.7		
Other	11	22.4		

(N = 116) Source: Research Project *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007)

Although the survey in 2012 did not include question on JMA, other reports detect extreme increase (see Bačlija et al., 2012). With only few JMA until 2004, to less than 15 JMA in 2006, there was an increase to 48 in 2011.

3.3. The Implementation of Entrepreneurial Principles into the Municipal Administration

The aforementioned implementation of entrepreneurial principles into municipal administration has, apart from concrete objective aspects, an important subjective component of the attitudes of the DMA to different aspects of the introduction of entrepreneurial principles. The DMA generally agree with the statement that the way in which work is performed in the municipal administration has to be adjusted to entrepreneurial principles, yet relatively high individual deviations can also be detected. The DMA are a little less inclined to the idea that the execution of public services should be left to the private sector. A high level of agreement persists among DMA regarding the statement that the leadership of municipal administrations should dedicate more time to their employees; the same is true of the statement that the leading personnel in municipal administrations should pay more attention to developing their own managerial abilities (Table 7).

In the survey conducted in 2007 DMA agree strongly that they must be independent in their decision-making and that expert decisions must not be affected by any political influence. Also, in both surveys conducted in 2007 and 2012 they quite uniformly agree that the introduction of competition would contribute to greater operational efficiency. However, when estimating the possibility of handing over the provision of services to the private sector one could say that the DMA see mutual competition within the public sector as the more appropriate form of competition than the actual ceding of services to the market. The DMA also express a relatively high level of agreement with the statement that the work of municipal administrations' employees should be precisely stipulated by legislative and sub-legislative acts. Interestingly, they agree the most that employees of the municipal administration must act to the benefit of residents, indicating an awareness of the importance of bringing their services closer to users. Also, they partly agree that users/residents should have a decisive influence on the definition of work results. Answers to the questionnaire indicate that respondents agree in part that users' needs must be defined according to predetermined methods and that services should be suited to their needs as much as possible. The DMA partly agree that a user's satisfaction with a service is a more important criterion of their success than the revenue a municipal administration creates by performing its services. Partial agreement can also be found as regards the need to know the costs of every service provided, whereas the degree of agreement is somewhat

lower as to whether the quality monitoring system for the of the municipal administration's work should necessarily be set out in written form.

Table 7: Attitudes to Implementing Entrepreneurial Principles into the MA's Work

	2007 Arithmetical Mean of Answer	Standard deviation	2012 Arithmetical Mean of Answer	Standard deviation
The way the municipal administration operates must be adapted to entrepreneurial principles as far as possible.	2.88	0.804	3.15	0.747
Operative execution of services should be left to the private sector to the greatest extent possible.	2.32	0.849	2.27	0.870
The superiors must dedicate more time to working with employees.	3.35	0.686	3.35	0.681
The superiors must pay significant attention to the growth of their managerial abilities.	3.47	0.794	3.51	0.615
The director of the administration has to be independent as regards decisions within his/her jurisdiction.	3.61	0.601	-	-
Expert decisions must be free of the influence of politics.	3.85	0.406	-	-
The introduction of competition into the municipal administration's operations would help increase the employees' work efficiency.	2.92	0.822	3.06	0.868
The work of employees within the municipal administration has to be precisely set out in legislative and sub-legislative acts.	3.34	0.722	-	-
The motto of conduct of the municipal administration's employees must be 'to the benefit of residents'.	3.85	0.400	-	-
The expected work results have to be clearly defined in advance.	3.48	0.581	-	-
Service users must have a decisive influence on the definition of results.	3.01	0.625	2.66	0.738
The exceeding of results has to be additionally rewarded.	3.79	0.452	3.71	0.521
The determination of service users' needs must be based on predefined working methods.	3.15	0.567	3.05	0.649
Services ought to be suited to the individual's needs.	3.03	0.656	2.86	0.829
User satisfaction has to represent the criterion for the employees effectiveness in a municipal administration.	3.35	0.686	3.27	0.703

The income created by individual units or sections of a municipal administration must not be a criterion for their operation's effectiveness.	3.12	0.863	3.22	0.757
The actual costs of every service of a municipal administration must be public and transparent.	3.23	0.770	3.34	0.693
There should be a system of quality monitoring defined in written form for services performed by municipal administrations.	2.99	0.778	2.95	0.855
Co-operation among municipal administrations is critical to the success of their operations.	3.16	0.705	3.67	0.516
Teamwork is the most suitable way of working in a municipal administration.	3.55	0.565	3.44	0.596
The state has to delegate powers for the provision of services to local communities.	3.05	0.881	2.93	0.861
Employees in constant contact with users must participate in decision-making on important matters.	3.34	0.707	3.24	0.680
If services were provided by the free market, the style of employees' work in municipal administrations would have to be fundamentally altered.	3.12	0.763	-	-
The way a municipal administration works ought to be directed to the provision of resources for its own operations.	2.41	0.921	-	-
The services performed by a municipal administration should be subject to the style of work seen in the private sector.	2.36	0.876	2.84	0.759

* A measuring scale of –4, whereby the value 1 entails 'completely disagree' and 4 stands for 'completely agree'.

Source: Research projects *Administrative Capacity and Coalition-Building within Slovenian Municipalities* (Faculty of Social Sciences, 2007) and *Administrative Capacity of Slovenian Municipalities* (Faculty of social sciences, Centre for the Analysis of Administrative-Political Processes and Institutions, 2012)

Generally, the DMA agree that, in order to ensure successful operations, every municipal administration must co-operate with other municipal administrations. At the same time, they support the idea that those employees who are in constant contact with users should take part in decision-making on important matters to a greater extent. Equally, the DMA agree that the state should delegate more competencies for service provision to local communities.

The DMA follow the principle of user-oriented services to a larger or smaller extent, while trying to ensure a more important place in decision-making autonomy for the administration and to avoid any serious changes, based on entrepreneurial principles, that might be introduced in the course of management development. However, it needs to be stressed that there are large individual discrepancies between different DMA, rendering it difficult to create a set of more specific guidelines for

a possible reorganisation of municipal administrations' work in terms of the greater application of principles of private sector operations.

4. Conclusion

The post-reform period we are currently living in carries the burdens of the privatisation of economy, the establishment of a democratic political system and especially the processes of forming a modern state administration apparatus, along with the local self-government reform. At the same time we must also deal with the aftermath of global economic crisis that impacted Slovenian economy especially hard, and has consequently raised voices to rationalise state and local administrations, cut the number of public employees and privatise state and local public services. Local communities are also experiencing various transition difficulties. As far as this is concerned, a lot can already be done if one achieves self-critical awareness of these perils and organises the administrative system accordingly, i.e., starts eliminating them via the modernisation and informatisation of administration and, primarily with proper personnel training. There are many difficulties related to the operations of municipalities and their administrations. Yet, regardless of such problems, under the given circumstances it is still necessary to think one step ahead. Municipal administrations must come to terms with the need for change, prepare themselves for it, analyse their own organisation and determine the measures required for administration modernisation of the and outline and prepare a programme for both their own further development and for that of the local community.

Based on the collected and presented data we may conclude that Slovenian municipal administrations are still slightly understaffed since the number of current employees does not suit the range of tasks they have to perform, whereby municipalities are aware of the limited employment prospects. They primarily see the problem of gathering new personnel in the light of public sector employment. Municipal administrations use reward methods that are not necessarily stimulating and, in the vast majority of cases, do not control performance quality. The use of modern organisational and administrative tools in Slovenian municipal administrations has not become a permanent feature of the majority of municipalities yet, while communication with citizens is slowly becoming a standard through the use of e-tools. DMA favour a greater level of autonomy from munic-

ipality politics and the enhancement of their work independence in relation to the mayor. The only entrepreneurial principle is the consideration of citizens' suggestions in the municipality management as the directors hold on to the classical bureaucratic stance on other issues. Municipalities generally co-operate with their neighbouring counterparts, especially in the areas of traffic and public utilities infrastructure that often demand co-ordination, simply because of their nature. Less than one half of the municipal administrations offer other municipalities some sort of assistance, especially in the areas of inspection controls and joint performance of public services.

Although it seems that the main problem of the Slovene municipalities is their size, or at least of the majority of them, there are some indices that this could be overcome. Entrepreneurial ethos of DMA, coupled with informatization of the municipal administrations and state financial support for merging municipal administrations are all a welcomed change. However, this still seems like work in progress and amalgamation reform or regionalisation should be seriously considered in the future.

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CAN SMALL LOCALITIES PERFORM?
TRENDS IN ADMINISTRATIVE CAPACITY IN
SLOVENIAN MUNICIPALITIES

Summary

The issue of economies of scale in many local services leads to amalgamation reforms that should provide economic viability for local governments. Larger local governments thus should be able to provide more functions, which may lead to more public interest and participation in local politics. However, many countries have small local governments, pursuing advantages of smallness. Slovenia is one of them. Slovenian municipalities are about average size in comparison to European Union average, but are extremely heterogeneous in size. The smallest local governments have to provide all local tasks and services stipulated by law as the largest ones. Although it seems that the main problem of the Slovene municipalities is their size, or at least of the majority of them, there are some indices that this could be overcome without amalgamation. This paper explores entrepreneurial ethos of directors of municipal administrations, coupled with informatization of the municipal administrations and state financial support for merging municipal administrations, that could be the important features in overcoming the problem of municipality size. The paper concludes that Slovenian municipal administrations are still very understaffed since the number of current employees does not suit the range of tasks they have to perform, whereby municipalities are aware of the limited employment prospects. The use of modern organisational and administrative tools in Slovenian municipal administrations has not yet become a permanent feature of the majority of municipalities, while communication with citizens through e-tools is slowly becoming a standard. The only visible entrepreneurial principle is the consideration of citizens' suggestions in the management of a municipality as the directors hold on to the classical bureaucratic stance on other issues.

Key words: local government, administrative capacity, local administration, local services, municipalities

MOGU LI MALE LOKALNE JEDINICE DOBRO FUNKCIONIRATI?
TRENDOVI KRETANJA UPRAVNOG KAPACITETA
U SLOVENSKIM OPĆINAMA

Sažetak

Pitanje ekonomije obujma u mnogim je lokalnim službama dovelo do okrupnjavanja lokalnih jedinica koje bi trebalo osigurati njihovu ekonomsku održivost. Veće lokalne jedinice tako bi trebale obavljati više poslova, što bi moglo potaknuti veći interes javnosti za lokane političke prilike i sudjelovanje u lokalnoj politici. Međutim, mnoge države pa i Slovenija imaju malene lokalne jedinice te žele iskoristiti prednosti koje takva struktura pruža. Slovenske su lokalne jedinice prosječne veličine ako se usporede s prosjekom Europske unije, ali im je veličina ekstremno heterogena. Najmanje jedinice moraju obavljati sve lokalne poslove i pružati iste zakonom propisane usluge kao i najveće jedinice. Iako se čini da je glavni problem većine slovenskih lokalnih jedinica njihova veličina, postoje određene indikacije da se taj problem može prevladati spajanjem. U radu se istražuje poduzetnički duh direktora lokalnih upravnih organizacija kao i informatizacija općinskih uprava te državna potpora spajanju općinskih uprava, što su važna pitanja koja bi mogla pomoći prevladavanju problema malih općina. Zaključuje se da u slovenskim općinskim upravama još uvijek nedostaje osoblja, budući da trenutačni broj službenika ne odgovara rasponu poslova koje moraju obavljati, a s druge su strane općine svjesne ograničenih mogućnosti zapošljavanja. Moderni organizacijski i upravni alati još se ne primjenjuju u većini slovenskih općinskih uprava, dok komunikacija s građanima putem e-alata ipak polako postaje standardom. Jedino poduzetničko načelo koje se pojavljuje jest razmatranje prijedloga građana koji se tiču upravljanja lokalnom jedinicom. Direktori lokalnih upravnih organizacija u ostalim se pitanjima drže klasičnog birokratskog stava.

Ključne riječi: lokalna vlast, upravni kapacitet, lokalna uprava, lokalne službe, općine