

## *Consolidation, Fragmentation, and Special Statuses of Local Authorities in Europe*

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Many countries in Western Europe consolidated their territorial organization in the last few decades, searching for increased capacities. Great Britain, Germany and Denmark are the examples of such reforms. Certain transitional countries (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, etc.) went in opposite direction, fragmenting the structure of their local governments. In the third group are the countries that mainly retained the structure of their municipalities. They have local units of very different sizes, like France, which has made changes in some other dimensions of its local government system – by introducing regions, fostering intermunicipal cooperation, and by preparing special status of metropolis. One of the largest challenges in such countries is how to solve different problems in rather different local units, because local problems are not the same in very small municipalities and in large cities.

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One of the solutions can be the design of special, different statuses for such heterogeneous local governments, but it can also be a problem, not a real solution.

*Key words:* local government, consolidation or fragmentation of territorial organization, special statuses of local governments, intermunicipal cooperation, decentralisation

## I. Introduction

Parallel with the discussion on strengthening political or *input* legitimacy of local authorities, there is a wide and somewhat nervous discussion on the *output* legitimacy, administrative capacities, range of local public services, and territorial structure of local governments throughout Europe. Politicians are nervous about their positions, electoral and public support, and uneasy about the question whether to enter or not to enter territorial reforms. Professionals, experts and scientists are under public pressure to be determined with regard to the solutions they are asked to propose and elaborate – there are many determining factors and only limited space for free decision, if the best solutions are to be chosen. General public is frustrated by the lack of orientation and surplus of (pro-local or anti-local) emotions.

According to Ivanišević (2006), there are several main dilemmas of territorial structure.<sup>1</sup> First of all, one can choose either multi-purpose or single-function local governments. The question is if there are certain important and specific services that deserve and should have their own territorial structure, independent of general local units' structure, or they can be incorporated in the multi-purpose units. The vast majority of European countries made their choice long time ago, in favour of multi-purpose governments.<sup>2</sup>

The second question tackles various degree of urbanization and different size of settlements. The urbanization ratio is not the same even within Eu-

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<sup>1</sup> The fourth dilemma mentioned in his work, between inter-municipal cooperation and levelling the tiers of subnational governments, is not connected with the basic problems of territorial organisation, but with solutions for those problems.

<sup>2</sup> Contrary, there is a tradition of having single-purpose governments in the USA, especially in education (school districts); see for example Haas, 1997.

rope, while much greater differences exist around the World.<sup>3</sup> There are special issues of governance and management of large towns and big cities; such issues expand to a great extent in capitals, which can overweigh the rest of a country and cause additional problems for the structure of settlements, economic development, demography, etc.<sup>4</sup> There is also the process of metropolitanization, many times accompanied by suburbanization, which presents a new challenge for territorial organization, as well as for political life (Hoffmann-Martinet, Sellers, 2005). However, small villages and areas with low demographic density deserve almost equal attention. The main question is to what extent the specific nature of different settlements and areas within the same country should be recognized, in legal terms, and what should be the main orientation – toward only one type of municipalities (the same status for all governments) or toward several types of legally regulated statuses (monotypic versus polytypic structure).<sup>5</sup> The third question is about the optimal size of local units, if it exists. Regardless of the size problem, there are heavy differences in real life. If one wishes to make a typology grounded on the size measured by the number of inhabitants, the following list can be made: extremely small units are those with fewer than 1,000 inhabitants, small units are those with fewer than 5,000 inhabitants, medium-sized units have between 5,000 and 15,000 inhabitants, large municipalities comprise between 15,000 and 40,000 people, while extremely large local governments have more than 40,000 inhabitants (Ivanišević, 2006: 219).<sup>6</sup> Although the optimal size of local governments is the question that has attracted a lot of attention, it is not easy to solve. First of all, it is connected with the economies of scale, which is rather problematic, especially in multi-purpose

<sup>3</sup> In 1995, 73.7 per cent of the population in developed countries and only 37.4 per cent of the population in developing countries lived in urban units. The urbanization ratio in 2000 was 75 per cent and 77 per cent in Europe and North America, respectively (Kresl, Fry, 2005: 2).

<sup>4</sup> Hoffmann-Martinet speaks about *the macrocephaly* of Paris within France (Hoffmann-Martinet, 2003: 159); similar is the position of Zagreb within Croatia (Koprić, 2010b).

<sup>5</sup> Monotypic organization is present in almost all parts of Europe, except in German-speaking territories and areas that were, during history, under German influence. Until the reform at the beginning of 1970s, England also had polytypic organisation.

<sup>6</sup> Ivanišević uses 2.000 inhabitants as a limit between very small and small municipalities. For defining fragmented systems, Swianiewicz uses the threshold of 1.000 inhabitants – fragmented are those systems in which more than 25 per cent of municipalities have less than 1.000 inhabitants and more than 66 per cent of them have less than 5.000 inhabitants (Swianiewicz, 2002: 300).

governments – it is well known that different local services have different optimal size (more in Houlberg, 2010: 312–320; Swianiewicz, 2002a: 16; Swianiewicz, 2002: 305–307). Also, local governments' functions were not the same during history, and their technological complexity and costs have changed considerably. Other problems may be connected with the size, like corruption (Jiménez et al., 2012: 366), and many others (more in Koprić, 2013).

## II. Territorial Organisation: Game Without End, but With Possible Solutions

There are well known examples of countries opting for small or large local units. However, there is no space for a completely free choice – the choice is determined by a number of factors. Among them are:

- Political will to decentralise or centralise a country,
- Overall capacity of local units (economic, financial, professional, organisational, policy, administrative, etc.),
- Demography, the structure, and changing size of settlements (the development of large cities or metropolitan regions, for example),
- Different characteristics of the territory (mountains, large rivers and lakes, etc.),
- History of local institutions,<sup>7</sup>
- European standards of local government promoted by the Council of Europe and the European Union,
- A need for responsiveness and accessibility of local bodies to citizens, etc. (more details in Koprić, 2010a).

Various processes within a country can cause changes in territorial organisation. The main and widely accepted, although a very general assumption, is that a country that seeks for capacity and efficiency will opt for larger local units, while a country that wants to promote democracy, legitimacy and responsiveness will choose smaller units. Swianiewicz has found »a positive relationship between the mean size of the municipality and the share of municipal spending compared to GDP« in West European countries (with a few deviating cases, like Portugal). He was not able to

<sup>7</sup> This is based on a well-known argument of historical institutionalism.

confirm the same for transitional countries, but stated that »[t]erritorial consolidation ... allows for the allocation of more functions to the local level«, although »it is not a guarantee of decentralisation« (Swianiewicz, 2010: 3–5).

Certain *old* democracies (Sweden, Great Britain, Germany, Austria, Belgium, Denmark, Norway, the Netherlands, Finland, Portugal, and Greece) have chosen the amalgamation of previous smaller local units as a specific decentralisation and reform path. Those *pro-consolidation proponents* wish to strengthen municipalities and rationalise too fragmented structures of local authorities. Consolidation reforms characterized the second half of the 20<sup>th</sup> century. Certain countries of socialist block consolidated their territorial structures in the period after the Second World War (socialist Yugoslavia, for example; for other socialist countries see Swianiewicz, 2002a: 17; see also Wollmann, 2011: 699–700).

Only few *transitional* countries, like Lithuania, Bulgaria and, to a lesser degree Latvia, entered consolidation reforms during the 1990s or even after that. Some other countries, like Turkey (Wollmann, 2011: 700–701) are on the similar institutional development track. In the same period, Poland consolidated its regional (*voivodship*) organisation. In South-Eastern Europe, Serbia and Montenegro retained large local units from the previous, socialist period. Etc.

Contrary to those rare examples, many transitional countries (Hungary, the Czech Republic, Slovakia, Slovenia, Croatia, Macedonia, etc.) entered into territorial reforms of quite different nature, fragmenting their local government structures during the 1990s. One of the main reasons for establishing more municipalities with lower average size is to foster democracy, although a resurrection of local systems from pre-socialist times and continuation of the democratic tradition, which was almost forgotten, must not be underestimated, either.<sup>8</sup>

There are the two sub-groups of *pro-democracy proponents*. One subgroup is composed of the Czech Republic, Slovakia and Hungary with the smallest municipalities in Europe, while the other comprises some of the former Yugoslav republics – Slovenia, Croatia, and Macedonia that established medium-sized municipalities.

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<sup>8</sup> Illner has put the centralist legacies of the communist era as a cornerstone that makes interpretation of a strong hunger for democracy in the majority of transitional country possible. – Illner, 1998: 10–15.

Finally, several European countries retained their traditional – although very different – basic local units. In the group of *traditionalists* are France, Spain, Italy, Switzerland, Ireland, and Poland. They have all sorts of municipalities, from very small (France, Switzerland) and medium-sized (Spain, Italy) to large (Poland) and very large (Ireland).<sup>9</sup>

A tendency towards gradual or intermittent consolidation of territorial structures is observable from territorial reforms in the second half of the 20<sup>th</sup> century and the first decade of the 21<sup>st</sup> century. Above-mentioned transitional countries are exemptions from such a tendency, but – it seems – only temporarily. There is a dynamic discussion about local governments' capacities in almost all the countries, transitional and old democracies. There is increased pressure within the group of countries that are pro-democracy proponents to consolidate their territorial structure, too. However, in the countries where consolidation has not got a chance, other solutions have been analysed, discussed and tried (in Hungary and France, for example, but in many others as well; see, for example, Kuhlmann, 2011; Guérard, 2012).

The discussion about amalgamation and capacity development is fed by a) the shrinking state and local revenues, b) shifting accent to the efficiency, economy and effectiveness that sharply open the issue of economy of scale and other managerial responses to the ever-present economic constraints, and c) by consequently emerged and enlightened role of local governments in economic and social development (see also Loughlin et al., 2011).

The emphasis in local self-government during the 19<sup>th</sup> century was on promoting political participation and channelling political influence of local people. During the 20<sup>th</sup> century, the focus was shifted to service and social benefits delivery. Local units also acquired an important role in public administration, performing a range of administrative tasks. After World War II, they have become basic actors of the local welfare state, ensuring social benefits, promoting and implementing welfare policies. Support to economic development has erupted recently. Municipalities of various types (urban and rural) at all levels (local and regional) need to act as the actors of economic and social development (more in Koprić, 2012: 8-10). Having in mind the need for theoretical analysis, two continuums can be constructed: one between municipalities of small and large size; and the other between consolidation and fragmentation of the territorial structure

<sup>9</sup> Data are mostly from Swianiewicz, 2002a and Ivanišević, 2010.

of a country, with traditionalists somewhere in the middle of the latter continuum. In such a way, there are:

*Continuum 1:* Very small and small units – medium-sized units – large and very large local units; and

*Continuum 2:* Fragmentation (pro-democracy proponents) – [tradition] – consolidation.

The two continuums might be interconnected, because every country can opt for all three main territorial organisational orientations, regardless of the local units' size (small, medium or large). In other words, a country can choose more fragmentation even if there are medium or small size units; and it can choose consolidation while already having large units. Each country can fragment, consolidate or retain its territorial structure, regardless of the average size of its current local units. In such a vein, some countries have made subsequent waves of consolidation (Denmark, Greece) or fragmentation reforms (Croatia).<sup>10</sup>

There are convincing arguments for such a statement. First of all, the average size of local units in certain countries used to be smaller than today. In France, for example, a decade ago, there were about 1,300 inhabitants, while today there are almost 1,800 inhabitants in an average municipality. Iceland has a structure with about 1,330 inhabitants per local unit (Hoffmann-Martino, 2003: 158); Swiss municipalities have only 888 inhabitants in average (Steiner, 2003: 552); many other countries had smaller municipalities during their histories. In addition, the ratio between the average size of local units in the Czech Republic or France (1.700; Swianiewicz, 2002: 7)<sup>11</sup> and England (128.000; Copus, 2010: 104) is about 1:100! Although one might speculate that the structure cannot be much more fragmented than in the Czech Republic or France, or much more consolidated than in England, this is not true: presented evidence shows that there is a space and possibility to lessen or to increase the number of inhabitants in an average municipality.

If Croatia, for example, accepted the principle that each settlement should have autonomy and be granted self-government status, the average size of

<sup>10</sup> The number of local authorities was increased five times in the 1992/93 reform, from 100 to 487. Furthermore, during the 1993–2012 period, the number of municipalities in Croatia increased for 14.2 per cent, from 487 to 556.

<sup>11</sup> The population of France has reached 65.4 million (official assessment in 2009), while the number of municipalities is 36,683 (Breuillard, Guérard, 2009: 204). Calculation resulted in an average of 1,783 inhabitants per local unit.

such local units would be about 680 inhabitants and their number would increase to 6,750 (twelve times)!

Contrary to that, why would not England opt for even larger units, with, let us say, 150,000 or more inhabitants? Also, a large majority of European countries might choose similar reform path, follow the English example, and design larger and larger municipalities in subsequent reforms, depending on the technocratic way of thinking.

*Vice versa* is also possible. If English or Lithuanian municipalities were assessed as too big,<sup>12</sup> decrease in their average size (accompanied by the increase in their number) is one of the possible reform solutions. However, many more countries prefer to increase the average size of their municipalities, to reduce the number of the smallest units (usually those with fewer than 1,000 inhabitants), or simply to increase the local governments' capacity to act on behalf of local people, serve them, solve local problems, and support local development.

The issue of local *capacity* emerges at that point again, along with widely present political and popular unwillingness and resistance to amalgamation of local self-government units at the basic, municipal level. Is consolidation the only reliable solution for increasing local capacities necessary for ensuring services to local population?

The answer is not fully positive, as there are other solutions somewhere in-between fragmentation and consolidation. In practice, under the conditions of small units and fragmented local structure, the following can serve as surrogates, functional substitutes for consolidation:

– *Inter-municipal cooperation*. It is a very popular and wide-spread solution (Wollmann, 2011: 684). There are many kinds of cooperation, such as mandatory and optional, functional and organisational, multi-purpose or single-purpose, cooperation between units on equal foot or with different rights and obligations of municipalities, etc. (Pusić et al., 1988: 282; Swianiewicz, 2002: 312–314; CoE, 2008; Hertzog, 2010; Somlyodyne Pfeil, 2010; Klimovský, 2010; etc.).<sup>13</sup> Along with almost unlimited trust in cooperation, there are warnings that voluntary cooperation cannot serve as panacea (Laskowska, 2009) and that serious

<sup>12</sup> Copus complains that England does not have *local* government, and what is called local government is not a real *government* (Copus, 2010).

<sup>13</sup> For example, Pavić found six ways of cooperation between the central city and governments in the surrounding area (Pavić, 2001: 238–256).



non-democratic effects of cooperation should be taken into account (Kübler, Ladner, 2003: 145–147).

- Forms of building local *administrative professional capacity*. Although it seems inevitable that smaller municipalities have smaller professional bureaucracy, there is obvious need to have certain minimum of it (Sokolow, 1997: 309–310; Kübler, Ladner, 2003: 147). Lack of professional expertise can be equally dangerous as the lack of democratic legitimacy. To overcome the problem, some countries have imposed the establishment of joint administrative offices for several municipalities, which have sufficient professional and managerial expertise, like *Verwaltungsgemeinschaften* and other forms of administrative associations in Germany or *Zweckverband* in Swiss.
- Legal *differentiation* of municipalities' statuses: urban, rural, large, and small. The idea that the same or similar functions can be performed by each and every local government Swianiewicz treats as – an illusion (Swianiewicz, 2002: 304-305). If so, the solution might be to differentiate the statuses of municipalities of different nature and size, and to design as many kinds of municipalities as appropriate for a country. At least two different kinds can be tailored, urban and rural municipalities, with different legal positions, rights and obligations. Such differentiation has serious disadvantages, because the whole system tends to be too complicated – coordination and cooperation in such a system is hardly possible, and the position of citizens in different units is unjustifiably unequal.
- *Private and non-profit provision of local services*. If local units are too small, they will be forced, in a way, to engage private and non-profit providers of local services. Concessions, contracting out, and public-private partnerships are among the most popular measures of promoting private supply of local services. Non-governmental organisations can be of use, also. However, small municipalities also have weak capacities for negotiation and managing contracts. Because of that, the results can be quite different than naïve expectations suggest (see also Castellani, 1997: 62–63).
- *Levelling*. Although medium-level governments can be useful for supporting and financing large infrastructural projects and other organisationally and financially demanding public tasks in all sorts of countries, they are inevitable in fragmented structures, even in small countries

(Ivanišević, 2006: 219–224; Ivanišević, 2009). In certain cases, more than one additional tier is necessary.<sup>14</sup> One of the side effects of levelling can be dependence of municipalities on broader governments and gradual rise of hierarchy between them. It may be a way of centralisation, because units at the medium level can be under stronger central influence and control.

- Supplementing and substituting municipalities by the *regional policy structures*. It exists in some transitional countries, where establishment of an upper self-government tier is not possible. Even the European Commission prefers more centralised national arrangements for regional and structural policy. A comparative analysis conducted in Ireland, Finland, Hungary and Slovenia has shown that »managing regional policy has still been mostly centralised« (Đulabić, 2007: 182). The Croatian case is also indicative – the Minister of regional development is the president of the regional partnership councils, while representatives of other ministries dominate in their membership (Koprić, 2010a).
- Performing tasks important for local people by the *local branches of central state administration*, and other forms of centralization. Substituting weak local capacities by the branch offices of central state bodies is another widely used solution. This is frequently justified by cynical argument that true decentralisation is not possible because small and weak municipalities cannot take over serious public tasks and services. Although they are not in the lime light, the problems of too big local governments also require solutions. The solutions can be the following:
  - Fostering citizens' participation and strengthening the forms of *direct democracy*, including exploitation of information and communication technology for promoting e-democracy. Swianiewicz has found a firm relationship between the size of local government and citizens' perceptions of local government: »more positive opinions were expressed in countries

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<sup>14</sup> Ivanišević has systematized European and some other countries into four groups. In the first group are the countries with only one, local level (Iceland, Portugal, Finland, Austria, Switzerland, Montenegro, Lithuania, Macedonia, Bosnia and Herzegovina, Serbia, Slovenia, Estonia, and Bulgaria). The second group consists of the countries with one level in urban areas and two in the rest of the country (Germany, Great Britain, Ireland, Latvia, Hungary, Canada, and Australia). In the third group are the countries with two subnational levels (Sweden, Denmark, Norway, Belgium, Netherlands, Greece, Albania, Croatia, Romania, Slovakia, Czech Republic, Japan, and New Zealand). The last one is the group of countries with three self-government tiers (France, Italy, Spain, and Poland).

where local governments are usually smaller« and vice versa (Swianiewicz, 2001: 25). If so, relations between citizens and local governments should be improved by measures that range from making relevant information public to opening channels of citizens' influence on local decisions and policies. Modern ICT can foster closer contacts, better conduct of the administrative procedures, and more efficient performance of other public tasks (OECD, 2003; Carcenac, 2004). Direct election of mayors and a space for independent and small local actors serve to open new channels of political influence (Wollmann, 2008; Wollmann, 2009; Reiser, Holtmann, 2008). Classic forms, such as citizen assemblies, town meetings, mandatory and optional referenda, popular and individual initiatives, counter-proposals, double-voting, etc., can be of great importance (Bützer, 2005: 215–218; Kübler, Ladner, 2003: 142–145; Wollmann, 2003: 92–95; Niiranen, 1998; Sokolow, 1997: 312–314).

- Forms of preserving, confirming and reinventing *intra-municipal identities*. Local identities are important for local population, reflecting local interests stabilised during certain periods of time on certain territory, within certain community (community is a sociological term, identity is socio-psychological one; see also Mattson, 1997: 318–324; Wollmann, 2006). Some authors believe that community building is possible (and needed) deliberately, as well as unconsciously, probably under circumstances of modern places with broken ties between inhabitants (Van de Walle, 2010). It is necessary to take local communities and local identities into account and respect them institutionally in one form or another. In such a way, for example, Greece has retained political representation of merged small municipalities within new, larger municipalities, just to preserve the already existing local identities (Hlepas, 2010: 56; Manojlović, 2010). Citizens meetings in narrower communities can serve the same purpose.
- Forms of *sub-municipal decentralisation*. They can be designed as urban districts or neighbourhood councils in big cities (Bäck et al., 2005: 16–18; Ivanišević, 2008), as well as territorial committees, civil parishes or local districts in the rest of the country (Hlepas, 2010: 67, 71; Almeida, 2008: 234, 240; Oliveira, 2005: 20–21; Swianiewicz, 2002: 315, etc.). Urban districts counterbalance integrated city management, while territorial committees defend and promote a sense of place. What is decisive is that such a form is a sub-municipal decentralisation unit, part of municipality, i.e. »a child of a first-tier local authority« (Bäck et al., 2005: 18), not a new tier of local government.

- *Functional and fiscal decentralisation.* Establishment of very large municipalities has no sense if they have not been granted a rather wide scope of affairs and substantive public funds, as shown by the recent Greek reforms of local governments (Manojlović, 2010). Thus, very large units call for functional and fiscal decentralisation as complementary measures. Even when that is the case, they can be so large to exceed optimal size for various services that should naturally be connected with smaller places. Emergency service, social care for elderly people, and similar services require much smaller units than the current English councils, for example.
- *Privatisation of local services.* Even in large municipalities, one of the solutions might be to privatise certain local services. When part of local services is privatized, ever growing municipalities can be used for providing other services or for supporting economic development. If public costs drop at the same time, the goals of minimalist state doctrine are achieved. This might be a reason why in England subsequent conservative and labour (central) governments have liked and strived for larger and larger municipalities (Copus, 2010) – they seem to share a substantial part of neo-liberal ideology that promotes the private sector, economy and efficiency.
- *Centralisation of tasks and responsibilities.* Responsibilities for certain demanding infrastructural tasks, and complex and expensive services previously allocated to the very large municipalities can be shifted to the central state, under certain circumstances and ideologies. It creates opportunity for such municipalities to devote more attention to other affairs, community building, feeding local participation, and promoting democracy processes. However, the question is why participation and democracy stand for in these cases – is democracy only a mask or it has to be used for wider societal purposes?

Apart from the two mentioned continuums, it seems two more are important when one is searching for practical answers to the problems of territorial structure and, more broadly, to the issue of overall role of the state. Thus, a third continuum is the one between *etatisation*, in the sense of widening the scope of tasks performed by both, the central state and local governments, and *privatisation*, as a set of measures and ways to promote the private sector and widen private initiative at the expense of the public sector. The third continuum is more horizontal, but lies across the fragmentation – consolidation continuum, as it is nicely illustrated by

Kuhlmann (Kuhlmann, 2010; see also Bennett, 1997: 23–29; Horváth, Péteri, 2003).

The fourth one is a continuum between *centralisation* and *decentralisation*. Central government has a lot of possibilities to pull a country toward decentralisation, but it can choose centralisation as well – centralisation and decentralisation are both political concepts that can be promoted within a country, by political parties and other political actors, which offer them to electorate and implement the concepts after the electoral victory. Territorial solutions can be designed according to these basic orientations. To conclude, both centralisation and decentralisation are not solutions, but the basic political orientations at the central state level. However, a very fragmented structure based on small municipalities does not create favourable conditions for substantial decentralisation, or for searching for new, developmental purposes of local self-government, and may lead to a decentralisation failure (Koprić, 2010a).

Because of that, additional continuums can be included into the theoretical model:

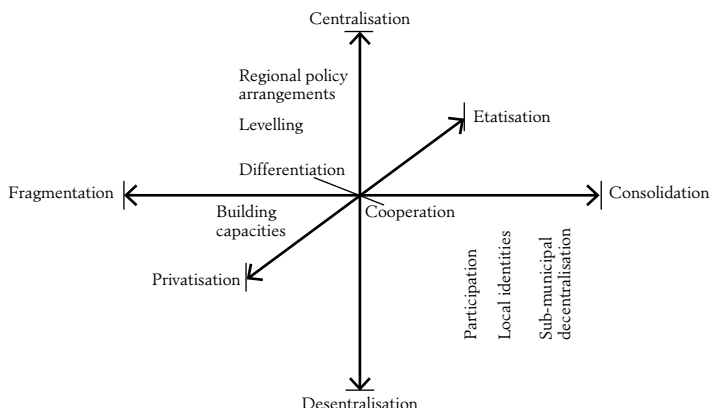
*Continuum 3:* Etatisation – privatisation; and

*Continuum 4:* Centralisation – decentralisation.

All four continuums and mentioned solutions can be modelled as in the Figure 1.

It is obvious that certain »solutions« – privatisation, decentralisation, and centralisation can be applied in various situations – they are not at the same continuum between fragmented and consolidated structure, but form other continuums, between privatisation and etatisation, and between centralisation and decentralisation. However, practical life and need to solve practical problems of territorial organisation of a state put them into almost equal position as other solutions. The differentiation of statuses and cooperation seem to deserve important place at the continuum between fragmentation and consolidation. Fostering citizens' participation, local identities and sub-municipal forms are much more connected with consolidated structure. Capacity building is important in all territorial arrangements, but it is necessary where smaller units prevail. Levelling and centrally influenced regional policy instruments can be applied as solutions, but tend to promote centralism and are not fully in line with the very nature of local self-government.

Figure 1: Relevant continuums and solutions for territorial organisation of a country



Graphical model of continuums and logic of their mutual interconnections enable us to distinguish the kinds of local organisational regimes. If the continuum between fragmentation and consolidation is connected with the one between centralisation and decentralisation, there are (see in Figure 1):<sup>15</sup>

- Old centralism, in upper left quadrant, with combination of centralism and fragmentation (French local self-government until the reform of the 1980s);
- Old political localism, in lower left quadrant, as a combination of fragmentation and strong local orientation, like in Switzerland;
- False or blocked localism, in upper right quadrant, when centralisation and consolidation takes place, like in today's England or in majority of Central and Eastern European countries during the socialist period;
- Modern, prosperous decentralism, in lower right quadrant, with powerful combination of consolidation and decentralisation, like in Denmark.

<sup>15</sup> However, if the continuum between privatisation and etatisation was taken into account, more refined typology would be possible.

Figure 1: Local organisational regimes

Fragmentation	Centralisation		Consolidation
	Old centralism (France before 1980s)	False or blocked localism (England; socialist countries in CEE; former socialist Yugoslavia)	
	Old political localism (Switzerland)	Modern and prosperous decentralism (Denmark)	
	Decentralisation		

### III. Conclusion

Territorial organisation of a country should take into account at least three main problems and dilemmas they cause: a) choice between multi-purpose and single function local units, b) organisational possibilities and problems connected with various types and sizes of settlements and different settlement network, and c) the issue of optimal size of local governments.

There are several families of countries in Europe with regard to their territorial choices. *Pro-consolidation proponents* take into account the need for strengthening local governments and rationalising too fragmented structures of local units. *Pro-democracy proponents* are inclined to foster democracy by establishing smaller municipalities in order to make them closer and more responsive to citizens. *Traditionalists* are in favour of institutional stability and, because of that, retain their traditional territorial arrangements, irrespectively of the average size of their municipalities.

Four continuums are identified as relevant for the territorial organisation of a country. They are continuums between: 1) very small and very large municipalities, 2) fragmentation and consolidation, 3) etatisation and privatisation, and 4) centralisation and decentralisation. The continuum can be used for making typologies of local systems – one such typology, a rather basic one, is presented in the paper just as an example.

The paper offers and analyses surrogates for consolidation: inter-municipal cooperation, forms of building local administrative and professional capacities, differentiation of statuses of various municipalities, private engagement in providing local services, levelling (designing more than one level of local authorities), supplementing and substituting municipalities

by the structural arrangements for regional policy, performing tasks important for local people by the local branches of central state administration, and other forms of centralisation.

The paper also systematizes, offers and analyses certain solutions for relaxing the problems caused by too big local governments, such as: fostering citizens' participation and the forms of direct democracy, including e-democracy, strengthening local identities, sub-municipal decentralisation, functional and fiscal decentralisation, privatisation of local services, and – again – centralisation of previously local tasks and responsibilities.

Although there is a kind of traditional inclination to more fragmented or to more consolidated forms of territorial organisation, there is – almost everywhere – a space for political concepts and projects. However, certain factors, like demography, settlement structure or the economic capacities of municipalities, narrow this space.

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## CONSOLIDATION, FRAGMENTATION, AND SPECIAL STATUSES OF LOCAL AUTHORITIES IN EUROPE

### Summary

*Many countries in Western Europe consolidated their territorial organization in the last few decades, searching for increased local capacities. Great Britain, Denmark and Germany are the examples of such reforms, although many other countries went in the same direction. Certain transitional countries (Czech Republic, Slovakia, Hungary, Slovenia, Croatia, etc.) went in opposite direction, fragmenting their territorial structures. In the third group are those countries that mainly retained their traditional municipality structures. They have local units of very different sizes, like France, which has made changes in some other dimensions of its local government system – by introducing regions, fostering intermunicipal cooperation, and by preparing special status of metropolis. Four continuums are identified as relevant for the territorial organisation of a country: continuums between: 1) very small and very large municipalities, 2) fragmentation and consolidation, 3) etatisation and privatisation, and 4) centralisation and decentralisation. Surrogates for consolidation are: inter-municipal cooperation, forms of building local administrative and professional capacities, differentiation of statuses of various municipalities, private engagement in providing local services, levelling (designing more than one level of local authorities), supplementing and substituting municipalities by the structural arrangements for regional policy, performing tasks important for local people by the local branches of central state administration, and other forms of centralisation. Solutions for relaxing problems caused by too big local governments can be: fostering citizens' participation and the forms of direct democracy, including e-democracy, strengthening local identities, sub-municipal decentralisation, functional and fiscal decentralisation, privatisation of local services, and – again – centralisation of previously local tasks and responsibilities. It can be concluded that design of special, different statuses for heterogeneous local governments is only more or less productive surrogate, not the best solution for fragmented territorial structures.*

*Key words: local governments, consolidation or fragmentation of territorial organization, special statuses of local governments, intermunicipal cooperation, decentralisation*

## OKRUPNJAVANJE, RAZDVAJANJE I POSEBNI STATUSI LOKALNIH JEDINICA U EUROPI

### Sažetak

Mnoge zemlje zapadne Europe konsolidirale su svoje teritorijalne organizacije tijekom nekoliko zadnjih desetljeća, radi povećanja lokalnih kapaciteta. Velika Britanija, Danska i Njemačka su primjeri takvih reformi, ali su i mnoge druge zemlje išle u istom pravcu. Neke tranzicijske zemlje (Češka, Slovačka, Mađarska, Hrvatska, Slovenija, i dr.) išle su u suprotnom smjeru, fragmentirajući svoje teritorijalne strukture. U trećoj su grupi zemlje koje su uglavnom zadržale svoje tradicionalno ustrojstvo lokalne samouprave. One imaju lokalne jedinice vrlo različite veličine, kao Francuska, koja je promijenila neke druge komponente svojeg sustava lokalne samouprave uvodeći regije, snažeći suradnju lokalnih jedinica i pripremajući posebni status tzv. metropola. Za teritorijalnu organizaciju zemlje identificirana su četiri kontinuuma: 1) između vrlo malih i vrlo velikih jedinica, 2) između fragmentacije (razdvajanja) i konsolidacije (okrupnjavanja), 3) između etatizacije i privatizacije, 4) između centralizacije i decentralizacije. Nadomjesci za okrupnjavanje lokalnih jedinica su: suradnja manjih lokalnih jedinica, oblici jačanja lokalnih upravnih i stručnih kapaciteta, diferencijacija statusa različitih jedinica, privatna inicijativa u pružanju lokalnih službi, stupnjevanje – stvaranje više razina lokalnih jedinica, dopunjavanje i zamjena lokalnih jedinica strukturnim aranžmanima za regionalnu politiku, obavljanje poslova važnih za lokalno stanovništvo od strane lokalnih ekspozitura tijela državne uprave, kao i drugi oblici centralizacije. Rješenja za olakšavanje problema koji nastaju ako su lokalne jedinice prevelike su: jačanje participacije i drugih oblika neposredne demokracije, uključujući e-demokraciju, jačanje lokalnih identiteta, decentralizacija unutar lokalnih jedinica, funkcionalna i fiskalna decentralizacija, privatizacija lokalnih službi, ali i centralizacija nekad lokalnih zadataka i poslova. Može se zaključiti da je oblikovanje posebnih statusa za različite lokalne jedinice samo manje ili više uspješni nadomjestak, a ne najbolje moguće rješenje za fragmentirane teritorijalne strukture.

Ključne riječi: lokalne samoupravne jedinice, okrupnjavanje lokalnih jedinica, fragmentacija teritorijalne organizacije, posebni statusi lokalnih jedinica, suradnja lokalnih jedinica, decentralizacija