

Local Autonomy and Local Public Sector Reforms

Autumn 2020



Local Autonomy, municipal size and effects

★ Local government provide a variety of services, but they are not immune to wider economic pressures, and in some parts of Europe neighbouring municipal authorities have merged in search of improved efficiency. **Professor Andreas Ladner** and his colleagues are conducting comparative studies that will get to the heart of the issues facing local government.

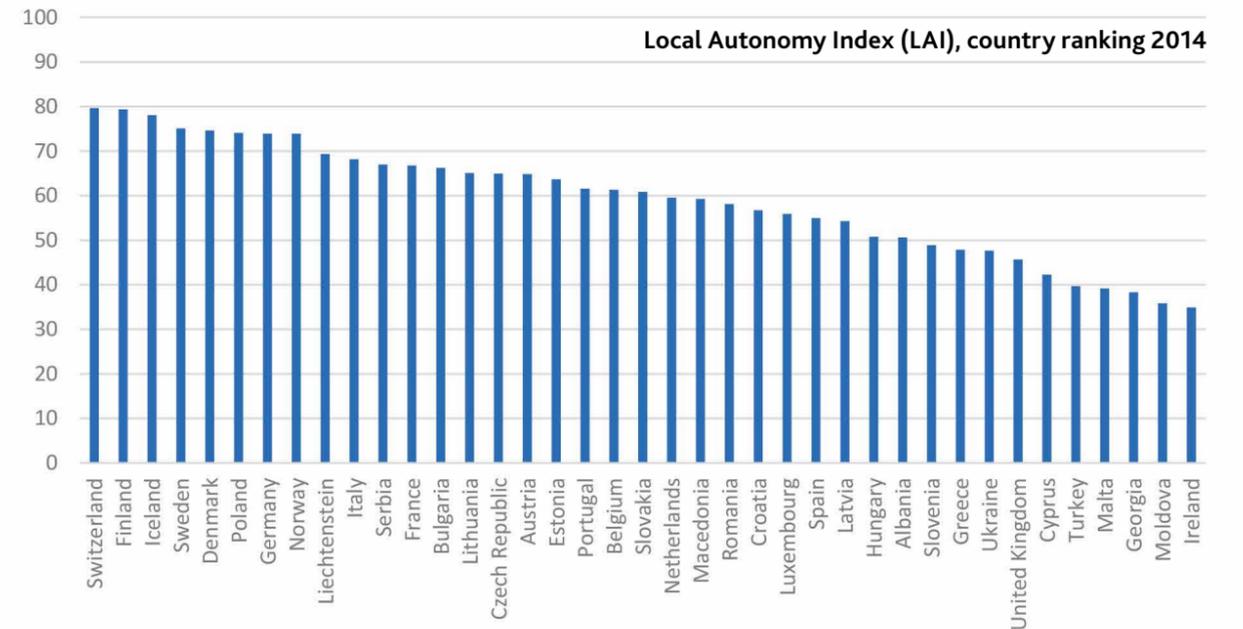
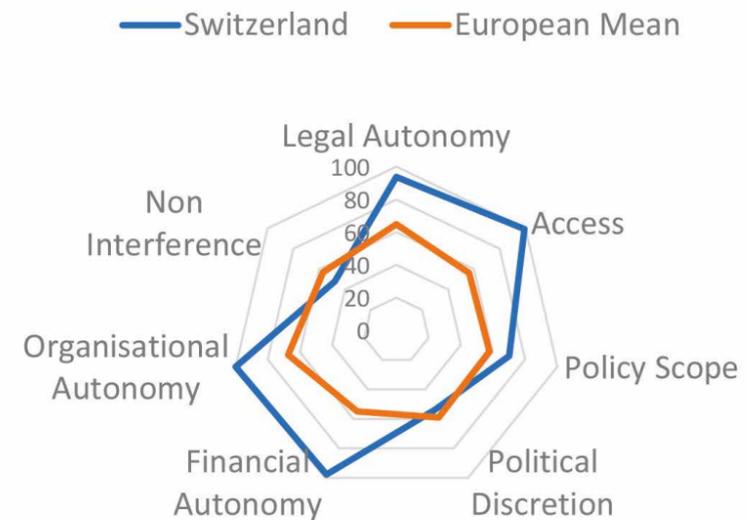
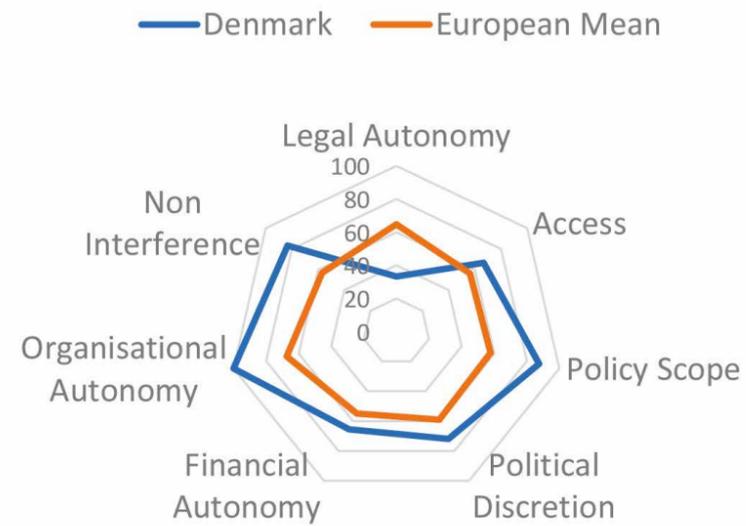
The balance of responsibilities between local, regional and national government varies across Europe, with some nations relatively centralised, while others devolve a high degree of authority to the local level. Based at IDHEAP (Institut de hautes études en administration publique) at the University of Lausanne in Switzerland, Professor Andreas Ladner is the Principal Investigator of a research project which seeks to compare how the different countries organise local administration. "The European charter of local self-government serves as a point of reference to the Council of Europe, which around 30 years ago started to promote local self-government. They are very much in favour of a strong bottom layer, where services are provided on the local level, and citizens control what kind of services are offered," he outlines. Despite the importance of local government, there is a tendency towards centralisation in many countries, for example through the merging of municipalities or through a shift of competences to higher levels. "A municipality may realise that they are too small to do all the things they should do, or that they can provide the same things cheaper and at better quality, together with a larger, neighbouring municipality," explains Professor Ladner.

Is small beautiful?

This has occurred in several Northern European countries, for example Denmark and Sweden, and also in Germany, where municipalities are typically relatively large in size. However, the position is different in Switzerland, which has around 2.200 municipalities. "In Switzerland, we haven't merged municipalities to the same degree as has been seen in Northern Europe," says Professor Ladner. There may be powerful reasons for amalgamating municipalities, such as improving efficiency and boosting buying power, but this will affect the nature of local democracy, an issue Professor Ladner explored together with colleagues in another comparative project called "Size and Local Democracy". "Is big as good as is sometimes thought? Or is it sometimes more convenient to remain small?"

he outlines. "This is related to the topic of democratic control and local accountability as well. There is the idea that small is beautiful, because citizens are closer to the people that make decisions that affect their lives. They can lobby them, and perhaps even participate in the decision-making process. On the other side, there is the argument that a bigger municipality benefits from economies of scale."

The larger an organisation or municipality grows the more bureaucracy is required to run it however, which is another important consideration in the project. As Principal Investigator, Professor Ladner hopes the project will make a significant contribution to the ongoing debate around the structure of local administration. "We have data on a wide spectrum of cases and a lot of municipalities,"



he says. A final part of the research project involves looking at reform projects in Swiss municipalities, from which Professor Ladner hopes to gain new insights. "Switzerland is a very attractive location for this research, as it's not a homogenous country. We have different political systems and cultural settings," he explains. "In the French-speaking part of Switzerland the cantonal level – the intermediate tier of government – is very important, whereas in the German-speaking part the local level is more important. So, certain tasks are performed mainly on the local level in the German-speaking part, and more often on the cantonal level in the French-speaking part."

A prime example is schools, which in the French-speaking parts of Switzerland are typically administered from the cantonal level, while in the German-speaking parts they are much more in the responsibility of local government. There are also further differences in the way that government is organised. "In the German-speaking parts there is a form of assembly democracy, where people essentially gather together and decide on political matters by a show of hands. Whereas in the French-speaking parts this is the function of elected representatives in parliaments and local councils," says Professor Ladner. The former is an example of a more direct form of democracy, where there are more possibilities for citizens to intervene directly in policy and influence and shape decisions. "Is enabling the direct intervention of citizens, through voting in referendums for example, a good thing?" asks Professor Ladner. "It's difficult to quantify this type of question however, because it

depends on values and your norms, but these municipalities usually manage quite well."

Patterns of Local Autonomy

Researchers in the project aim to assess the effectiveness of these different approaches to local government, and provide a basis for further comparison and analysis. One major topic of interest to Professor Ladner is the importance of fiscal and organisational autonomy to municipalities. "Can we show that the more autonomous municipalities are

The Scandinavian countries rate highly in these terms, while Switzerland, Germany and the Netherlands also combine economic success with high levels of political participation. One of the common denominators here is a high degree of municipal autonomy, and while this is not the sole factor, the correlation is noteworthy. "There are also other reasons why these countries are successful, but they do have autonomous municipalities. Whereas municipalities in the newer

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more inclusive, or more successful? If they already have a high degree of autonomy, are they willing or interested in adapting their structures, so as to improve performance? That can be both in terms of efficiency, and also in terms of including citizens in their decision-making process," he continues. The project's results so far suggest that almost all successful countries, both economically and in terms of the quality of their political culture, afford a high degree of autonomy to municipal authorities. "We can think of GDP and growth rates as economic indicators. The quality of a democratic culture can be assessed in terms of electoral turnout rates, trust, or corruption levels," continues Professor Ladner.

European democracies have less autonomy," says Professor Ladner. The wider aim in the project is to provide a more rigorous basis for comparison in this respect. "We want to provide the information required to dig deeper into the problem. We've established a database and made it accessible to the research community, which is an important part of our project," explains Professor Ladner. "We want to produce usable data for further analysis, while we also plan to address several other research questions." Interesting to learn while using a more detailed concept of local autonomy is that countries like Denmark and Switzerland achieve their top ranking with different patterns of local autonomy (see the two spider graphs).

LOCAL AUTONOMY

Local Autonomy and Local Public Sector Reforms

Project Objectives

Establishing the links between local autonomy, local democracy, local service provision and local public sector reforms.

Project Funding

Funded by the Swiss National Science Foundation (SNSF): €500,000.

Project Partners and Collaborators

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Size and Democracy: Denters, Bas, Michael Goldsmith, Andreas Ladner, Poul Erik Mouritzen and Larry Rose (2014). *Size and Local Democracy*. Cheltenham: Edward Elgar. ISBN 978-1-84376-672-8.

Professor Andreas Ladner



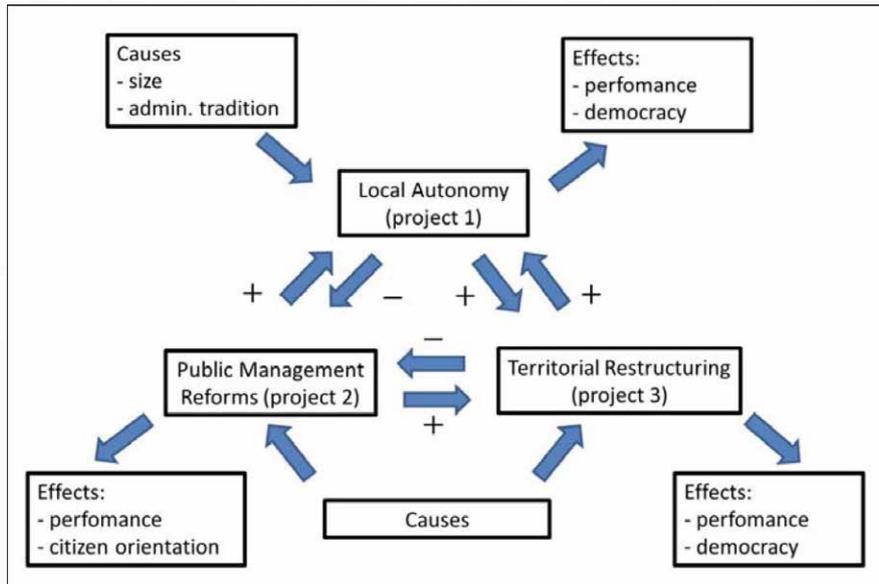
Andreas Ladner is a full professor for political institutions and public administration at the IDHEAP, the Swiss Graduate Institute of Public Administration, at the University of Lausanne. He is a political scientist with a background in sociology, media science and economics. His areas of research include the quality of democracy, federalism and local government.



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Different research projects and their interconnections



This research also holds wider interest to the European Commission, which is looking to invest funds in the younger democracies in Eastern Europe so as to foster economic development. However, it's important that effective democratic structures are in place first so that these funds can be controlled by those for which they are meant, which is an important consideration for the EC. "They are interested in knowing more about the autonomy afforded to different levels of government and what structures are in place in order to control financial investments in the public interest," says Professor Ladner. The project has opened up new opportunities for Professor Ladner and his team to collaborate with researchers across Europe, which is helping them build a more detailed picture of local autonomy in different areas. "The idea here is about measuring local autonomy on a comparative basis," he outlines. "There is a very

strong international, comparative aspect to our research, which relies on cooperation. I think that's the way science should work nowadays."

The historical context also matters here, as the structure of local government develops and evolves over time as circumstances change. Professor Ladner has long experience of monitoring Swiss municipalities, and has detailed information dating back to the end of the '80s. "We do surveys every 6-7 years, and look at how municipalities develop. We look at what happens to them, what they change and what kinds of reforms they undertake," he says. The results of this research can then inform policy development, not just in Switzerland but also more widely. "Our results form part of policy briefs and publications which have international visibility," continues Professor Ladner. "The diversity of the Swiss cantons and municipalities makes them ideal for this kind of research."

Countries with high and low degree of local autonomy (LAI 2014)

