

Book-Proposals of the COST-Action
“Local Public Sector Reforms: an International Comparison - LocRef“ (IS 1207)
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“Governance and Public Management”
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Submitted by:

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About the COST-Action LocRef

Local self-government in European member states has gained increasing attention and relevance in the EU integration process. This growing importance of the local level in EU politics is also reflected in the Lisbon Treaty of 2009, which for the first time legally recognized local self-government (cp. Art. 5 section 2 TEU). In the European multi-level system, local governments represent a level that ensures the close proximity of political problem solving and decision making to the citizens and provides an opportunity for the people to be involved in democratic processes. Eurobarometer surveys show that the level of trust in the local and regional authorities is considerably higher than the trust in national governments or parliaments. This underlines the importance of the local level in Europe for the stabilization of the political system of the EU. There are about 91,200 municipalities and 1,100 second-tier local governments in the EU-27. They employ roughly 50% of total public sector employees and their activities make up a significant portion of the GDP (Ø 16%) and of total public expenditure (Ø 34%) in the EU. However, in the current comparative research concerning public sector modernization, public management and governance the local level is blatantly absent. Databases on local public sector reforms are fragmented, incomparable, incoherent, nationally scattered and confined in their methodological approach.

The COST-Action LocRef is intended to remedy those deficits. It will generate coherent data bases for systematic comparison with a view to streamlining analytical approaches and synthesizing research outcomes. The Action provides a platform for establishing a new set of comparative (descriptive, explanatory, and evaluative) knowledge on public sector modernization and governance reforms at the local level and for integrating the fragmented research activities in this neglected area of investigation. It aims to enhance the scope of the conceptual foundations as well as the methodological rigor of comparative public administration. The Action prepares the basis for a systematic evaluation of local public management reforms, institutional modernization and democratic renewal within a European scale of comparison. Action activities will yield policy relevant knowledge concerning local reform measures from a European perspective, which can then be utilized to improve policy making for future public sector modernization.

LocRef is an EU-funded international research network on local public sector reforms with more than 100 senior and early stage researchers in 29 countries. Based on a shared European perspective, it brings together more than 200 senior and junior researchers and practitioners from about 50 renowned institutes in Europe. The period of funding runs from 2013-2017, and the total budget amounts to 700.000 Euro. The overall aim is to jointly assess the hitherto scattered and dispersed information bases on local public sector reforms, to generate new comparative knowledge, and develop policy-relevant frameworks for the design of future modernization processes in Europe. Networking activities of LocRef include inter alia international workshops and conferences, PhD training schools, high level seminars, short term scientific missions (research stays for scholars in partner institutions) and joint publications. There are four thematic Working Groups (WG) studying various types of local-level reforms from a cross-countries comparative perspective:

WG I: External (Post-) NPM: This WG focuses on NPM-driven externalizations of local services to private or non-profit providers (contracting-out, functional/asset privatization, corporatization, competitive tendering). It also assesses the more recent Post-NPM reforms that are targeted towards re-municipalization and re-integration of previously externalized local functions.

WG II: Internal (Post-) NPM: Concentrating on the NPM-inspired principles of performance orientation and target steering, this WG scrutinizes various strategies of internal re-organization, process re-engineering, new budgeting and accounting systems, and Human Resource-related modernization, e.g. performance related pay.

WG III: Territorial/Functional Re-Scaling: European local governments have been – to varying degrees – subject both to territorial up-scaling (amalgamation) and/or trans-scaling (inter-local cooperation) of sub-national jurisdictions as well as to the re-allocation of responsibilities between levels of government. This WG examines both reform segments, as there is a close relationship between territorial consolidation and functional decentralization. With regard to territorial reforms, it concentrates on amalgamations and inter-local cooperation. Functional reforms include political decentralization, administrative decentralization and de-concentration of tasks.

WG IV: Democratic Renewal: Major attempts of local modernization have been directed at the revival of ‘old’ as well as to the introduction of ‘new’, participatory instruments at the local level of government and the inclusion of civil society into local policy making. This WG studies the strengthening of direct democracy (local referenda, direct election/recall of local executives) on the one hand and new forms of participatory and cooperative democracy on the other (citizen forums, consultations, youth/ neighbourhood councils, E-democracy).

LocRef Books

The planned LocRef-books will be coordinated by the Actions Chair (Sabine Kuhlmann) and Vice-Chair (Geert Bouckaert) in close collaboration with the Working Group Leaders who are responsible for WG-related publications. The objective of the LocRef-books is to present a broad appraisal of local public sector reforms in Europe using the expertise of high-ranking scholars and officials as well as junior researchers in the field coming from various European countries and beyond. The planned publications will provide country-specific and cross-countries comparative knowledge about local public management reforms, territorial and functional re-organization and democratic innovation that has hitherto not been synthesized or that has remained undiscovered due to problems of linguistic and institutional accessibility. The large sample size of countries will offer the possibility to search for the causes of variations in reform. This will enable teams of authors to generate explanatory knowledge on local public sector reforms: What are the main driving forces, the causes and stakeholders of reform activities in the various countries; what logic do they follow and why? Are there significant differences between countries or clusters of countries and how can these be explained? The Action assumes that country-specific ‘starting conditions’ markedly influence reform trajectories and results. Therefore, the planned publications include those countries that represent basic variations/types of administrative regimes and that significantly differ in their starting conditions. The envisaged books are also intended to gather together available information about the reform effects in the different countries and from a cross-countries comparative perspective, thereby contributing to the amplification of evaluative knowledge in the research area under scrutiny: What reform effects have resulted from the modernization efforts? What have been the positive/intended and negative/un-intended consequences or side effects of the reforms on performance as well as on relevant stakeholders and the civil society in a wider context? Thus, the planned LocRef-publications will contribute to enhancing the conceptual and empirical foundations as well as the methodological rigour of comparative public administration and governance research. Results will help to single out local reform policies that are potentially transferable, both in terms of content and strategies, to future reform processes. The participation in the Action by leading scholars in the field will ensure a multiplication effect by attracting other scholarly participants to disseminate the results. The COST Action LocRef is also closely connected with existing Permanent Study Groups of EGPA and IIAS which promotes further synergies. Furthermore, LocRef collaborates with the international survey-group “POLLEADER” to generate fresh quantitative data on local modernization activities in Europe based on a large-scale survey of European mayors/chief executives of municipal administrations. The POLLEADER-group and the COST-Action LocRef plan to jointly publish the results of this big international survey project in an edited volume to be part of this “Palgrave-Series”.

In addition to the academic community as the main target group and key recipients of the Action, the dissemination of results will also be targeted at practitioners and policy makers. The target audience will be in particular: young and renowned researchers in the field of comparative public administration, public management and governance and their respective academic institutions as well as university students (BA/MA-level and PhDs) of Public Administration, Public Management, Governance and policy makers of all levels (local, regional, national, European).

Planned volumes:

Volume I “Local Public Sector Reforms in Times of Crisis: National Trajectories and International Comparisons”, Eds. Geert Bouckaert and Sabine Kuhlmann (to be published in 2016)

Volume II “Reforming local service delivery in Europe: from privatization to re-municipalization?” (working title) , Eds. Hellmut Wollmann, Gérard Marcou, Ivan Koprivic (to be published in 2016)

Volume III “Political Leaders and Institutional Innovation in European Cities” (working title), Eds./date: tba

N.N. tbd

Volume I
***“Local Public Sector Reforms in Times of Crisis:
National Trajectories and International Comparisons”***
Eds. Geert Bouckaert and Sabine Kuhlmann
(to be published in 2016)

1. Background and Outline

Local governments all over Europe are in a period of increased reform activity and intensity, especially since they have been the level of government most seriously affected by the continuously expanding global financial and economic crisis in some countries. The reforms involve a range of adjustments from former NPM-measures (e.g. in the field of performance management, coordination, organization, strategies); new arrangements between the local public, private and non-profit sectors (corporatization, insourcing, re-municipalization); and to territorial and functional reform activities, re-scaling and inter-local cooperation typically driven by austerity policies and/or demographic pressures. Many local governments have significantly shifted away from NPM-type reforms and moved to “something different” which some commentators have been labelled “Post-NPM”. The significance of NPM/Post-NPM notwithstanding, European local governments have never solely concentrated on these kinds of reforms but pursued a variety of (partly conflicting) reform trajectories. Territorial policies, reallocations of sub-national tasks, democratic innovations and new forms of citizen participation have also contributed to transforming local government systems and patterns of local governance in Europe.

Against this background, a cause for concern and also criticism arises within the fact that the analysis of the local level is absent in the current comparative research and within literature concerning public sector modernization. Even the most recent comparative studies on public management reform (see Pollitt/Bouckaert 2011) as well as OECD-led investigations (OECD 2010) and World Bank (World Bank 2007) reports deal almost exclusively with central government and national administrative levels. A pressing need remains to assess how far those reforms have changed local governments, how they differ between various countries, to what extent they represent a new “wave” of reforms (is the pendulum really swinging back?) and whether all this makes a difference to the performance and functioning of local governments.

Based on the results of the COST Action “Local Public Sector reforms: an international comparison - LocRef” this volume is meant to contribute to filling the respective gap in comparative research. It will assess local public sector reforms from a cross-country comparative perspective, which has so far not been done within a broader research network. European local governments have dealt with numerous reform approaches at the same time and implemented those very differently. Therefore, the contributions in this book are bound to not only focus on New Public Management (NPM) reforms and the more recent ‘Post-NPM’ reforms, which were often aimed at correcting the shortcomings of earlier NPM measures. We must note that these kinds of reforms only in some countries have prompted far-reaching institutional changes, whilst in other countries they have been criticized or even ignored. While NPM-inspired marketization, privatization and ‘corporatization’ have been predominant in some local government systems, “non-NPM measures”, such as territorial reforms (municipal amalgamations, cooperation up-scaling), functional re-allocations in the multi-level system (de-/recentralization), democratic innovations and new instruments of citizen participation (e.g. referenda, direct election of mayors) have played a more important

role in other countries. Against this background, the proposed volume is meant to take into account the huge spectrum of local-level public sector reforms from a European-scale comparative perspective and thus to draw on appropriate theoretical paradigms (on comparative local and multi-level governance, comparative democracy, and institutional theory) in order to capture not only NPM/Post-NPM, but also alternative approaches and reform trajectories. The concluding chapter will assess whether and to what extent the effects of these various approaches to local public sector reforms have either intensified or cancelled out each other, and thus have had positive/intended or negative/unintended consequences. Thus the overarching question of the volume is:

Which approaches and effects of local public sector reform can be identified from a cross-countries comparative perspective and how can these be explained?

2. Character and Structure of the LocRef book

In the introductory chapter, the editors define the conceptual framework of the book and discuss the issue of Local Public Sector Reforms theoretically as well as empirically, considering the body of knowledge, existing data bases and gaps in current research.

The four theme chapters of the book thematically correspond to the Working Groups I-IV of the COST Action LocRef and are intended to include 4-5 cross-countries comparative papers each. These comparative contributions will cover selected countries or groups of countries that represent typical cases and prime examples for the reforms under scrutiny. The chapter authors will explain why certain countries are selected for the comparative study and others not. They will also outline the unique features of the selected country cases and give reasons why these features are important for their analysis.

Respectively, the theme chapters focus on the following core-areas of reform:

- (1) The first theme chapter deals with changes in the territorial structures and scope of local government jurisdictions (municipal amalgamations) and their functional equivalents (inter-municipal cooperation) that have been fuelled, in part, by recent austerity measures and the hopes of national policy makers that such reforms will facilitate economies of scale. European local governments have been – to varying degrees – subject both to territorial up-scaling (amalgamation) and/or trans-scaling (inter-local cooperation) of sub-national jurisdictions. The contributions of this chapter will examine these reform segments, taking into account that there is a close relationship between territorial consolidation and functional decentralization (4-5 comparative contributions).
- (2) The second theme chapter concentrates on the implementation of NPM-inspired principles of performance orientation and target steering. The contributions scrutinize various strategies of internal re-organization, process re-engineering, new budgeting and accounting systems, and Human Resource-related modernization, e.g. performance related pay. (4-5 comparative contributions)
- (3) Chapter three refers to organizational and instrumental changes in local service delivery. On the one hand NPM-driven externalizations of local services to private or non-profit providers (contracting-out, functional/asset privatization, corporatization, competitive tendering) will be assessed. On the other hand the contributions analyse the more recent Post-NPM reforms that are targeted towards re-municipalization and

re-integration of previously externalized local functions and thus aimed at correcting the shortcomings of earlier NPM measures. Thirdly, re-allocations of tasks between the local and upper levels of government will be treated from a cross-countries comparative perspective, picking three crucial areas of local service delivery (child care, planning, utilities). (4-5 comparative contributions)

- (4) Finally, the book addresses local democratic reforms and instruments of citizen participation (e.g. referenda, direct election of mayors). Significant attempts of local modernization have been directed towards the revival of 'old' as well as to the introduction of 'new', participatory instruments at the local level of government and the inclusion of civil society into local policy making. The final chapter concentrates on the strengthening of direct democracy (local referenda, direct election/recall of local executives) on the one hand and new forms of participatory and cooperative democracy on the other (citizen forums, consultations, youth/ neighbourhood councils, E-democracy). (4-5 comparative contributions)

In a concluding chapter the editors summarise the results from the theme chapters and assess the interaction effects of the four core areas of reform as well as the overall impact of modernization from a comparative perspective. The objective is to assess whether the effects of various approaches of local public sector reforms have intensified or cancelled out each other. Finally, some ideas for further research will be formulated.

3. Guiding Questions of the Theme Chapters and Contributions

Each comparative paper will explicitly refer to the LocRef conceptual discussion, focus on some crucial guiding questions, explain the selection of country cases and methods of comparison, analyze the country cases from a comparative perspective, and draw clear conclusions as to the driving forces, trajectories and effects of the reforms under consideration. According to the conceptual framework of this COST Action, the core questions of analyses are:

(a) Institutional changes/degrees of reform implementation from a comparative perspective (descriptive knowledge): To what extent have the reforms been implemented at the local level of government? Are there varying modes, degrees, and intensities of reform implementation between different countries or groups of countries? What are major findings on the four core areas of local public sector reform – their respective instruments, components and measures, trends and trajectories of local modernization in Europe? Can we cluster different models of reform and patterns of modernization, which will help to explain the dramatic changes that have occurred on the local level over the past decade?

(b) Causes of reform/variations in reform (explanatory knowledge): What are the main driving forces, the causes and stakeholders of reform activities from a comparative perspective; what logic do they follow and why? Are there significant differences between countries or clusters of countries and how can these be explained? How do country-specific 'starting conditions' influence reform trajectories and results?

(c) Reform effects (evaluative knowledge): Which reform effects have resulted from the modernization efforts? What positive/intended and negative/un-intended consequences or side effects of the reforms on performance as well as on relevant stakeholders and the civil society in a wider context have arisen? Is there evidence for input changes (e.g. cost savings), output changes (quantity, quality, effectiveness of services delivered) and/or even more far-reaching

system and cultural changes (behavior/role perceptions of the administrative staff) that were brought about by local public sector reforms?

4. Time Table and Next Steps

The editors have invited authors/teams of authors to prepare chapters which seek to deliver reform analyses from a cross-countries comparative perspective. These cross-countries comparative chapters are aimed at discussing developments in a number of countries, analyse and explain differences and similarities between those developments and compare reform results. During the last meeting of the COST-Action in Potsdam in May 2014 teams of authors have been established in order to prepare first draft comparative papers on selected reform areas to be presented and discussed at subsequent meetings. There will be an opportunity to present first draft versions of co-authored papers during the EGPA-conference in Speyer (September 2014) and a second one to discuss the revised versions at the next large scale conference of the COST Action in Dubrovnik (May 2015). The comparative theme chapters will be limited to a maximum of 20 pages each.

Preliminary Table of Contents (chapter coordinator underlined)

Introduction and Comparative Framework (Bouckaert, Geert/Kuhlmann, Sabine)

Part I: Re-scaling local governance: amalgamation, cooperation, territorial consolidation

1. Choice of Territorial Structure and Amalgamation Reforms: A Comparative Study in European Countries (Steiner, Reto/Kaiser, Claire/Eythórsson, Grétar Thór)
2. Facilitating and inhibiting factors for municipal amalgamations from a comparative perspective (Broekema, Wout/Steen, Trui/N.N.)
3. Paradoxes of Amalgamation Reforms Compared (Askim, Jostein/Klausen, Jan Erling/Vabo, Signy Irene)
4. Does Inter-Municipal Cooperation Help to Overcome Territorial Fragmentation? A Comparative Analysis of Inter-Municipal Cooperation (Franzke, Jochen/Klimovský, Daniel)

Part II: Managerial reforms: from Weberian bureaucracy to performance management?

5. Performance budgeting and measurement in LGOs: trajectories of reform and implementation gaps in Germany, Italy, Lithuania and Norway (Bjorna, Hilde/Mussari, Riccardo/Nakrosis, Vitalis/Reichard, Christoph/Bankauskaite, Sabina/Tranfaglia, Alfredo Ettore)
6. Performance management and measurement: results of NPM reforms in Napoleonic Countries (Turc, Emil/Guenoun, Marcel/Rodrigues Demirkaya)
7. Searching for the “chimera” of Fairness and merit promotion Of performance related pay Systems in LGs: A comparative analysis (Proeller, Isabella/Meier, Anne-Kathrin/Vogel, Dominik/Mussari, Riccardo/Casale, Donatella/Turc, Emil/Guenoun, Marcel)

8. HRM-reforms and Change Management in European City-administrations from a Comparative Perspective (Salm, Marco/Schwab, Christian /N.N.)

Part III: Re-organizing local service delivery: from government to governance?

9. Municipal or private sector-based local service provision: Is the pendulum swinging back? (Wollmann, Hellmut)
10. Non-profit-sector involvement in local service delivery (Zimmer, Annette/Henriksen, Lars Skov/ Smith, Steve/Thøgersen, Marlene)
11. Child day-care in transition: scaling and re-scaling in comparative perspective (Kettunen, Pekka/Teles, Filipe/Navarro, Carmen/Richter, Philipp/Hlepas, Nikos)
12. Rescaling of planning power. Comparing functional planning reforms in six EU countries (Getimis, Panagiotis)
13. Waste management compared – from public service delivery to inter-municipal cooperation? (Torsteinsein, Harald/Van Genugten, Marieke)

Part IV: Local participatory reforms and political leaders

14. Good local governance – what do the citizens expect from their municipality? (Ladner, Andreas/Denters, Bas/Rose, Larry/Mouritzen, Poul Erik)
15. Local democratic renewal by deliberative participatory instruments (Kersting, Norbert/Gasparikova, Jana/Raudla, Inga /Iglesias, Angel)
16. Have mayors will travel: direct election of the mayor – policy transfer or policy isolation (Copus, Colin/Iglesias, Angel/Hacek, Miro/Vetter, Angelika/Illner, Michal/Lidstrom, Anders)
17. Comparing Democratic Renewal in European Local Government: A Dynamic Perspective on Mayors, Referendums and Elections (Vetter, Angelika/ Denters, Bas/Kersting, Norbert/ Klimovský, Daniel)
18. Reforming local councils – debates, reforms and effects (Lidström, Anders/Baldersheim, Harald/ Klimovsky, Daniel/ Hlynsdóttir, Eva Marin/ Copus, Colin/Kettunen Pekka)

Comparative Conclusions and Outlook (Bouckaert, Geert/Kuhlmann, Sabine)

Appendix: Country Files

Preliminary Time schedule

Activity (responsible)	Deadline/Event
Proposals for comparative papers (WG-Chairs+paper leaders)	May 2014 ✓
Paper selection (editors)	June 2014 ✓
Finalising book outline (incl. paper abstracts); proposal to Palgrave (editors)	June 2014 ✓
First draft comparative papers (paper leaders+authors)	Sept. 2014/Speyer (10-12 Sept. 2014) ✓ or alternatively 31 Decemb. 2014 (at the latest)
Comments on draft papers (editors)	January 2014
Revised papers (paper leaders+authors)	May 2015/ Dubrovnik (4-5 May 2015)
Finalised papers (paper leaders+authors)	July 2015
Manuscript to referees / publisher (editors)	Autumn 2015
<i>Publication of the edited volume</i>	<i>Spring/Summer 2016</i>

Market Position of the Book

In the current comparative literature concerning public sector modernization, management and governance, the local level is blatantly absent. The English language books available on the market so far either concentrate on comparisons of central-state NPM-reforms (Pollitt/Bouckaert 2011; Christensen/Lægreid 2001; Ongaro 2009) or on country-studies of selected local reforms (Kersting/Vetter 2003; Caulfield 2005; Baldersheim/Rose 2010; Bäck et al. 2006; Caulfield/Larsen 2002; Swianiewicz 2010). There is only one (English language) book on the market so far with strictly comparative chapters (Wollmann/Marcou 2010), but its thematic focus is limited to privatization/re-municipalization/NPM in specific fields of local service delivery (social services, public utilities). Against this background, we claim that a book which provides comparative analyses and accounts of local public sector reforms in a similarly wide coverage of countries (including Eastern and Western as well as Northern and Southern European systems) and reform measures (including territorial, functional and NPM/Post-NPM-reforms as well as democratic renewal and participatory reforms) is not yet available. The book is structured in a strictly comparative manner with multi-national teams of co-authors for each chapter and it is based on the expertise of internationally renowned scholars coming from 30 European countries, which is an outstanding source of expertise that has hitherto not been integrated and synthesized in a book publication on this topic. Hence, we claim that the book will be unique on the market and we are confident that the many cooperative contacts which we have with colleagues doing research and teaching in the field of public management, public administration and local government would give us access to promote the book for research, academic teaching and training.