Centralization
Decentralization Debate
Revisited

Edited By
Korel Göymen
Onur Sazak
Preface
Globalization, Governance, and Decentralization

As our world is becoming more and more globalized, and global processes have been serious challenges, the question of governance comes to the fore of the academic and public debate. Moreover, global challenges have become more prevalent ranging from the severe economic crisis to security dangers, global climate change to the global food crisis, and poverty to exclusion. In order to tackle these challenges effectively, as well as to produce viable responses, it has become apparent that no single state, even those that are deemed super powers or have great power quality, has the ability or the capacity to do so successfully. Global problems require global solutions, multilateralism rather than unilateralism, and decentralization rather than centralization, an effective mode of governance of domestic and global politics is needed.

Decentralization has also been an intrinsic characteristic of European governance. Federalism in Germany, strong metropolitan and municipal administrations in France and Great Britain, effective political regionalization in Spain have stimulated many best-practices conventions in countries that seek their own governance models. Against this backdrop, we observe the comeback of the central government in Europe with great surprise. The transfer of several key competences to the central government from the local administrations sparks academic interest in the drivers of this phenomenon. This reversal becomes especially striking when contrasted with the period of a robust decentralization in Turkey between 2003 and 2007 and the ensuing radical recentralization.
How do we then explain the resurfacing of the strong central government in Europe while most policy areas within the European Union call for more decentralization? One possible answer is the reverberations of the financial crisis and the toll it took on the economies of local administrations. Another explanation widely handled in the discourse is the abilities and aptitude of central and local governments in battling corruption. One may also approach this question from the political perspective regionalization. Although autonomous regions have always existed in Europe, and even though decentralization has addressed the issue to a certain extent, the looming political and economic uncertainty in Europe appears to have altered the central state-regional authority dynamics.

The undercurrent of centralization and decentralization in Turkey is nearly as confounding as in Europe. The decentralization trend observed in the 2003-2007 period was undone by the resurgence of recentralization in the last 2-3 years. Various laws on urban renewal and regeneration deprived municipalities of almost all planning functions, empowering the Ministry for Environment and Urbanization. Furthermore, the circumventing of existing institutions and direct preparation of new legislation and policies by Prime Minister’s cabinet and a body of advisors is making the trend of centralization more evident.

The Kurdish peace process and democratic reforms can be read as a sign of decentralization that local administration was strengthened and education in the mother tongue was legalized in the first years of the process. Yet, the rights of the Kurdish citizens still remain limited and the deadlock in the process is a sign of failure in reforms.

The concentration of power in the center also has implications for the Gezi protests. The Gezi occupation was an unprecedented citizens’ movement that emerged out of arbitrary government decisions on all levels from central to local, penetrating the public and private preferences of the individuals all at the same time. The conviction of the people that they were increasingly alienated from their rights and privileges over their public space and that their views were not considered or represented in the decision-making process was the catalyst for the countrywide protests. Therefore, Gezi
had become a platform in which people demanded equal rights, democracy, transparency, sustainability, livability, and participation at all levels.

In view of these issues, the workshop “Centralization versus Decentralization Debate Revisited: Challenges to Local and Regional Governance in Turkey and Europe” was organized on November 15-16, 2013 by Istanbul Policy Center and the Friedrich Naumann Foundation for Liberty to explore the challenges facing decentralization. This timely event garnered invaluable insights from academics, experts, students, and civil society representatives from Europe and Turkey and structured into theoretical discussions and case studies.

The key issues that were touched upon during the conference came from a broad milieu from regionalism to the interaction between powerful metropolitan municipalities and regional governments, from decentralization – corruption dynamics to transparency and accountability. In the case studies session of the workshop, participants also took on two important issues: centralization/decentralization debate within the context of education and the Kurdish question.

This book epitomizes the key issues discussed at the workshop and features the papers presented by several participants. The workshop was part of the conference/workshop series focusing on governance and Turkey’s future problems, which have been granted by and co-organized with the Friedrich Naumann Foundation for 8 years. We are thankful for Friedrich Naumann Foundation and Hans George Fleck, Resident Representative and Belma Bağdat, Programme Director for their continuous support to this conference series. We also thank the IPC personnel, and especially Özgül Kızıldağ, who worked diligently to organize the workshop and this book. Moreover, it would have been impossible to have this book without valuable contributions from our participants and writers, thank you.

E. Fuat Keyman
Director, Istanbul Policy Center,
Prof, Sabancı University
Dear Reader,

The theme of this year’s joint conference of IPC and the Istanbul Office of the Friedrich Naumann Foundation for Liberty in 2013 may not appear mainstream or belong with the most “pressing problems of Turkey.” It is not frequently discussed in the media or in the Turkish Parliament. Nevertheless, once immersed in this book, you will surely find out the importance of the topic. Once again, the organisers selected a topic which is crucial for a country striving to move upwards and to become - politically and economically - one of the leading nations of the world – in a century which is, here and there, proudly proclaimed as “The Turkish Century.”

We talk about a phenomenon which refers to the democratic character of the country as much as to the efficiency of its administrative structures. This phenomenon can be summarized in the following question: is the highly centralized and - by trend - extremely authoritarian character of the political and administrative system of Turkey apt to support and accelerate the profound process of change ongoing in this country?

In fact, a lack of democracy, a lack of democratic participation, a lack of decentralized, transparent and inclusive decision-making is and remains the order of the day! This attitude might be reinforced by doubts whether decentralized power and decentralized decision-making has not proven to be less effective and less affordable in times of economic demise.

The question whether we can afford “decentralisation” reminds me of other alleged dilemmas: can we afford democracy in the face of competing undemocratic systems; are we able to afford ecologically sensitive policies in times of growing competition with emerging economic powers?
According to my understanding there is, for example, no alternative to ecologically sensitive behaviour and environmental governance – as it was thoroughly discussed in our last year’s conference—unless you want to land in an inhuman environment as in various Chinese metropolises recently. There is no alternative to more democracy, more participation of well-informed and committed citizens – unless you want to land in a sort of a traditional Orwellian-type of authoritarian society or a post-modern surveillance state the character of which we can see more clearly at the horizon after Edward Snowden’s highly commendable disclosures.

Let me give you a brief insight into the extremely centralised character of statehood in Turkey. In a recent press article titled “Municipalities’ paltry share of budget - an obstacle to democracy,” the Turkish economic journalist Mustafa Sönmez unfolded one of the crucial structural problems Turkey was not able or not willing to overcome so far. None of the so-called “democratisation packages” addressed the horrendous tilt with regard to the distribution of expenditures across levels of government in contemporary Turkey.

When you compare Turkey with Poland or the Netherlands – just to name two European countries with a history hardly comparable in recent decades – you will find that in both cases roughly one third of public expenditure is implemented each by state and by local structures. Turkey, however, has a relation of 65 percent to 10 percent to the disadvantage of local structures. Thus, I cannot but agree with Mr. Sönmez’ conclusion: “Turkey may really take a big step on the road to democratisation by an effective administrative reform that will give much more say to local administrations, local parliaments.”

I guess, from the perspective of Turkish democrats and liberals, there can be no doubt that any discourse on more or less decentralisation will have but one answer: Without a fundamental decentralisation of the Turkish state, there won’t be more democracy.
You might say, what other kind of statement can you possibly expect from a liberal? The liberals at least tried to learn from their own mistakes and failures in the context of the European national movements of the nineteenth century which too often gave precedence to a kind of highly centralized and centralizing national liberation instead of cherishing the values of locality, regionality.

It required the horrific experience of the inhumane and totalitarian regimes of the first half of the twentieth century – including the undemocratic “democratic centralism” - in order to teach liberals the credo brilliantly defined by the German-Swiss economist Wilhelm Röpke. Röpke is, by the way, one of the many German-speaking academic scholars which found refuge in the young and welcoming republican political order of Turkey, after the Nazis had come to power in Germany.

After the Second World War, Röpke, one of the fathers of “Ordoliberalism,” stated:

“In every accumulation of power, the liberal detects reason for distrust. The liberal knows that every power which is not restrained by counterbalance, will be misused sooner or later. In order to secure the freedom of the human being, the liberal identifies only one efficient remedy: the distribution of power and the creation of efficient counterbalance.

Thus, liberalism can be rightly defined as “decentralism” while nationalism, absolutism, authoritarian conservatism and collectivism can rightly be perceived as being part of the “other camp”, the camp of “centralism”. […] Hence, a “centralist liberalism” is a contradiction in itself…..By defining ‘decentralisation in all spheres’ as a programmatic principle, the liberal is driven by a wisdom based on human experience. The liberal becomes the advocate of the division of power, federalism, freedom of local communities, the areas exempt from state intervention, intellectual freedom, […] economic and social decentralisation, ….The liberal becomes the intransigent enemy of political, economic and intellectual centralism.”
Whatever kind of “technicalities” we might discuss with regard to the amount of centralisation and decentralisation in a democratic society, Röpke’s definition of liberalism as a constant strive for decentralisation will persist.

Finally, I would like to express my gratitude to Prof. Korel Göymen and his team for preparing this year’s interesting and topical international workshop with lecturers from not less than nine European countries. I am sure our readers will profit from this conference - and the book in front of your eyes.

Dr. Hans-Georg Fleck

Istanbul, March 2014
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Prof. Dr. Gerard Marcou
Universite Paris 1 Pantheon Sorbonne, France

Prof. Dr. Michiel de Vries
Radboud University, Nederlands

Prof. Dr. Juraj Nemec, / Lenka Matejova
Matej Bel University, Slovakia

Prof. Dr. Pere Vilanova
Barcelona University, Spain

Prof. Dr. Marco Olivetti
University of Foggia, Italy

Assoc. Prof. Dr. Nikolaos Hlepas
National and Kapodistrian, University of Athens, Greece

Prof. Dr. Tomas Bergström
Lund University, Sweden

Prof. Dr. Hellmut Wollmann
Humboldt University, Germany

Prof. Dr. Üstün Ergüder, / Emre Üçkardeşler
Director of Education Reform Initiative, Turkey
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**Introduction**

The financial tremors heralding the 2008 crisis, coupled with political uncertainties and asymmetric shocks, have stirred up a dormant debate in continental Europe and its close vicinity. In this respect, comparison of centralization and decentralization has once again become a popular topic of social, political, and academic interest. Especially in light of the asymmetric impact of the aforementioned troubles on the European Union (EU) at large and its neighborhood, the resurgence of recentralization promises to dominate the governance discourse in the days ahead. In the years following the financial meltdown and its fallout, more and more EU members—regardless of their size and political prowess—have expressed a genuine interest in recalibrating the power distributions between national and local governments and transferring some of the competences back to central state. Although this trend has been generally observed throughout the EU, it is more common among the newer and less affluent member states. However, a rollercoaster ride between centralization and decentralization is not unique to the member states; many countries in EU’s backyard have displayed a similar ambivalence, transferring powers back and forth between the central and local governments for over a century.

There are a number of factors that contribute to the resurgence of the “centralization – decentralization debate.” The deliberations among Turkish and European experts have
unfolded a new catching trend of centralization, which is in fact recentralization. Many today claim this trend began to take hold even before the recent economic crisis. The main reason for this is that in some countries the European Commission had difficulty in finding the right local partner. The Commission initially insisted on the subsidiarity principle and intensified its search for local partners, especially for those that were responsible for implementation of policies at the lowest possible level. The impossibility of this task revealed an important insight over the local administrative capacities of numerous EU members, especially from the batch that has recently joined the EU. With the worsening financial crisis, it became evident that more local administrations within the EU were going to default on their responsibilities than anticipated.

The trend in Turkey, on the other hand, is much more pronounced. In the first place, Turkish Republic inherited a tradition of administrative centralization from the Ottoman Empire. The Ottoman Empire was very much under the influence of the Napoleonic Codes from the mid nineteenth century onwards. Furthermore, many of the legislation pertaining to local government and administration in general were imported and translated from the French texts. The Republic inherited this tradition and sustained it. This was naturally no surprise because the founders of Turkish Republic were military and civilian bureaucrats. During the following two decades, they launched a process of social engineering. This was a top-down process, and centralization and a centralized process were the most efficient way of implementing the so-called modernization project. One caveat to this trend was the 1930 general law on municipalities. With this law enacted, Turkey in fact adopted a replica of French local government law, which gave quite considerable maneuver space to local governments, at least on paper. Although the law classified local governments according to their revenue, it did grant them responsibilities over education, health and other vital policy areas. But in the following two decades, much of this authority and decision-making power was transferred to newly-created ministries. The pendulum
had swung back in the direction of centralization. Since the 1950s, consecutive Turkish governments have established so-called reform commissions on public administration in general and local government in particular and considerable leeway has been made. Centralization, on the other hand, has always haunted Turkey, reappearing from time to time until the year 1999.

1999 in this respect was a milestone, for Turkey had officially been declared an EU candidate. The following period had two segments. The first period, the 2003-2007 window, was one of reform and decentralization. In fact, first, there was an encompassing general reform law on public administration. This had envisaged not only decentralization, but also administrative devolution, although the President later rejected the bill. In the following two years, the government passed several pieces of legislation that increased the scope of activity, competences, finances, and introduced new instruments for local/regional planning, local development, and participation of NGOs and ordinary citizens. This time, the pendulum had swung quite strongly in the direction of decentralization. The year 2006 marked the establishment of 26 regional agencies in Turkey. There again a flash of centralization surfaced briefly because these 26 entities were very much under the direct control and supervision of the then-State Planning Organization. This was followed by a very strong trend of recentralization. We have witnessed the creation of a super, new ministry—the Ministry of Environment and Urbanization, which practically took away all the planning rights of Turkish municipalities. Furthermore, the establishment of an administrative unit directly linked to provincial governors and mandated with direct supervisory and plenary powers added to concerns voiced by the advocates of decentralization and devolution. Since then the government has taken various additional measures in the same direction of recentralization. One of them is acquiring a general mandate and then administering by decrees, that have the power of legislation, thereby bypassing Parliament. Another recent trend has been to attach the so-called autonomous authorities
and professional chambers, to a ministry each and practically putting them under the supervision of central government and of that particular ministry.

This brief prelude into the European and Turkish discourses on centralization, decentralization, and recentralization have been devised from deliberations among select scholars who participated in an international workshop on “Centralization-Decentralization Debate Revisited,” co-hosted by Istanbul Policy Center at Sabancı University and the Friedrich Naumann Foundation, on November 15-16, 2013. The two-day workshop provided much-needed ground to pinpoint the challenges related to decentralization and a number of opportunities to overcome them.

**Recentralization in Europe**

Local and regional governance have been inherent attributes of European states for over two centuries. Even after World War II and with the advent of the European integration, the majority of the European states had managed to preserve this tenet. However, a shift from local and regional to central government has been occurring at a greater pace among some EU members during the past decade. At the outset, two particular problems appear to be driving this change. The first reason has to do with the expansion and sophistication of the European Union. The advocates of this position claim that the growing boundaries and expanding jurisdiction of the EU is blurring the line between national, regional, local competences even more so than it did before. Second, the fallout from the recent financial meltdown on weak economies such as Greece, Portugal, Italy, and Spain and newer members such as Czech Republic, Slovakia, Poland, Hungary, Bulgaria, and Romania has demonstrated that the majority of these member states have inapt regional and local administrations that are vulnerable to the asymmetric shocks of financial and political crises.
These two overarching concerns that trigger the centralization frenzy within the EU are in fact a consolidation of several concrete, measurable, and conquerable issues. First and foremost, the confounding concepts pertaining to local governance must be eliminated; experts must ponder and come up with a clear and operable definition of vital terms such as regionalization. In fact, a number of scholars who participated in the international workshop dissected this issue. Second, competences of the central, regional, and local polities are intertwined. As will be alluded to in some chapters of the book, powers of these administrative bodies ought to be defined clearly and legislated decisively so that they stand firmly against any future attempt to bend them. Third, naturally metropolitan governments, regional administrations, smaller local municipalities do not have equal powers or capacities. More often than not, strong metropolitan governments may override the jurisdiction of regional governments due to their strong budgets, vast territories, and certain administrative privileges vested in them by the central government. Similarly, certain municipalities are so small in size and population that they may not be able to deliver the most basic services of a local administration. Therefore, while the jurisdiction and turf wars between strong metropolitan governments and regional administrations should be addressed, the capacities of smaller municipalities should be strengthened via creative solutions like inter-municipality cooperation. Next, political regionalization continues to surface as one of the most treacherous impediments that relegate the virtue and effectiveness of regionalization. Spain, Italy, and Turkey make relevant cases for this particular issue. A comparison of each country’s experience and good practices may offer new avenues for making political regionalization work. Last, it is often forgotten that each country of interest to this debate is unique and has strived to perfect its own governance model. Some have encountered existential ills like corruption through decentralization; others have prevented secession via political decentralization (Spain).
During the workshop, both N.K. Hlepas and Thomas Bergström stressed this point. Hlepas first made the generalization that “major national crises and encompassing reforms have usually favored centralization. This is a lesson from Greek experience. In a country characterized by weak public institutions dealing with social fragmentation and political polarization, centralism seemed to be the only way to manage trends of disintegration.” Then he added that the recent unprecedented economic crisis in Greece and especially rigid stabilization policies imposed by lenders have necessitated a return to centralism, bringing to an end decades of Europeanization (since 1981), strongly encouraging decentralization. In a similar note, Bergström, first reminded the participants that “central-local relations are not fixed as they change over time in a pattern that has been compared to a pendulum. In Sweden, a rather centralistic vision of the welfare state has been replaced with some decades of pronounced decentralization, giving sub-national government a vital role in producing services in a rather independent way. Legislation, financial arrangements and trust in local solutions made municipalities and regions important players. Theoretically, the development was described as governance, the network society, or other terms defining a new world of self-organizing, non-hierarchal modes of governing. But, recently, this brave new world has been, once again, challenged by a perceived need for control from the top, uniformity, standardization of processes and demands for equality...governance is, therefore, not the end of history.”

Conceptual Confusions

Regions constitute important characteristics of European local administrations. Regional governments throughout Europe have enjoyed wide support of their constituents. However, as one scholar has acknowledged during the workshop, the favorable public opinion of regions has declined recently. At the core of this decline is the confusion over the definition and
functions of a region. Neither regionalization nor region has the same connotation in all countries. This simple fact stresses the need for clarification of region and regionalization as a process. Gerard Marcou shed light on the variances of the region before taking on the question whether regionalization is an answer to the acute problems of governance.

One of the most visible sources of confusion with respect to region is that the term does not have clear-cut boundaries like municipality. Marcou pointed out that “unlike a municipality, which is an institution with unequivocalities to administration and political structure, a region is not an institution, and moreover, it has a more ephemeral interpretation. It can take many forms according to its economic, political, geographic, administrative, and even ethno-cultural nature. In fact, as far as the EU law and policies are concerned, regions are policy areas and not institutions. The Treaty [of Rome] articles concerning policy cohesion and the management of structural funds also recognize region as a policy area. Regionalization in Europe is therefore a process that is closely linked with policymaking and the administration of economic development. In other words, the regionalization process in Europe yields regional institutions with a mandate to govern and represent the economic and political interests of a local constituency. However, the broad perception of regionalization as an institutional and economic process at the same time also explains why it is so difficult to promote a consistent notion of the region in Europe these days.”

Several types of regionalization are possible. In fact, the affirmation of this simple fact can be a reliable way out of this predicament. Marcou singles out at least five types of regionalization: administrative regionalization, regionalization through existing local authorities, regional centralization, regional autonomy or institutional regionalization, and regionalization through federalism. Administrative regionalization refers to the appointment of authorities
by central government to oversee regional development. These state-appointed authorities work with and direct local entities along with the central government policies. Marcou explained that this was the case for France before the 1982 reforms. He stressed that currently a similar arrangement is observed in the United Kingdom, Portugal, Bulgaria, Hungary, and Greece. Regionalization through existing authorities, on the other hand, implies the utilization of existing local authorities that were created for different purposes at the time of the regionalization process. In contrast to administrative regionalization, this approach is based more on the tenets of decentralization. Marcou’s third type, regional centralization alludes to the creation of a new local self-government that supersedes the existing territorial authorities. In this setting, the state remains under a unitary constitution, whilst the new local self-government has the powers and planning functions of the regional government. The examples of this model are present in France, Poland, Denmark, and Wales. By contrast, political regionalization or institutional regionalization suggests a system of regional autonomies when the constitutional unity of a country is no longer the case and when regional governments are vested with legislative powers. Marcou underscored that political regionalization has nothing to do with regional development on the outset. This governance model is rather the result of a weak integration process during the formation of the state. Marcou also cautioned against the institutional dissymmetry inherent in such regional governments. These governments carry out regional development policies that are funded by EU’s structural funds. Spain, Italy, Scotland, Belgium have entered into similar arrangements with a number of regional entities within their territories. The last type of regionalization is federal government. A federal state is structured upon the distribution of legislative and executive power between central and federal governments on the one hand, and the equal status of all federal state authorities on the other. This is a stark contrast to political regionalization. In brief, acknowledging these five types of regionalization
process will alleviate the confusion and help nations choose the most suitable governance style, compatible with local dynamics and political culture. One of the best examples of the federal model is provided by Germany. As Hellmut Woolman explained, “since its foundation in 1949, Germany’s (originally West Germany’s) federal system has been marked by the inherent tension that can be captured in the conceptual pairs of Unitarian versus regional; country wide equality versus inter-regional disparity; solidarity versus competition; and homogeneity versus heterogeneity.” Of these, Wollman drew attention to the fact that “from its outset, the country’s federal system, due to its political decentralization and vertical division of power, has been conducive to generate regional differentiation and legal as well as socio-economic disparities.” Furthermore, due to the requirements of post-war physical, economic and social reconstruction, the power distribution between the federal level and Länder tilted in favor of the former. According to Wollman, “This was somewhat redressed with the reform of 2006, whereby the legislative powers of the Länder have been significantly extended. This reform has also reinforced the competitive element in Germany’s federal system, yielding positive results. Finally, the plurality of local government constitutions came to an end in the 1990s, when all Länder adopted one model.”

The Competency Conundrum

The institutional approach to regionalization may also have an unintended side effect; it may create inter-institutional competition and escalate existing feuds between strong metropolitan and regional governments. Marcou envisages several manifestations of inter-institutional competition, and in some cases, cooperation, between government levels: 1) Regionalization and metropolitanization, 2) regionalization and local governments /institutions, 3) governability and
multilevel governance. He especially stressed the strains that the institutional regionalization may place on the relationship between powerful municipalities and weaker regional and local administrations. Marcou asserts that “regionalization and metropolitanization may be the most salient issue nowadays.” In other words, an aggressive urbanization usually ignores administrative boundaries and spills over to a wider regional area than its jurisdictions permits. Consequently, a metropolitan institution, or institutions, can be in conflict with regional institutions. Furthermore, the strength of robust metropolitan governments also consolidates the political capital of mayors and reinforces their will over that of weaker regional leaders. On the other hand, strong regional governments, Marcou admits, are also inclined to hinder big city governments, or they can effectively block the formation of strong metropolitan governments. Spain, Italy, and Scotland provide good examples of this.

France stands out as an important case where new powers bestowed upon metropolitan governments have curbed the jurisdictions of regional governments. Known as the “department reform,” this new provision established a new metropolitan government that possessed the function of regional administrations vis-à-vis economic development and other mandates. Nikos Hlepas pointed to this crucial aspect of the French local government reforms. He noted that in a country where equality is held above everything else, vast powers of a metropolitan government casts shadow over this image. He pointed to Paris and the vast political maneuver space of the Parisian metropolitan municipality that even overrides the prerogatives of the superseding regional authority.

In summary, the ambiguity over the powers and functions of local governments trigger obdurate turf wars between the two levels of government, which exist to simplify the governance of a modern society in the first place. Unless left unaddressed, competition—not coordination or cooperation—between
regionalization and metropolitanization, regionalization and local governments/institutions, governability and multilevel governance is likely to become norm. To solve this problem, participants recommended more representation of municipalities within regional governments to overcome the coordination problems that encourage strong metropolitan governments to go alone at key policy decisions that affect all regions’ fate. In addition, more citizen participation can play a role in narrowing this gap among different levels of government.

**Economics of Decentralization: Regionalization versus Fragmentation**

Taking an economic approach on decentralization and regionalization exposes a new risk: fragmentation. Juraj Nemec and Lenka Matejova challenged the prevailing discourse on the fiscal feasibility of decentralization and asserted that decentralization may not necessarily be cost effective. Nemec’s revelation defies the perception of decentralization’s virtues among many actors in Europe. Most European countries, including Turkey, signed the European Charter of Local Self-Government, a statute that sanctions the benevolence of decentralization and compact local authorities. Although the charter preaches the advantages of smaller local formations, it hardly touches upon the asymmetric distribution of the resources and mandates of local governments. Nemec’s joint paper with Matejova contrasts Swedish and Slovak municipalities and unearths an important “economies of scale” conundrum endemic to smaller municipalities and local administrations. To carry out the basic municipal services may be too costly for smaller units with smaller constituencies and limited allocations from the central budget. The Slovak scholars argue that municipalities deliver more services than meet the eye, and they have many more administrative functions that go beyond their basic responsibilities. Smaller municipalities, at least in certain parts of Central Europe, spend two euros to collect one euro per unit. Thus, coupled with the financial crisis,
such recurring costs have been instrumental in the decisions of newer EU members to transfer some of their competencies back to the central government. A similar problem pertains to administrative costs. Nemec and Matejova demonstrate that in small Central European municipalities administrative costs can be as high as 60, 70, or 80 percent of local budget. But even this trend of recentralization—in other words, political amalgamation—has limits. Although some municipalities may surrender certain privileges to the central government, these largely concern services, and not their decision making rights on key local political issues.

Nemec and Matejova suggest an inter-municipal initiative to underwrite some of the costs accrued by smaller municipalities and to increase the breadth and quality of the services delivered. According to the authors, the Czech case offers a number of success stories of these joint initiatives serving 15-20, even 30, municipalities. What is unique about these initiatives is that they are rather bottom-up than top-down in organization. This lives up to the motto of the decentralization program that promises “with decentralization the delivery of the public services ought to improve significantly.” Nemec and Matejova emphasize that this will not happen so long as the smaller units are left to their own devices. However, the silver lining is possible only if smaller units come together and join forces to share the burden of delivering public services.

The same efficiency and capacity issue was also taken up by Michiel de Vries, during the workshop. He maintained that during the decentralization/administrative devolution process, “one major problem involved the supposedly lacking capacity of local governments in being unable to take full advantage of the tasks and responsibilities transformed by central government… This was evident especially in developing countries and small municipalities.” He further argued that this fact was sometimes used by both opponents and proponents of decentralization. In the latter case, it seemed that decentralization was almost above all reproach. Michiel de Vries went on suggesting that when the capacity argument was turned around, one should at least expect larger, core cities in developed countries benefiting
from decentralization. Then, he quoted the results of a Eurostat study, involving 560 cities, in which select indicators were gathered. The Urban Audit also involved surveys among 75 core cities, in order to measure whether the city’s inhabitants are satisfied with the green space, public transport, crime and health care. The overall conclusion was that, decentralization does have a positive and significant impact on the living conditions in core cities of the European Union. However, de Vries concluded that, “these findings may not represent a final answer, nor do they provide decentralization with the status of a panacea.”

This provides an easy-to-follow roadmap for countries like Turkey, which face their own efficiency problems vis-à-vis small units and even smaller municipalities. In fact, the objective of the latest recentralization movement in Turkey has been to get rid of the smaller municipalities with the belief that they are ineffective.

**Decentralization and Corruption: Causation or Correlation?**

Another dimension of the debate over the vices and virtues of decentralization is the linkage between decentralization and corruption. Several views were advanced on the juxtaposition of decentralization and corruption. The pro-decentralization camp asserted that it is easier to expose and battle corruption at the local level than at the central level. The critics of this view, on the other hand, claimed that corruption is more common at the local level simply because the central government is more resourceful in uprooting corruption. Some took a more moderate stance and argued the relationship between the level and size of the government and corruption is simply one of perception. It was suggested that regional or smaller local governments may seem to be dealing with corruption more effectively simply because of their size. Similarly, due to their smaller dimensions, they may come across as more heavily infested with corruption when scaled up to central government.
The scholars who participated in the workshop mostly identified with the moderate view that the level of the government can be deceiving in terms of its corruption proneness, as well as its success in eradication of this phenomenon. There is little doubt that corruption is more visible at the local level than it is at the central level. However, that does not mean decentralization causes corruption. On the contrary, established EU member states like Germany, France, and the Netherlands fight corruption more effectively at the local level than at any higher level. However, neither case should suggest that the same effectiveness is observed among the newer EU members. Nemec and Matejova reiterated that corruption is still a serious issue even at the local government level in the Czech Republic, Slovakia, and even more so in Hungary. Political culture therefore emerges as a more empirically robust explanatory variable that accounts for the dynamic between local government and corruption.

**Political Regionalization**

The most contentious and confounding aspect of centralization and decentralization debate is political regionalization. As Marcou explained, this is not regionalization or decentralization, but clearly refers to an autonomous body with decision-making capacity and budget. Pere Vilanova cautioned that political decentralization aims to preserve the unity of a country with extremely diverse and heterogeneous population (like Spain). This, to Vilanova, is beyond a technical-administrative issue, although it does require technical solutions, rather than political. Spain, in this aspect, is unique because of its success in transitioning from a very authoritarian, centralist state to a quasi-federalist structure in a mere five to six years.

Pere Vilanova contended that this transition has been possible due to the recognition that the long standing tradition of hyper-centralism has not been effective in solving complex political problems rooted in history. However, decentralization, under the legal form of federalism, or any other para-federal formula,
may only facilitate the unity of a country when most institutions in the polity (like political parties, major social institutions, plus mainstream media, among others) are supportive of this arrangement. Otherwise, there is always the risk of reverting back to recentralization, or even “authoritarian rule.”

Leyla Ferman also dealt with centralization-decentralization issue related to internal ethnic conflicts in a Turkish context. She asserted that such conflicts and power-sharing arrangements constituted a challenge to national and international peace. She maintained that Turkey’s strong centralized system and nationalism is an obstacle to the solution of the “Kurdish issue.” She suggested that a decentralization process, local autonomy, and extensive democratization may help satisfy the demands of the Turkish citizens of Kurdish origin in the recognition of their rights.

Ferman, furthermore, anticipated that ethnically and culturally homogenous nations would fade away. Autonomy, on the other hand, has been increasingly regarded as a breeding ground for armed conflicts. Therefore, territorial decentralization may be seen as a long-term solution under special conditions. In Turkey’s case, the strong central state and nationalism is still a highly sensitive matter. In this respect, the undertaking of the Kurdish question may require a multidimensional discourse that focuses on conflict, social tensions, and the interaction between (1) Turkish state and ethnic population group; (2) Turkish state and the PKK; (3) ethnic Turks and Kurds especially in western Turkey.

Ferman conducted 80 interviews in southeast Turkey. Her findings reveal that the attitude of the central government can concomitantly play a decisive role in the direction that the Kurdish question will sway. For some, if the government takes a constructive approach to the solution of the Kurdish issue, the governors and other extensions of the central state will adopt a similar goodwill. Identity and language are also among the
frequently discussed issues according to the research. There has been some relaxation related to the use of minority languages in service provision and political activity and campaigning. Marco Olivetti is of the opinion that “the Italian experience on regionalism and local government has contributed in many ways to the consolidation of democracy and constitutional government, strengthening of political participation and allowance of opposition parties at national level to lead important cities, provincial administrations and regional governments.” According to Olivetti, “The system of special regions worked remarkably well as a device to accommodate small linguistic minorities in border regions. At the same time, neither regionalism nor decentralization and autonomous governments have contributed significantly to the reduction of North-South divide.”

There seems to be broad agreement on a variety of issues among participants presenting papers on Turkey. All converge on the evolving political and institutional culture since the inception of the Turkish Republic in 1923, dubbing it the “bureaucratic ruling tradition.” They hasten to add that this tradition was inherited from the Ottoman Empire. In spite of this tradition strongly favoring centralization, there were periods when attempts were made to disperse service provision and other competences. They point out to two sub-periods, 1930-1939; and 1999-2008. During the first sub-period, a rather liberal general law on municipalities was put to practice. But this was short-lived, with newly established ministries in the 1940s, taking over the devolved competences. In 1999, Turkey was declared a candidate for the European Union. During the following decade, several pieces of legislation were promulgated supporting decentralization, together with the introduction of new institutions (e.g. regional development agencies, autonomous boards, city councils) and mechanisms (e.g. strategic planning). During this period, the EU impact was strong, comprehensive, and visible. However, in the past few years, the pendulum has swung in the opposite direction,
with the creation of "super ministries," frequent interference in the so-called “autonomous boards” and other institutions in the polity, including the judiciary. These recent developments led one participant Muhittin Acar, to conclude that “despite all the rhetoric for decentralization and democratization, there still exists a highly-centralized, yet-to-be democratized local political and administrative system in the country. Most recent events and developments even suggest a path toward re-centralization.”

Gökhan Orhan emphasized participatory aspects of local government, related to environmental policy and politics. He argued that “already existing mechanisms of participation do not really let stakeholders into the policy process and rather serves as depoliticisation mechanism and contributes to unsustainability.” He added that, ”although concepts of public participation and stakeholder involvement have been in circulation (both in Turkey and Europe), parallel to the governance paradigm and transfer of competences from central government to local and regional governments,… there is a reversal of a number of practices and a certain tendency towards centralization…”

Tunga Köroğlu asked the question, “why do we have local governments” and suggested that there are two main expectations, efficient service provision and democratic participation in the decision-making process. According to him, “the first one is a technical issue and requires discussion for every service given by the municipality even when the technology used changes. However, the second not being a technical issue, should not be left to professionals.” On the other hand, Ulaş Bayraktar warned that the “relationship between the central and local governments is more complex than a simple dichotomy of competing power-holders.” He added that, “when the analysis is deepened with the introduction of other dimensions of power distribution, it turns out to be more difficult to qualify a system, centralized or decentralized because the discussion goes beyond the center-local rivalry in
The new integrated metropolitan municipality system in Turkey will be effective after the 2014 elections. Currently, 78 percent of Turkey’s population lives in urban areas. A similar percent live in thirty new provinces, governed under the new system of integrated metropolitan municipality. Another participant, Hüseyin Gül, evaluated the new legislation increasing the number of provincial metropolitan municipalities from 16 to 30; “integrating” these entities by extensive “amalgamations,” thus drastically cutting the number of villages (from 35,000 to around 19,000) and smaller municipalities (from around 3,000 to half that number). He contended that, “the new model seems to fit more into the reform tradition and public choice model since it consolidates all various types of local administrations under one roof. However, this type of provincial metropolitan model does not satisfy the concerns raised by the public choice model, such as freedom of choice, plurality, competition, innovation, local participation, accountability, and responsiveness. In the framework of reform tradition, it is expected that the new model would lower the fragmentation in the local government system of Turkey and contribute to the efforts to increase coordination and efficiency in the delivery of services.” But, taking into consideration the extensive powers bestowed upon centrally appointed provincial governors with the same legislation, it is possible to speculate that this model will further reinforce the centralist trend in Turkey.

The new provincial metropolitan municipalities will receive increased funding directly from the central government, as well as from the revenues collected at the city level or provincial level. Yet, whether the funding for the metropolitan municipalities will match the increase in their responsibilities is anybody’s guess so far. Most critics focus on the increasing powers and jurisdictions of mayors, which make them much stronger figures at the local level. According to recent legal arrangements, special provincial administrations, which used to provide rural services, have been abolished, and mayors have emerged as all-powerful figures.
Üstün Ergüder and Emre Üçkardeşler, in their joint paper, relate the centralization-decentralization debate to education. The authors take a functionalist approach when they advocate the benefits of decentralization for a healthier Turkish education system. The overwhelmingly centralized Turkish education system is both an epitome and enabler of the early-twentieth century modernization project. It has been thus accepted as part of the “harmonization process” and a vessel of economic and social mobility since the dawn of the new Republic. Even the name “Ministry of National Education” is reflective of this mindset. Concomitantly, education has been viewed as an instrument for nation building. Although a centralized education system might have been deemed necessary by the founders of the Turkish Republic at the time to somehow unite as diverse and heterogeneous a society as Turkey, it does not seem adequate to alleviate the current problems faced today.

Ergüder and Üçkardeşler argue that “Turkey has to significantly improve the quality of human capital that in turn is anticipated to lead to an economy in which technology, innovation and higher value-added investments are the order of the day.” They assert that “the realization of these goals, however, requires not only increasing public and private funds devoted to education but also restructuring the way education system is managed, education is delivered and connected to varying needs of the population.” They advocate that this requires “delegation of power (and competences including education) to local authorities.” At the same time, the authors admit that this is seen as a challenge to the unitary structure of the Turkish state, but see some hope in the new constitution writing process. They also believe that the new constitution should include measures for bilingual education and education in the mother tongue, thus alluding to the Kurdish issue.

Leyla Şen and Pınar Arıkan, from the United Nations Development Program (UNDP), offered the institution’s perspective, both related to the theme of the workshop and to the post-2015 debate. Şen informed the participants about the efforts of the UNDP in regard to (1) the ways in which
decentralization can be employed to reach the poorest and to mitigate the effects of conflict on these groups; (2) building good government institutions that respect diversity and promotes transparent and accountable government systems; and (3) to the promotion, or the establishment, of the institutions that serve the subsidiarity principles. Şen also highlighted the main obstacles towards the development of local administrations, local democratic processes that are, in a sense, ubiquitous. At the top of these problems came local governments’ deprivation of political administrative and fiscal powers, which resulted in the handicap of their administrative, managerial capacities.

They reminded the participants that the UN is preparing for debates on post-2015 goals, and targets to facilitate sustainable development. The UN system is calling on the member states to make their preparations or discussions in relation to local governance and local democratic processes on three main axes:

1. How to embrace sub-national governments as key ingredients of sustainable development;
2. How to acknowledge the potential of local governments;
3. How to empower multi-level government structures including local governance structures to fulfill their potential.

As can be seen from this call, the UN continues to strongly endorse decentralization.

During the last session of the two-day workshop, Fikret Toksöz and Ferhan Gezici reported the findings and proposals of a report on regional governance in Turkey. They emphasized that in Turkey historically, regions were mostly taken into consideration from a developmental point of view and for the purpose of the eventual alleviation of interregional disparities. During deliberations related to the report, both the merits and demerits of “homogenous” region and “functional” region were taken up. Eventually, it was decided that aspects of both models would be reflected unto the proposals. The existing
provinces would be the base of a new definition of “region,” but the participation of local actors would be facilitated with regards to function, competences, and linkages to central government. Therefore, the report includes a discussion of criteria on which the newly proposed regions should rest; as well as the institutional structures; the sharing of competences among administrative levels; the interaction among central, local, and regional structures; and the sharing of financial and other resources. In the report, there are suggestions for a “weak” and “strong” regional model, but in both cases, the authors believe that a regional level may promote both efficiency and democratic participation.

During the workshop, around fifty Turkish and foreign participants engaged in heated discussions, but were able to agree broadly on most aspects of the theme. The participants found the deliberations “invigorating” and suggested that the contents of the workshop should be made available to a wider audience. This book is the product of such an attempt.

Korel Göymen
Onur Sazak
The idea of region has won widespread support throughout Europe, and we can hardly find one country that does not refer to regions and regionalisation when comes to administrative reform, regional development, or democracy. Some have gone as far as to speak of a ‘Europe of the regions,’ in which the regions would function as intermediate-level public authorities, providing a basis for institutional convergence between EU Member states. A resolution adopted by the European Parliament on 18 November 1998 was an attempt to give a legal basis to this direction: it called on states to regionalise their internal structures, and included a Community Charter for Regionalisation which proposed the form, strongly derived from the Spanish autonomous regions, such a process might take.1 However, this resolution has no impact and is no longer referred to as the future of regions in Europe.

However, we are now in a kind of twilight in regard to the future of regionalisation in Europe. The idea of a Europe of the regions has lost a great deal of its credibility and is seldom referred to in political discourse. In several countries it turns to a threat for the unity of member states, with nationalist pressures for secession, as it is the case in the UK and Spain, but also in Belgium. This is increasingly perceived as a danger for the EU. But, this does not mean that regionalisation and regions have lost relevance. The problem is rather that the debate is scrambled by the different purposes behind and by the fact that

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there is no commonly accepted concept of region in Europe. Therefore, the apparent consensus on regionalisation is based on misunderstandings.

A conceptual clarification is therefore necessary in order sort out institutional and political options with their respective implications. First of all, we have to distinguish regionalisation as a process and regional institutions (I). Then, based on analysis of institutions, we can put forward a typology of regionalisation, with quite different institutional frameworks and consequences on the State structure - that cannot be ignored at the stage of policy-formulation (II). This will bring us to consider the politics of regionalisation, with regard to other important issues, such as the process of metropolisation, the safeguard of local self-government institutions, the safeguard of other important constitutional values and the governability of the state as a whole (III).

I. Regionalisation as a process

From the outset, we have to emphasise that region is not a legal or institutional notion, but a notion conceived by geographers. Then it has been taken over by economists considering the spatial dimension of economic development. This was the starting point for policies and reforms aimed at establishing regional institutions, which have received strong impulse by the process of European integration and European regional development policies. On the other hand, regions have developed as specific institutional settings in several countries as an alternative to state centralisation. Whereas economic processes supporting regionalisation are rather similar from one country to another one, political processes are quite heterogeneous and depend very much on existing institutions and political contexts of each individual country. Therefore, we can propose a definition of regionalisation as an economic and political process, but no general definition of the region as an institution.

1. Region according to geographers

In geographical terms, the region represents an intermediate area, larger than that which encompasses merely local relationships, but one which itself is part of a much larger
entity, such as the national or international area. The notion of the region is therefore relative: it is a function of the areas it encloses and of that inside which it is situated. This explains how Europe can be considered a region at worldwide level.

However, the classification of the region also depends on the criteria which are used to identify it: for example we speak of a mountain region, an agricultural region, or an arid region to refer to an area characterised, respectively, by its mountainous morphology, the predominance of agricultural activity or the existence of certain climactic characteristics. We can observe that often the same incidence of different variables occurs in the area. Mapping these variables then enables us to identify these regions, and provides a stable picture over a long period of time. The natural elements alone are rarely the overriding factor; most often they are combined with human factors. For example, we can recognise in a country such as France a Mediterranean region, characterised by climate, physical characteristics, a certain type of population pattern, a certain type of economy, and, to a certain extent, specific cultural features. Some of these elements will even enable us to distinguish between Provence and Languedoc, for example. Stronger regional identities can be born from the combination or conjunction, in one area, of numerous characteristics which make up a system. In addition to differences in population and urban structure other factors can also come into play, including historic, institutional and political differences. These are not a factor in the examples given, but can be in other countries, for example the Basque Country in Spain.

The conceptualisation of the region by geographers might also have a political or ideological dimension. In France regional studies were related with the critic of the “département”; at the end of the 19th century, geographers criticised administrative divisions introduced by the French Revolution with a naturalistic argument. This critic developed along with the constitution of geography as a social science and this process gave in turn to geographers the opportunity to be recognised as experts by politicians willing to promote decentralisation by

proposing them alternative administrative divisions based on so-called “natural” criteria. For example, among them, Foncin, became the expert of the French regionalist federation, a small party without direct lasting influence, but the ideas of which have influenced other parties. However, the most famous of these geographers, Paul Vidal de la Blache gave up this kind of approach on the basis of its own research on the changing scale of economic activities. Already in 1910 he developed a concept of regionalisation based on the location of economic activities and urban polarisation. His work directly influenced the creation of economic regions by the minister of Trade 1917 on the basis of the city centrality and of associations of chambers of commerce and industry. These regions, initially 17, then 20 were officially organised by a government ordinance of 1938. According to their purpose, these regions were rather close to those constituencies that were established for regional development in the late 50s. In modern geography, region is no longer so much a focus, and more neutral concepts are preferred, such as “territory,” “space,” “network,” but region remains a relevant concept for geopolitics and for regional economics.

2. Regions and economic development processes

The economic interpretation of the region is not entirely unrelated to the geographical one. It is viewed as a functional spatial unit characterised by the relations between the economic agents which make it up and the relations that they have with other regions, which can be measured. Economic development is an interterritorial process which involves the separateness and interdependence of levels, and is produced by the combination of different territorial systems. Any region, at

any given time, is characterised by a set of locational factors, some of which are natural (rivers, mineral resources), some of which are of human origin (communication infrastructures, a more or less qualified and diverse workforce), and others still which are mixed in nature (proximity to markets of relevance to the activities of the region). These different elements together make up its economic potential, which will influence more or less positively its development. Some are public goods, which may be the result of public sector action, while others come about through private decisions (in particular where economic activity is located, which can influence population build up – positive external factors which underpin development). So, although natural factors play an important role, the region in the economic sense is characterised in particular by a certain degree of polarisation of the area by the urban centres, the industrial resources which are necessary to specialisation and the formation of productive networks, and, finally, by organisational structures which ensure the complementarity, coordination and integration of private and public decisions. These organisational structures are more than just formal institutions; they bring into play many human factors which are a result of history, which are often difficult to isolate, and whose impact is often difficult to assess, but which, for that, are no less important.

The development of the European and even the world economy over recent decades has been increasingly influenced by spatial development factors. For reasons relating both to the transformation of systems of production and to the huge changes in the political and legal framework of the economy (the single internal market, world trade negotiations which have led to increasingly free trade), most of the means of economic intervention used by states which were developed between the 1930s and the 1960s are now no longer as effective or are prohibited. Conversely, competition between areas is increasing as a result of the greater relative importance of

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8. This idea was developed in particular by Dieter Biehl, writing on the contribution of infrastructures to economic development: D. Biehl & al. (1975), Bestimmungsgründe des regionalen Entwicklungspotentials, Kieler Studien, Tübingen; and more recently: D. Biehl (1995), „Infrastruktur als Bestimmungsfaktor regionaler Entwicklungspotentiale in der Europäischen Union“, pp. 43s. in: H. Karl / W. Henrichsmeyer (Hrsg), Regionalentwicklung im Prozess des Europäischen Integrations, Institut für Europäische Integrationsforschung e.V. European Union Verlag, Bonn.

locational factors in the economic potential (as defined above) of an area. This means that the conservation and development of an area’s economic potential are of utmost importance for the public institutions and for the economic agents most closely linked to it, and resources should be mobilised to these ends. In this potential we must also include the networks through which knowledge and skills are disseminated, through which partnerships are created, and those which may result in joint ventures. These networks are all the more important because, by definition, they are specific to a particular locality. They require new organisational structures and new relationships between entities, in which the public institutions have a role, but one which differs from their traditional role. Negotiation, consultation and communication take precedence over the arbitrary allocation of resources, and they can even help give back to the public institutions a central, or more precisely a nodal, role.¹⁰

Development processes can take place on different levels, and if we call region the scale at which they take place, the “industrial district” is also a region in that sense despite its smaller geographical scale because it has features in common with the situations described above.¹¹ It is characterised by the existence of a large number of small firms, the relationships between which form a flexible organisational structure which produces a homogeneous product in a local area where economic relations are an integral part of social relations and of the institutions, and are also conditioned by them. The idea of the industrial district is based on the method of industrial organisation which exists in certain areas of north-eastern Italy, although similar systems can also be found elsewhere.

The new importance of the spatial dimension of economic development means that the functional spatial units which have been created must have the capacity for independent action


in order to become motors of development. There is no real reason why these functional spatial units should correspond to local authority areas – the size and kind of area they exist in can vary greatly, as we have just seen with regard to industrial districts.

Similarly, there is no requirement for specific types of public institution. The most we can say is that in most cases this need exists at a supra-municipal or supra-local level, and that it is therefore below national level. The scale is therefore unimportant. However, we must remember that this problem necessarily occurs in an area which is already organised, and which will already be subject to administrative divisions and specific and usually long-standing power structures. In most cases, the existing institutions adapt to the new functions they must take on, or may seek to defend their prerogatives and their traditional role. However, it is rare for radical reorganisations to take place, or at least for such reorganisations to be based on a drive for economic efficiency. It can also happen that institutions may seek to renew their legitimacy and the cohesion of their area by mobilising or reviving old ethnical cultural allegiances.

We therefore propose to define regionalisation as the process which creates a capacity for independent action aimed at developing a specific area (sub-national but supra-local) through the mobilisation of its economic fabric and, where appropriate, of features of local and regional identity, and of the development of its potential. This process can occur on the basis of existing institutions, or can give rise to a new territorial organisation which will better fulfil these aims. It is always conditioned by the constraints imposed by the political and institutional framework, which in turn can be influenced by other factors. Although it may seem paradoxical, the creation of regions as new local authorities is only one manifestation of this process, in fact a rather exceptional one, and, when it does occur, it may be in response to considerations other than the process of regionalisation as defined above, even if the institutions then created do fulfil these needs (for example, the cases of Italy and Spain).
3. **Regions and meso-levels of government**

Work on regions, regionalisation or regionalism often fails to situate these concepts in the context of developments which affect the intermediate level of government. This is actually a fundamental aspect of regionalisation, when we consider the processes, since it always affects systems which are already in place and are characterised by certain features of the State and certain traditions. To a certain extent, Jim Sharp has addressed the issue of regionalisation from this perspective, proposing the notion of “meso-government.”¹² This expression suitably reflects the institutional diversity which is characteristic of the intermediate levels, and allows us to take into account both the creation of regions and the regionalisation of existing institutions; it refers to the intermediate level or levels without classifying them. However, the definition used by Sharp suggests a distinction between the territorial institutions subordinate to central government and those which have a certain degree of independence. For Sharp, the rise of meso government relates to the latter. But this approach is probably too narrow. The institutional dimension of the regionalisation process may involve, and usually involves, central government authorities at the central and local levels, as well as private institutions based on economic agents and NGOs.

If we take in account the long period of state building in Europe, but this would be true also for major Asian countries, we can observe that intermediate level authorities have been established first and foremost as conduit for the authority of the central government. This remains the case today, even if to a much lesser extent. The Napoleonic prefect is undoubtedly the best example of this function: this office directly influenced the institutions of numerous countries, even those beyond the area of the French Revolution and the First Empire. The counties and the governors of Sweden and Denmark can also be compared, in this respect, to the French départements and prefects; in the German states of the 19th century, the Landrat performed administrative functions and settled disputes in the name of the King at the level of the district (Kreis), as was also the case in Prussia at the next territorial level in

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the case of the government sectors (*Regierungsbezirk*) at the head of which was an appointed administrative authority (*Bezirksregierungspräsidium*). These institutions still exist in Germany, in the form of the *Kreis* executive (today elected), which performs certain duties on behalf of the government of the *Land*, and at the level of government sectors in larger *Länder*.

Even the United Kingdom shares some of these features - until the end of the 19th century, counties were run by appointed justices of the peace, and, from 1994 to 2011 external agencies of many ministries have been created and bundled into Government Offices of the the Regions in England under the authority of a high-ranking civil servant appointed by the central government, though this should not be confused with the role of prefect, of which he has neither the powers nor the competences.\(^{13}\)

However, the spread of liberalism led to the establishment of elected local authorities at that level, between the second and final thirds of the 19th century, according to country. These institutions progressively affirmed their authority vis-à-vis the central government representative within the same area. General councils in France, provincial councils in the Netherlands, Belgium and Italy, and even the district assemblies (*Kreistag*) in Germany, county councils in Sweden and provincial councils in Denmark were all expressions of this development, which was an extension to the upper level of local self-government rights already granted to the municipal level, at least to cities.

To a certain extent, regionalisation is also a new development of this institutional process, but its purpose goes beyond mere administration of local affairs, and extends to economic and social development of the area. As an economic and social process, regionalisation requires an institutional extension. It further reflects the changing role of meso level territorial institutions. Even if the function of conduit of authority remains in the form of specific institutions, regionalisation

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means institutions taking on broad interests related to the enhancement of an area, first and foremost from a socio-economic point of view, but also, where appropriate, from a cultural and political perspective.

It is appropriate, then, to talk not of regionalisation, but of regionalisations, which differ both in their objectives and in their institutional manifestations.

4. The lack of a commonly accepted notion of the region as an institution

Regionalisation as a socio-economic process is rather general, although more or less salient, in all European countries, depending in particular of the level of their integration in the world economy. But, as an institutional process it is much more diverse, not only because of economic differences, but above all because it takes place in a full fledged government and legal system, which determines the frame of this institutional process, making possible or ruling out certain options. It is also confronted with genuine political developments having nothing to do with regionalisation as conceptualised above. It is obvious that German and Austrian federalism were determined by quite other factors: the conjunction of liberalism and federalism in Germany with the Frankfurt parliament 1848 and the will of occupying powers after World War II; an attempt to keep the unity of the “small Austria” after the collapse of the Habsburg Empire after World War I; Italian regions were designed in the 1947 Constitution as reaction and prevention of fascist centralism; autonomous communities resulted in Spain from a similar process. These regional powers did appear before the development of the socio-economic regionalisation process, but proved to be quite adequate to its requirements.

All attempts to achieve a legal definition of the region, as an institution in the State structure have failed. As mentioned at the beginning, the European parliament did not succeed in getting support to its resolution of November 1988 putting forward a concept of region reflecting more or less the Spanish and Italian concepts of regions, that will be described further as political regionalisation.
Many states do not recognise the region as a new tier of government, and others differ as to the nature and role of the region, of which they have developed different concepts. Under Article 3 of the statutes of the Assembly of European Regions, regions are still defined as the local authorities immediately below the level of central government, with a political power of representation as embodied by the existence of an elected council or, failing this, by an association or body composed at regional level of the authorities of the level immediately below. This definition is purely descriptive and has no practical application. It groups in the same category entities which, in reality, have totally different legal status and functions: the German Länder, the Dutch provinces, the French regions, ‘unitary councils’ in England or even municipalities in Portugal. This definition also excludes administrative regions, although a number of countries still have such an organisation, and demonstrate the capacity to meet regionalisation requirements through various genuine arrangements.

The Council of Europe adopted a draft charter on regional self-government but this charter could never get enough support to be adopted, and even less to be ratified, despite numerous conferences and the work done by the CDLR. The heterogeneity of the territorial structure of member states and of their vision of the meso-level had been already pointed out in a preparatory report to this draft charter in 1995\(^\text{14}\); the situation is nowadays even more complex, with more countries concerned than at that time.

Although regions and regionalisation are quite present in EU policies, there is no hint for a common definition of the region as an institutional setting in EU law. Both in the EC and then EU treaties, and nowadays the Treaty on the Functioning of the EU (TFEU) and in the regulations on the Structural Funds, the region referred to is simply an area and never an institution (TFEU: Article 91(2) and 96(2) on transport policy; Article 107(3, a and c) on State aids supporting deprived areas, or certain economic areas, provided in that case, that this does not affect trading conditions “to an extent contrary to the common interest”. Moreover, whereas the French version uses the word “région” in all articles quoted, the English version

uses in articles 96(2) and 107(3, a and c) the word “area”, which has no institutional connotation. The word region is always used in relation with regional development issues, for example again in article 174 (2): “... the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.” This neutrality of the Treaty with regard to the territorial structure of member states is fully justified by the principle of “institutional autonomy of member states.”

The purpose of the famous Nomenclature of Territorial Statistical Units (NUTS) established by the statistical office of the European Union is just to make possible comparisons between member states as regards regional disparities through a system of statistical indicators, in order to base support programmes funded by structural funds on objective criteria and to limit state aids for economic development to those areas where this is really needed. It is not aimed at preparing a new administrative map of member states. According to regulation 1059/2003, there are three area (region) levels for the purpose of socio-economic analysis, whereas structural funds for Objective 1, as defined by present regulations on structural funds, are allocated on the basis of socio-economic characteristics of NUTS 2 areas, and funds assigned to other objectives are usually allocated on the basis of socio-economic characteristics of NUTS 3 areas. These areas are designed on the basis of administrative divisions of each member state with population brackets for each NUTS level (art.3). The EU regulations on the implementation of structural funds for the period 2014-2020 still provide for partnership agreements between central government, local and regional authorities according to the “institutional and legal framework” of each member state, economic and social partners and NGOs, for adoption and implementation of programmes. The new framework regulation is more compelling as regards the content of operational programmes, but not on the definition and status of regional and local authorities, and does not require either to establish specific regional authorities; the only commitment of member states is that the partnership agreement should include decentralised authorities.

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Committee of Regions established by the Maastricht Treaty is not a representation of regional governments, but of all local and regional authorities, depending on the organisation of each member state and on its decision regarding the composition of its delegation in this body. As a consequence, most members of the Committee of Regions are representative of local authorities, not of regional governments (at present, with 28 member states, 117 representatives of regional governments, and 236 representatives of other local authorities).\textsuperscript{17}

To sum up, the Council of Europe failed to work out a European standard for a regional self-government level, and the European Union has no competence for such a purpose. As a consequence, all European states are free to establish, or not, regional authorities, and to determine their legal nature if they do so; the determination of the competent authorities involved in the partnership agreement(s) is a discretionary decision of the member state according to its own institutional and legal framework. However, the member state has to comply with management rules for structural funds and avoid conflict of interests when partners are also deemed to be beneficiaries of the structural funds. This is the background to review regionalisation processes and regional institutions in European countries.

II. Typology of regionalisation processes and regional institutions

The great diversity of regionalisation processes and regional institutions among European countries can be reduced to five basic types of regionalisation:\textsuperscript{18}

- administrative regionalisation;
- regionalisation through existing local authorities;
- regional decentralisation;
- autonomous regions (political regionalisation);
- regionalisation through federate authorities.

\textsuperscript{17} Own calculations from the data published on the web site of the Committee of Regions.
\textsuperscript{18} This analytical framework was first presented in: Marcou, G., \textit{La régionalisation en Europe : situation et perspectives d’évolution dans les Etats membres de l’Union européenne et dans les États d’Europe centrale et orientale candidats à l’adhésion}, Report to the European Parliament, February 2000, REGI 108 rev., 160 pages. It is updated and developed in the following.
But, the picture is even more complicated for several reasons: 1) several models may coexist in the same country; 2) the predominant regionalisation model of a given country may evolve over time; 3) some cases have features of different models and are difficult to assign into one category; 4), in particular, the participation of economic and social partners and NGO is not correlated with a particular model and is difficult to assess in a comparative manner; 5) in smaller countries regionalisation as institutional process may be fictitious, because regional development does not require an additional tier and when it is established it has to perform rather classical second level local government tasks; 6) central government is always involved in regional development policy, but with different responsibilities (having the lead in model 1, or having a broader and looser coordination or monitoring responsibility in models 4 and 5).

In the following, we will present each of these models, with reference to main countries concerned, with an emphasis with specific issues proper to each model.

The table below will give first a broad overview of the present situation.

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Two remarks have to be made from the outset. First, we see from this table that only part of European countries have established a distinct regional self-government level (models 3 and 4), and that there is no clear correlation between the size of the country and the type of regionalisation. Second, a particular institution of regionalisation has been developed in a number of countries: the regional development agency, as an instrument for implementing regional development programmes and incentives. Such agencies are usually under central government
control, hence an instrument of administrative regionalisation, also when they exist in countries of model 2, except in Estonia where there is a national regional development agency established by the three unions of local governments (cities, villages, counties), but they are also an instrument of cooperation and consultation with local authorities.

1. Administrative regionalisation

Administrative regionalisation refers to an organisation in which there is an authority appointed by the central government at the meso-level, vested in particular with the responsibility to promote regional development for the implementation of the central government regional development policy, but no elected self-government authority. We have local / regional agencies of central government in most countries, but usually beside local self-government authorities. These do not exist in the model of administrative regionalisation. This does not mean that local authorities are ruled out of regional development responsibilities. On the contrary, local authorities are involved in different ways, but under the leadership of the central government.

England, in the UK is typical for this model. Between 1994 and 2011, “government offices of the region” have integrated regional services of Whitehall departments (up to 13 in 2011) under the lead of a regional director appointed by the Prime Minister and acting under the direct authority of the Secretary of State for Communities and Local Government. The task of GOR was to implement the departments’ policies through agreements passed with local authorities and other local partners (in particular local area agreements). Beside the GOR, a law of 1998 has established a regional assembly (from 2008: Regional Leaders’ Board) with only advisory functions, composed with representative of local authorities and interest groups, and a regional development agencies under central government control but with local authorities and interest groups involved in the board. They were all removed by the coalition government (conservative-liberal democrats) in 2011. However, part of the tasks and programmes were
resumed on targeted areas by Local Enterprise Partnerships, the board of which is composed with representatives of major departments, local authorities, businesses and other social and cultural institutions.

Portugal is another good example. The mainland territory is divided into 5 regional units, with the seat of various peripheral agencies of central government departments and in particular the Regional Development and Coordination Commissions (CCDR), which are peripheral agencies (“deconcentrated” agencies) of the Department of regional development. They have, more widely a coordination function with regard to other peripheral agencies. They have financial and operational autonomy. They are in charge of the management of the regional development policy, and of the management of EU structural funds, they have also to give support to municipalities (see law-decree 7/2012),. The CCDR has a president and vice-presidents appointed by the central government, a board of directors, a supervisory commission and a so-called regional council, which is an assembly of mayors of the region, including further representative of parishes, of economic and social interests and of universities of the region (law-decree 104/2003, as modified by law-decree 114/2005).

A last case to be quoted is Bulgaria. The country is divided into 28 “regions” (oblasti), relatively small in size, administered by a governor appointed by the central government. In order to meet statistical requirements of the cohesion policy of the EU, the territory of Bulgaria was divided into 2 NUTS 1 regions and 6 NUTS 2 regions. Existing administrative regions are qualified as NUTS 3. As clearly stated by the Regional Development Act 2008, NUTS 1 and NUTS 2 areas are not “territorial administrative units” for Bulgaria (art.4). The National Strategy for Regional Development is adopted by the council of ministers, then implemented by the ministry for regional development and public works, in particular though regional development plans established at NUTS 2 (and approved by the council of ministers) and at the region level (NUTS 3). At NUTS 2 level, a regional development council is established. It is chaired by one of the region’s governors, with rotation
every 6 months period, and it is composed with representatives of central government departments (6), the region’s governors of the NUTS 2 areas, representatives of municipalities (2 to 6, depending on the population of the area) and of employers and employees organisations (one each). According to the law, it is the body responsible for the elaboration and the implementation of the state strategy for regional development. Deconcentrated units of the department of regional development are established at the NUTS 2 level, with the personnel taken from the region offices. At the region (oblast level), the governor is responsible for the implementation of the regional development policy; there is an advisory council composed with mayors of all municipalities of the region and representatives of employers and employees organisations.

A typical instrument of administrative regionalisation is the regional development agency, although not present in all countries of this model (Portugal), and it can be used also in other contexts. However, the notion of a “regional development agency” is disputed. Some authors focus on such bodies that look independent from government in the promotion of regional development, and would represent a form of bottom-up lever of development. If, in effect, such bodies are usually “outside of the mainstream of central and local administration,”¹⁹ most cases that can be analysed, in Europe, show that they are generally instruments for the implementation of the regional development policy of the central government.²⁰ In Latvia there exists just one state regional development agency, as the operational arm of central government; however, there is a regional representation of municipalities at the level of planning regions. In Slovakia, there exists a network of 52 RDAs, the status and functions of which were designed by the Regional Development Act 2008; they provide grants to selected projects in accordance with an agreement signed with the Department of Transport, Construction and Regional Development, and with resources mainly transferred by this department. In Bulgaria, we have a similar pattern of RDAs (20 nowadays). In Hungary, there are regional development councils with own powers and resources at the level of counties and of NUTS 2 areas (7); these councils are composed with
representatives of various central government departments, and representatives of municipalities are a minority; there is a regional development agency under the lead of the regional development council. As we saw earlier, English RDAs were under central government control until they were removed; some consider that this situation has adversely influenced their activity, because of too little impulse from local actors.¹⁹ In Turkey, where there exists no regional authority, 26 regional development agencies were established by the law⁰°⁵⁴⁴⁹ of 8 February 2006, in the NUTS 2 areas designed by the Turkish government in 2002. Turkish RDAs are private law subjects, under the control of the department of regional development, which allocate resources; the chair of the board belongs to the prefect of the department where the agency has its seat; the secretary general is appointed by a government decree, but the majority of the seats of the board are ascribed to representatives of local governments, and municipalities, including metropolitan municipalities, contribute to their funding.²⁰

However, regional development agencies may be found in countries covered by other models.

2. Regionalisation through existing local authorities

This model reflects cases of countries where the regionalisation process takes place through existing local authorities, originally created for different purposes, either by an extension of their remit, or by cooperation in a larger area. By contrast with administrative regionalisation, it is based on decentralisation. Whereas administrative regionalisation can be identified with a government tier (for example with GOR in England until 2011, or the *oblast* governor in Bulgaria, or the CCDR in Portugal), there is no such effect in the case of regionalisation through existing local authorities.


²⁰. See further: Marcou, G., *La déconcentration dans l’organisation administrative...,* op. cit. p.120-122 on Turkey.
This a very widespread model, as it appears in the previous table, but with several variants. Factors of differentiation are: the role of central government bodies with regard to local authorities in this field; whether regionalisation has generated, or not, new forms of cooperation between local authorities; whether it has determined changes in the administrative organisation and the distribution of tasks.

In Lithuania, the central government remains strongly involved in the regional development policy, despite the fact that regional development councils are in charge of managing the implementation of central government regional policy. After the removal of county governors and their offices, a new regional development division was created in the ministry of the Interior, and subordinated county deconcentrated agencies in charge of supporting the regional development councils. These councils are a representation of all municipalities of the county; they are a decision-making body. There is also a representative of central government in this council, despite the abolition of the governor.21 By contrast, in Estonia, there is one regional development agency at the national level (ERKAS), but it was established by the three national local government associations, and is not dependent on central government.

In Finland, municipalities are the only local self-government level. However, municipalities may join for different common purposes, and regional unions of municipalities were formed for planning and regional development programmes. There are 19 regional unions, with a regional council formed by municipal councils electing their delegates. Whereas municipalities are free to join or not for different purposes, regional unions of municipalities are compulsory.

By contrast, in Sweden, the functions related to the regionalisation process have been performed by four different kinds of institutional arrangements. Claim for regions supported mainly in the south of the country resulted in three regions, which are enlarged counties after amalgamation, and a regional union, to which regional development responsibilities were transferred by the central government. In 13 other counties, such responsibilities were transferred to an union of local authorities at the county level. In some remaining counties, they remain in the hands of the governor’s office (State authority).

In the Netherlands, regional issues were perceived as urban region issues. The central government made an attempt to form urban regions in the main conurbations of the country in 1994 but failed; instead, there remain so-called “areas of the framework legislation” in such major urban areas, which are comparable to integrated joint authorities; an attempt to extend this type of arrangement in 2006 was not successful. Additionally, the central government performs directly planning and operational tasks for big projects of national interest, involving municipalities through negotiated agreements. A new initiative of the central government illustrates the approach of the Dutch government: on the 1st of January 2014 came into force the new joint authority Metropoolregio Rotterdam - den Haag (MRDH), with 24 municipalities from Rotterdam to Den Haag and almost 2.3 million inhabitants, on the basis of the general law on inter-municipal cooperation; it integrates the existing transport authority of this area. This is again, regionalisation by existing local authorities, with the strategic purpose to build competitive urban regions. Otherwise, the option to create new larger territorial units has never been contemplated.

Lastly the case of the Czech Republic is interesting because of a conflict of institutions. Regional development agencies did appear during the years after the political change; they are nowadays 18, supported by the department of regional development. However, regional self-government bodies were established in 2000, and are competent for regional development. They are also closely linked to central government: whereas the chairman of the council, vested with executive powers, is elected by the council, the general secretary (head of the administration) is subject to approval by the minister of the Interior. The relationship between regional councils and RDAs has still to be clarified. Formally, the Czech Republic could be put under the category of regional decentralisation; but, Czech regions (14), are very much in charge of central government delegated tasks, for which they have little discretion, and managing functions prevail upon planning and developing functions.

22. See the website of MRDH: http://mrdh.nl/
Regional decentralisation refers to the creation or the substitution of a new local self-government level above existing territorial authorities, and such regional institutions are directed towards regional development issues. However, these regional institutions do not affect the state constitution, which remains a unitary one, and they have only managing and regulatory functions.

France and Poland are typical for this model. Portugal could have been another variant if the referendum of 1998 had turned in favour of the creation of the administrative regions provided by the Constitution.

According to the French Constitution, all local governments are an expression of the self-government rights recognised to citizens by the Constitution. The status of regions, established as full-fledged local authorities by the law of 2 March 1982, is not different from the status of a municipality, from constitutional viewpoint. Regional councils, directly elected by the people, are vested by the law with a general responsibility for the economic, social, cultural, health development of the region, including the promotion of its “identity” - a very ambiguous notion easily subject to manipulation in party politics (see art. L.4221-1 Code général des Collectivités territoriales). This responsibility is carried out through the various functions and duties assigned by the law to regional councils, or though the “general competence clause” stated by the law. Regions have a major responsibility for supporting economic development through business aids (within limits due to EU law), vocational training, rail services of regional scope... Regional councils are empowered to issue regulations needed by the execution of their functions within the framework of the law, but they have no legislative powers. The main constitutional limit to their powers are the principle of the equality before the law and the principle of the indivisibility of the Republic.

The Polish law of 1998 on regional councils followed the same model, but the Constitution of 1997 is more restrictive. According to article 164, municipalities “shall perform all tasks of local self-government not reserved to other units of local self-government.” As a consequence, regional authorities
(as well as district councils) have only a subsidiary role, and do not benefit of the “general competence clause.”

Wales, in the UK can also be under this model. The “national Welsh assembly” has very wide responsibilities, but no legislative powers. According to the devolution law of 1998, it is empowered to adopt all statutory instruments required by the implementation of parliamentary acts within the limits of the competence designed by the devolution law, but not to legislate. However, the amendments of 2006 gave the national Welsh assembly to initiate a legislative procedure (in the Westminster parliament) aimed at changing the law applicable in Wales.

Denmark is a different case. Since 2005, it has been divided into 5 regions, instead of 14 departments (amtskommunen), with enlarged functions. However, the main purpose of the reform was to assign the management of health system to the new regions, not so much regional development, although it is also part of their responsibilities.

4. Autonomous regions (political regionalisation)

This model of regionalisation is very often considered as “true” regionalisation, despite the fact that only a few countries have adopted that system: in Europe Italy, Spain and, for some part of their territory, the UK (Scotland and Northern Ireland) and Portugal (Acores and Madeira). This a system with strong regional powers, vested with legislative power concurrently with central government. As a consequence, the constitution of the state is no longer unitary, although it is not federal.

The Spanish Constitutional Court is the first that has recognised the peculiarity of this type of constitutional arrangement. Already in 1981, it ruled that there is a difference of nature between local self-government and “autonomous communities” (communidades autónomas), because the latter have a political autonomy reflected in the exercise of the legislative power, whereas municipalities and provinces have only an administrative autonomy. The distinction was

again developed in the case on the statute of Catalonia.\textsuperscript{26} The constitutional court proposed the notion of “compounded states” as a category encompassing federal States and such states with regional autonomies.\textsuperscript{27} Also in Italy, after the constitutional review of 2001, the Constitutional Court emphasised the difference of nature between regional powers and local self-government, and between the state and regional powers: only the state has the power to establish and change and constitution; local self-government bodies have no legislative powers; regional governments have a legislative power, but no constitutional power.\textsuperscript{28}

This kind of institutional arrangement has nothing to do with the regionalisation process, as analysed above, at its outset. It is rather the result of a weak integration process at the time of state building. Regional autonomies are the result of political compromises with groups of the people who claim for special rights based on language, culture, history or religion, in brief on ethnicity. Nevertheless they have proved to be quite adequate and able to take over regional development issues, especially within the framework of the EU cohesion policy, as a means to assert their difference.

These countries can be compared with federal states and they have much in common with them, but they remain quite different from federal states, as perfectly perceived by the Spanish constitutional court, and these differences are quite crucial:\textsuperscript{29}

- Whereas federal constitutions are based on equal constitutional status of all federate authorities, in states with regional autonomies, these claim for a differentiated status, with special rights and special competencies. This institutional

\textsuperscript{26} STC 31/2010, in particular paragraphs 4 and 139-140 of the “Fundamentos jurídicos”.
\textsuperscript{27} STC 76/1983.
\textsuperscript{28} S. 274/2003, in particular “Considerato in diritto”, paragraph 2.1.
\textsuperscript{29} This approach is developed by: according to Eliseo Aja, the Spanish “autonomic” system is a differentiated federal system (“sistema federal con hechos diferenciales”) (\textit{El Estado autonómico. Federalismo y hechos diferenciales}, Madrid, Alianza Editorial, 1999). By contrast we emphasise the differences with a federal government in: Marcou, G., “Les régions en Europe entre l’Etat et les collectivités locales”, \textit{Travaux du Centre d’Etudes et de Prévision}, n°6, October 2003, pp.19 sq., Ministère de l’Intérieur, Editions SIRP.
dissymmetry is typical for countries with autonomous regional governments. Especially in Spain, Catalonia, Bask Country and, to lesser extent, Galicia, obtained more powers than other regions; Bask Country still benefits of a privileged tax system (as well as Navarrra). This is also the case in Italy, however on different basis, and the specificity of regions with special status was diminished with the extension of powers of all regions by the constitutional review of 2001, but it still exists.

• This dissymmetry is quite salient when the regional autonomy is applied only to some parts of the territory, whereas the rest of the country remains under a unitary constitution: this is the case in the UK with Scotland and Northern Ireland, and in Portugal for Acores and Madeira, for geographical reasons, but with much less tension with central government. The situation of some French overseas territories can be compared to the Portuguese case.

• Whereas federal constitutions pay attention to the participation of federate authorities in policy-making at the federal level, this is not the case in countries with regional autonomies, and these do not claim for more participation; they rather claim for more powers and more autonomy. In Spain and Italy, all projects to establish a kind of federal council based on the German model of the Bundesrat failed for this reason. The UK offers however a different picture: Scotland is still overrepresented in the House of Commons, although the Scottish parliament was restored by the constitutional law on Scotland of 1998 (this was a compensation for the removal of the Scottish parliament in 1701), and each region has a minister in the Cabinet.

• A centrifugal dynamics is typical for states with regional autonomies. Over time, those who have less powers tend to claim for equal powers with regional autonomies, and these claim even more to keep different. This dynamics is quite active in Spain and in the UK, and this is a factor of instability. Belgium despite a formally federal constitution, is still moved by the dynamics of regionalism. The federal constitution of 1994 was expected to stabilise the political relationships between the French-speaking and Dutch-speaking parts of the country, but this was not the case. Since that time, the process of “federalisation” of Belgium has continued. By contrast with
the common meaning of “federalisation,” which is building a unity with diverse political components, in the Belgian political vocabulary this means transferring always more powers to regions and communities, leaving the minimum to keep the federal state in existence.

5. Regionalisation through federate authorities

The federal state is not the opposite of the nation-state, and it is not a particular form of decentralisation; the federal state is a particular constitution, based on the distribution of the legislative and of the executive power between central and federal governments, and on the equal status of the all federate authorities. A federal government can be more or less centralised, depending on the distribution competencies by the constitution and the relationships between the federal government and the federate entities; for example, according to our assessment, Germany is more centralised than Switzerland, but less than Austria.

Federalism can be undermined by claims for more autonomy, sometimes devised as a first step towards independence, just as a unitary state. Sometimes, federalism has facilitated a solution within the framework of the existing state: see for example the case of Quebec in Canada, of Jura in Switzerland (a new canton was created in order to establish the autonomy of the French-speaking Jura previously integrated in the German-speaking canton of Bern). Sometimes it has failed (see the case of the former Yugoslavia).

Federate authorities have usually taken over regional development functions quite efficiently, whereas they are sometimes challenged for this function by inter-municipal bodies of regional scope (see the case of strong regional unions of municipalities in Germany, for example in the Ruhr areas or in Palatine).

In the context of the European Union, they claim for both qualities alternatively. In Germany and Austria, Länder are
states according to the domestic constitution. However, in the EU context they are “regions,” and therefore are overrepresented in the Committee of Regions, compared to local governments (21 seats against 3 for Germany; 9 against 3 for Austria and for Belgium).

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The five models that we have distinguished are not as a menu in which countries subject to the process of regionalisation could choose quite freely. Quite on the contrary, this is an attempt to provide an analytical framework helpful to analyse the situation of a given country and it is based on the analysis of existing countries, where regionalisation took place within a given institutional setting and political situation, in which choices are usually limited. However, reforms can take place and move a country from one model to another one. For example, a reform is being discussed in Romania at present; if adopted, it will establish regions as a new local government tier, close to the Polish and French systems of regional decentralisation. Within the room of discretion that is available to a given government, risks and opportunities have to be carefully assessed.

III. Politics of regionalisation

In essence, politics is always a struggle for power, or a share of it, be it only influence, in a given system in which all actors do not have equal resources. In addition to all factors generally relevant, the politics of regionalisation is driven by specific socio-economic trends, by competition between institutions and by the complexity of multilevel governance. The regionalisation process may be in conflict with the trend to metropolisation. Local governments may oppose regionalisation, if political forces vested in local governments expect losing power with the institutionalisation of regions. Lastly, regionalisation may also weaken central government influence in multilevel governance, and the unity of the State. We see no determinism in these processes, but they have to be considered strategically.
1. Regionalisation and metropolisation

Urban development spills over, ignores administrative boundaries and extends to a wider regional area. The development of metropolitan regions has given rise to considerable literature from different viewpoints, and there is no need to come back to the facts.

According to OECD, metropolitan regions are large concentrations of population and of economic activities that become functional economic areas. They gather a number of various local governments and build upon relationships between markets and between networks. Depending on the distribution of the population in the metropolitan space, on relationships between enterprises, on existing links and fluxes, different types of metropolitan regions can be distinguished: with one or several centres, with different hierarchies of centrality, or developing as an urban network; megalopolis are urban concentrations spreading around from major urban centres, with more than 10 million inhabitants.¹

Metropolitan regions are also a form of the regionalisation process as defined at the outset. But it requires institutional solutions of a different kind. The organisation of the governance of metropolitan regions is always a difficult issue, because it always has to combine several government levels. By contrast with the regional institutions reviewed earlier, the metropolitan region can never be treated as a single government level. Therefore, it requires new forms of government articulating various government scales, depending on areas and functions. Attempts to have a single metropolitan government all failed or were superseded by the continuous expansion of the metropolitan area. More flexible governance forms are more likely to cover a wide and evolving area than standard forms of local government.² Nevertheless, the head of a metropolitan authority, as the mayor of a big city, is always a powerful personage.

¹. OCDE, *Villes, compétitivité et mondialisation*, 2006, p.29.
As a consequence, metropolitan institutions can be in conflict with regional institutions. There is no strong region without a strong city, but a strong city will be a political rival of the region, and equally their political leaders will be rivals. Strong regional governments are inclined to weaken big city governments or to avoid creating strong metropolitan governments. This could be observed in Spain, Italy, Scotland, in particular. In Spain, there existed “metropolitan areas” as governance structure for big cities according to the law on basic principles of local self-government; metropolitan areas could be established or removed by regional legislation. In the nineties, all existing metropolitan areas were removed by regional law: Bilbao (Bask Country), Barcelona (Catalonia) and Valencia (the last to be removed, in 1999, by a law of the Valencia Community); since that time no metropolitan areas, although claimed by mayors of big cities, was created. Regional governments were willing to contain the political influence of these metropolitan governments. In Italy, despite the fact that metropolitan cities (città metropolitane) are supposed to be created by regional laws in the seven biggest cities of Italy from the law n°141/1990, and despite the constitutionalisation of this project in 2001, no region took the initiative. Only with the law n°135/2012 (art.18), supplemented after a decision of the Constitutional Court, the central government took the initiative making an obligation for regions to establish metropolitan cities, which will supersede the province within their own territorial limits; 10 metropolitan cities were established on the 1st of January 2014, including Roma, and will begin functioning on the 1st of July 2014. Lastly, in the UK, the new competence of the Scottish Parliament and of the Welsh National Assembly to allocate grants to local authorities, from the central budget transfer was used in favour of smaller cities and towns, where they expected to find political support, and at the detriment of regional capitals (Cardiff in Wales and Glasgow in Scotland).

The situation is different in Germany, a federal country, probably because several major cities already have a special status as Länder (= states, in constitutional terms) (Berlin, Hamburg, Bremen), and because the possibility to establish

Because of the dynamics of metropolisation, things might be changing. As we have seen, metropolitan cities are now created in Italy. In Catalonia, the regional law 31/2010 restored the metropolitan area of Barcelona, as a new entity, taking over all powers previously dispersed among three joint authorities, and with coverage of 36 municipalities and more than 50% of the regional population. This change reflects the need of adequate governance in major cities of a country, and this could weaken regional governments with regard to central government.6

But, conversely, and everything being equal, strengthening metropolitan governments might be a strategy to raise counter-powers to strong regional governments. Metropolitan governments are less likely to challenge the legitimacy of the central government; their agenda is much more turned towards economic and social problems, and the political mobilisation on the basis of ethnicity is probably less successful in large cities than in small towns and more rural areas - but this has to be supported by inquiries.

2. Regionalisation and local government levels and institutions

Another challenge of regional institutions is to keep the balance between the various government levels. Of course, this issue is especially relevant for models 3 and 4. The problem is to avoid that new regional institutions turn to regional centralisation. This issue is the same when the regionalisation process is based on the organisation of the metropolitan governance. However, in the latter case, the establishment of a metropolitan government does not require that all municipal functions pass into its hands. An appropriate level of decentralisation can help, on the contrary to support the legitimacy of the metropolitan government.

5. Ibid.
The analysis of foreign experiences show that regional institutions may turn against municipal self-government. Surely, the failure of the referendum of November 1998 on the establishment of administrative regions was due, to a large extent, to the fear that municipalities would lose part of their powers or would be subject to a form of regional tutelage, in fact if not in law. In Spain it is obvious that the share of regional governments in the whole public expenditure has increased dramatically, whereas the share of the central government diminished symmetrically; by contrast, the share of local governments did not change significantly: it is just above 6% GDP. The situation is slightly different in Italy because of the transfer to municipalities of the non-tertiary education, which has almost doubled the volume of local government expenditure.  

This is why the association of municipalities has claimed for a “second decentralisation” for more than 15 years, but until now with very little impact. This means that they claim now the devolution from the regional government to municipalities of a number of tasks. The reform of regional statutes, engaged by the government of Zapatero in 2006 with the ambition to normalise the situation of the Bask Country while extending the powers of all regional governments, reflects on the contrary the reluctance of the latter with regard to municipal decentralisation, with the argument that municipalities are usually too small. This argument is not wrong in fact, but regional governments have blocked the project of a new law on the basis of local self-government, providing for new forms of inter-municipal cooperation, because several new statutes pretend to have an exclusive competence in this matter. As a matter of fact, not all autonomous communities have adopted a new statute, but new statutes (only for 8 autonomous communities) always have more detailed provisions on local self-government than the previous ones. However the Constitutional Court ruled in its decision 31/2010 on the statute of Catalonia, that these provisions cannot limit the competence of the national legislation on the basis of local self-government; but, it is unlikely for the central government nowadays to engage into a conflict with regional governments on local self-government. The new statutes are said to strengthen the guarantee of local self-government, and

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this is often the case on institutional matters; but as regards functions the new statutes leave municipalities under the control of regional legislation. As a consequence, under the new statutes, it will remain that “municipal competencies are very much regulated or conditioned by the autonomous communities, leaving to municipalities practically no option for individual municipal policies.”

A typical barrier to regional centralisation is a principle that is applied in all European countries with a unitary constitution: an upper level local authority has no supervisory or command powers upon local authorities of the lower level. This principle is stated in article 72.5 of the French constitution. The only exception among European countries is Netherlands, because at the provincial level the functions have never been differentiated between state-delegated functions and local government functions; the province has remained a typical example of the doctrine of “co-government” formulated in the middle of the 19th century. Such a barrier cannot exist in country of regional autonomies or in a federal state, since regional governments have a legislative power. However, compensation can be imagined to counter excessive regional centralisation. In Italy, there is a council of local autonomies beside the regional council. According to Article 123 in fine of the Constitution, there shall be in each region a council of local autonomies, organised by the statute of the region as approved by the regional council, as an advisory body representing local authorities and giving opinions on subjects to be decided by the regional council.

Lastly, the development of citizen participation at the local level is probably the best way to prevent regional centralisation at the detriment of municipalities, because citizens’ claims will be generally based on local concerns, and because they will strengthen the legitimacy of municipal representatives.

3. Regionalisation and governability

Governability refers to the capacity of the government to achieve its goals while safeguarding the unity and the stability of society and of institutions.

The complexity of governability issues in the EU is the consequence of several facts: 1) the EU has powers through its various institutions, but no government; 2) member states have governments but these governments can no longer exercise their powers according to their own will and discretion; 3) due to the intensification of globalisation, a lot of processes cannot be managed at the national or even at the EU level, and require complex and cumbersome negotiations and compromises; 4) in this context of open economy, the competition involves also the different areas as means of production and consumption, and this supports claims for the institutionalisation of such areas according to new interest coalitions.

In such conditions, nation states can be challenged by new political communities and they have little resources to oppose once they are established in institutions. Only the pressure of the Stability Treaty of March 2012 made possible the review of the constitutions in order to make the central government responsible for the global balance of public accounts and create the obligation for regional governments to take part in this budgetary policy.

Something currently forgotten is the fact that establishing an institution means also institutionalising a political discourse. Therefore, reforms and legislations should take care, not to put forward, or at least without counter powers, institutional and organisational options that could turn against the values and principles underlying the constitution and the state. The autonomy can turn to the breach of individual rights, or at least less guarantees.

The reference to the collective identity of a region is often a soft wording for ethnicity. And this can turn against the unity of the state. In 2014, we will have two referendums on the independence of a region, e.g. the secession of this region and the building of a new State. In Spain, the regional government of Catalonia has decided to hold a referendum on two questions: 1) do you want Catalonia to be a state?; 2) do you want Catalonia to be an independent state? In principle, such referendum is not possible because only the national government, authorised by the Parliament, can call for a referendum (art.92 of the Constitution). There is no chance for such an authorisation to
be given. However, it the referendum could not take place in November 2014, the head of the regional government promises that the next regional elections will be on independence.

In Scotland, there will be also a referendum on independence on the 18th of September 2014. The Scottish National Party, which has the majority in the Scottish Parliament, reached an agreement with the Westminster government on such a referendum. According to the Scotland Act 1998, the Scottish Parliament has no authority to organise such a referendum. But the British government decided to make this referendum possible. An agreement between the British government and the Scottish government was signed on the organisation of such a referendum (15 October 2012). Following this agreement, an Order in Council was passed, on the basis of article 30 of the Scotland Act 1998, in order to allow a single question referendum before the end of the year 2014. This Order in Council empowered then the Scottish Parliament to adopt the necessary legislation. Two laws were adopted:

- the first one, the Scottish Independence Referendum (Franchise) Act 2013 (asp 13), having received the royal assent on the 7th of August 2013, on voting rights and voters register;

- and the Scottish Independence Referendum Act 2013 (asp 14), having received the royal assent on the 17th of December 2013, which formulates the question to be submitted to the voters (“Should Scotland be an independent country?”) and fixes the voting age for this referendum at 16.

Very late, the EU and NATO have declared that the secession means breaking with the EU and NATO and apply for membership as a third country.9

Almost all opinion polls show in Scotland a clear majority against independence.10 In Catalonia, polls reveal a very divided opinion, making the result less predictable.11

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10. See a large review of opinion polls on the independence of Scotland, published by Wikipedia: “Scottish independence referendum 2014”.
As expressed by Professor Francesc de Carreras, leaving the independence programme being defended by negating the protection granted by the constitution for cultural and linguistic differences paves the way for the acceptation of secession; “a point of view can dominate the scene when others keep silent.”12

**Conclusion**

Regionalisation is a fact. But it can be reflected in institutions in very different ways. This does not depend only on the problems to be solved, but also on the more general political and institutional context.

As a solution, regionalisation may support regional development policies, and facilitate the national integration of minorities.

But, regionalisation may be also an additional problem, with the risk of challenging the unity of the State and of affecting negatively local self-government.

However, risks can be tackled by institutional arrangements according to a risk analysis, which has to be specific for each individual country, and balanced by the benefits expected from regionalisation. The governance of metropolitan regions may be a form of regionalisation or can balance regional governments. Metropolitan governments can perform similar tasks for regional economic development, but regional planning. The problem is that not all options are open in all situations.

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Decentralization and Living Conditions in the EU
Michiel S. de Vries

Abstract:
This paper investigates the effects of decentralization on living conditions in core cities in the European Union. It uses data from the Urban Audit to investigate whether the level of local expenditures relative to central government expenditures has an impact on the subjective appreciation of local living conditions as measured in the Urban Audit Survey in 75 cities as well as the actual quality of local living conditions as measured by comparative crime, traffic, urban space and health statistics as measured in 560 cities. It investigates the impact of decentralization on these living conditions controlling for background factors such as population density, median income of households and unemployment in the cities.

The analyses show that decentralization does have an added value in explaining citizens’ satisfaction with regard to public and green space, public transport, health care, reduces actual crime and increases feelings of safety.

Introduction
This paper aims to contribute to the discussion of the merits of decentralization by presenting a comparative empirical analysis of the effects of decentralization on living conditions in core cities in the European Union. This is relevant as living conditions are of utmost importance for any city’s inhabitants, and the impact of decentralization remains a contested subject. Whereas almost everyone in the 1950s pleaded in favor of centralization, the cons of centralization were emphasized in the 1960s. In the 1990s, decentralization even became a crucial
aspect of what was called “good governance.” The supposed merits of decentralization are well-known and amply described in the literature of that time. After 2000, the supposed merits of decentralization are disputed again in conference papers and books (see among others De Vries 2000; Treisman 2007).

The problems faced by decentralization processes and decentralized states are also well-known. One major problem involves the supposedly lacking capacity of local governments in being unable to take full advantage of the tasks and responsibilities transferred by the central government in decentralization processes or those that are unable to make adequate policies to resolve problems in decentralized states. This is seen as a major problem, especially in developing countries and small municipalities (Cohen & Peterson 1999; Griffin 1981; Heller 2001). At the same time, the lacking capabilities and capacities are sometimes used as an argument in favor for decentralization even if any impact thereof is hardly visible. The argument follows that decentralization is to be preferred because of this and that or even as an end in itself; if it does not deliver on its promises, it is not because decentralization is ineffective, but instead, the recommendation should be to enhance the capacities and capabilities of municipal governments in order to make decentralization work.

This kind of argumentation seems to make decentralization itself a concept above all reproach. Nonetheless, this paper tries to investigate whether the assumption underlying this argument is valid by turning the argument around. Based on the argument one would not only expect the effects of decentralization to be absent in poor municipalities lacking basic capacities, but one would also expect that decentralization of responsibilities and authorities is advantageous for municipalities possessing ample capacities and capabilities to take full benefit of such decentralization processes and that such municipalities in decentralized states have an advantage over similar cities in centralized states. This would in an extreme case apply especially to large cities in highly developed nation-states. If anywhere, the benefits of decentralization should at least be
visible in such municipalities having the means, capacity, and capability to adequately develop the local policies needed in case of decentralization.

The main question addressed in this paper is whether this claim can be substantiated and whether the supposed merits of decentralization are indeed visible in the extreme case of core cities in the European Union. This analysis provides an extreme case due to two reasons.

First of all, although there are differences, the capacity of local as well as central governments in the EU member-states is undisputed; the quality of the EU member-states’ governance is ranked among the highest in all kinds of international rankings. For instance, in the World Governance Index (see Kauffman et al 2006), in indicating their governments provide ample civil liberties, political and human rights, there is political stability, government effectiveness, regulatory quality, rule of law and control of corruption; the EU-member states belong to the few countries in the world that have not experienced any warfare on its soil during the last decades, which is indicative for its political stability; the economic growth within the EU has been tremendous resulting in the fact that EU member countries belong to the most wealthy and developed countries in the world. Important for this research is also that the EU consists of sovereign nation-states with varying levels of decentralization (Stegarescu 2005). This makes it possible to investigate whether variance therein does make any difference.

Secondly, this research involves an extreme case as it looks at the effects of decentralization for core cities within the EU, which -perhaps contrary to smaller municipalities- may be expected to possess even more of the capacity and capabilities needed to benefit from decentralization. If a municipal’s capacity and capability is sufficient anywhere, it should be at least in these core cities.

As will be explained in the methods section, the analyses in this research are based on data gathered within the so-called Urban Audit (Eurostat 2006, 2008). Both figures on living conditions
in 560 core cities and results from surveys conducted in 2006 about living conditions in 75 of these cities are used in order to test whether decentralization does make a difference for the living conditions in these cities.

Of course, we acknowledge that living conditions do not only depend on the powers and authorities given to local governments, i.e. decentralization. There are numerous background factors determining living conditions. In this paper we control the impact of decentralization on living conditions for such background factors and investigate whether there is a (relevant and significant) added value of decentralization on these living conditions. This results in the operational research question whether or not decentralization has added value for living conditions in major cities. In order to be able to answer this question we need to answer the following sub-questions:

1. What might be expected on the basis of previous research about the impact of decentralization on living conditions at the local level?
2. What might be expected on the basis of previous research about the background factors determining the quality of living conditions in municipalities, possibly interacting with the impact of decentralization?
3. What are the features of the data used - and what is the quality thereof - to test whether these expectations are valid for the extreme case of core cities in the well-developed countries in the EU?
4. What does an analysis on these data show about the impact of the background factors and added value of decentralization on local living conditions?
5. What conclusions can be drawn on the basis of the analyses?

The next sections will successively address these five questions. Hence, this paper proceeds in the next section with a concise overview of the literature addressing the expectations found in previous research on the impact of decentralization.
Expectations about the impact of decentralization on living conditions

Decentralization has in the past been judged to be either a panacea (Kochen & Deutsch 1980, Jun, & Wright 1996, Landy 1993; Ingram & Smith 1993; Robinson & White 1998), an orthodoxy (Osborne & Gaebler 1992; Fine 2001; Harriss 2002); as an end in itself (World Bank 1984, 1988, 2000; UNDP); as an aspect of good governance(Gilbert 1996; Huther and Anwar Shah, Dahal 1996; Huther 2005, Botchway 2001, Nanda 2008), but also as a heavily overrated concept with ambiguous impacts(Prud’homme 1994, Hadiz 2004; Andrews & de Vries 2008) or even a fashion (De Vries 2000; Treisman 2007, 1). Therefore, decentralization is still a heavily disputed concept.

Partly this dispute could be due to the multitude of meanings of decentralization. Some scholars define decentralization very broadly, including such different phenomena as devolution, deconcentration, privatization, delegation and even philanthropy (Philips 1982; Cohen & Peterson 1999, 21). In order to avoid confusion, decentralization is defined here rather narrowly, congruent to what has been called functional decentralization, local autonomy, political decentralization as well as administrative decentralization, that is, the transfer of centrally produced goods and services to local level units of government. A decentralized system is defined here as one in which decision-making powers, authority, and the management of budgets and expenditures are concentrated in the hands of local government rather than central government. Hence, decentralization is perceived in terms of inter-governmental relations which vary to the extent that either the central (national) government has the power and authority and takes care of the bulk of the public revenues and expenditures or the regional and local (sub-national) governments are dominant in all these aspects of policy making.
Partly the different appraisals of decentralization are also due to the multitude of supposed but hardly tested merits of decentralization. The expected consequences can be found in numerous publications, and have been summarized, among others, by De Vries (2000) and Treisman (2007). They point to expectations about the possibilities to satisfy citizens’ demands, the increased honesty, efficiency and responsiveness, better performance, increased possibilities for citizen participation, improved checks and balances, cooperation and policy stability, more policy experimentation and innovation as a consequence of decentralization (Treisman 2007, 13-15). Decentralization would also increase the possibilities of tailor-made policies, to cut through red tape, to increase officials’ knowledge of and sensitivity to local problems; it may result in better penetration of national policies to remote local communities, greater representation for various religious, ethnic and tribal groups in the policy process, and greater administrative capability at the local level. It can provide a structure in which local projects can be coordinated; it may result in a flexible, innovative and creative administration meaning it is more effective in its implementation due to simplified monitoring and evaluation; it can increase political stability and national unity and it reduces diseconomies of scale: it is more efficient (De Vries 2000; see also Rondinelli & Cheema 1983, 14–16). However, at the same time both De Vries and Treisman questioned all these assumed advantages of decentralization (De Vries 2000, 199 ff; Treisman 2007, 11-15) resulting in what seems to be huge ambiguity about the actual merits of decentralization. De Vries concludes that regarding wicked problems too much is expected of changing institutional arrangements in practice (De Vries 2000, 220). “The tendency to try to solve problems only by changing the division of responsibilities and powers, without looking at the real causes of such problems or at the substantive merits of existing policies, may well be another example of a symbolic policy.” Treisman and De Vries conclude that the dissatisfaction with existing arrangements may well be causing institutional changes such as decentralization but also centralization. In the conclusion of his well-argued book entitled The Architecture of Government, Treisman compares decentralization to the fish that jumps out of the frying pan into the fire by stating “This fish deserves sympathy rather than criticism. The outcomes may be disastrous, but the other option is not appealing either” (Treisman 2007, 294).
One of the problems frequently mentioned in the scholarly literature on the subject is that the success of decentralization depends on the circumstances (Griffin 1981; Deakin & Walsh 1996). However, at the same time Von Braun (2003) argued, “There is a lack of empirical evidence to analyze the conditions and types of rural public goods provision and public spending that should be decentralized.” Theoretically the boundary conditions are identified. Cohen & Peterson argue that a system that promotes accountability is a necessary condition (1999, 75). Musgrave points to the need of stabilization and high maintenance of employment and output; the achievement of high levels of wealth and income, and efficient allocation of resources (Musgrave 1959, 181-182). Other scholars have pointed to the weak administrative capacity at the local level in especially developing countries and criticize the decentralization concept for being based on the favorable situation in developed countries while applied and promoted in the administrative weak developing countries, especially problematic in its weak managerial and technical capacity (cf. Leonard 1982, 2006). Effective political competition and a reasonable level of asset equality and literacy are also seen as necessary preconditions for decentralization to achieve improved accountability (Dreze and Sen 1989, 107).

According to Heller (2001) there are three necessary, but not sufficient, preconditions for decentralization. The first is a high degree of central state capacity. Because any effective effort to decentralize requires coordination between levels of government and calls for more, not less regulation to guarantee basic transparency, accountability and representativity, weak states cannot successfully pursue decentralization. Indeed, when a weak state devolves power, it is more often than not simply making accommodations with local strongmen - creating what Mamdani (1996) has labeled decentralized despotism - rather than expanding democratic spaces. The second requirement is a well-developed civil society. This is true not only because it enables the participatory dimension of decentralization, but also because it can potentially provide new sources of information and feedback, as well as the constructive tension that theorists have argued is an essential ingredient of democratic governance. The third is a political project in which an organized political force - and specifically
non-Leninist left of center political parties that have strong social movement characteristics - champions decentralization (Heller 2001, 7-8). Shah (1998) also pointed to the operational capacity and constraints. As he argues the answers to some key questions will give a better understanding of operational capacity, including:

“Do the agencies with responsibility for various tasks have the capacity to undertake them? Do they have the right skills mix as well as the incentive to do the right things and to do them correctly? Is the bureaucratic culture consistent with the attainment of societal objectives? Are there binding contracts on public managers for output performance? Does participation by civil society help alleviate some of these constraints? To what extent can these constraints be overcome by government reorganization and reform? Whereas, in industrial countries, answers to most of the above questions are expected to be in the affirmative, this is not true in the case of a developing country” (Shah 1998, 7).

Enikolopov and Zhuravskaya (2007) pointed to quality of government and public goods provision, including the strength of the party system, and the election as opposed to the appointment of local- and province-level executives. These remarks result in the expectation that decentralization will fail to fulfill on its promises when the conditions under which decentralization emerges are unfavorable.

Simultaneously the implication is that the expected merits of decentralization will be visible in favorable contexts. This is the hypothesis tested in the remainder of this paper by using data on core cities in member states of the European Union. In these cities the preconditions of ample institutional, managerial, and technical capacity in city hall and contextual factors in the municipality are largely fulfilled. In these countries and cities there is wealth, a very high level of literacy, and certain equity. There is political competition, election of local councils, accountability, transparency and representativeness. Hence, the basic conditions exist under which decentralization could flourish. The question is whether or not decentralization deliver on its promises under such favorable conditions.
Background factors having a possible impact on living conditions

The previous section has at least created doubt about the effects of decentralization. This doubt also exists concerning the research question posed in this paper, namely the impact of decentralization on living conditions in core cities in the European Union. This is even more so the case as one cannot expect that the quality of living conditions are solely dependent on decentralization. In the literature on living conditions, many other factors are mentioned. For instance, as Sagan et al (2004, 32) argue, factors frequently studied as determining living conditions include working conditions, leisure time activities, health indicators, welfare, availability of different leisure time options and access to various services. Young (1972, 54) added that minority status also takes on major importance. The European Information Centre for Nature Conservation (1999) suggested to take housing conditions, employment and public infrastructures such as cultural and sports into account. The task of selecting a particular set of factors to study living conditions is far from straightforward given the number of determinants (Meyer & Pontheire 2009, 12).

Explanatory factors determining living conditions are, according to Mayer (1993), especially financial and to be found in combination with income, expenditures, family size, health, and work related expenditures (Mayer 1993; Beverly 2001). This is indicated below by median disposable household income and the unemployment rate.

Another important explanatory factor seems to be population density, i.e. the number of people living in a km². Research shows that this is determinative for the scarcity of green space, health, crime, and traffic jams. There is extensive research that people perform worse in overcrowded spaces, and there is an increase in aggression and discomfort (Rodin 1976, Ostberg et al 2006)
Centralization Decentralization Debate Revisited

Methods
The data used in this paper are derived from the EU Urban Audit project. The goal of this project is to “contribute towards the improvement of the quality of urban life: it supports the exchange of experience among European cities; it helps to identify best practices; it facilitates benchmarking at the European level and provides information on the dynamics within the cities and with their surroundings” (http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/urb_esms.htm). Within this project, data on factual features of 560 core cities in the EU were collected in four reference periods: 1989 – 1993, 1994 – 1998, 1999 – 2002 and 2003 – 2006. The cities involved are presented in figure 1.

Figure 1. (Source: Urban Audit Methodological handbook, Eurostat 2004, 16)

The data were collected by the national statistical offices, by the town or city, or from another source. In most cases, data have been obtained from censuses, different administrative and statistical registers, national and local databases in the individual cities and sample basis. In some cases, data have
been obtained from a sample survey. Although some variables have been estimated, most indicators have been calculated by Eurostat (Urban Audit Reference Guide - Data 2003-2004). In January 2004, a perception survey parallel to the Urban Audit data collection was conducted in 31 cities in the EU-15. In random telephone interviews, 300 citizens in each city were asked about their perception of various aspects of the quality of life in “their” city. In December 2006, the survey was repeated with a larger sample of 75 cities in the EU-27, Turkey and Croatia (Ibid). In this paper, we use the latter data from 2006.

The factual data comprise information about the population in the core cities and larger urban zone (total, age structure, density, nationality, fertility, number and structure of households, number of houses and features thereof i.e. living area and income levels) and several policy areas (economy, income, education, environment, transport, culture and recreation, tourism, green space, unemployment, health care, crime, as well as municipal expenditures).

The data used from the perception data in the core cities comprise information on satisfaction in several areas. In this paper, we use the questions of the survey as given in Table 1.

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**Table 1. Survey questions from Urban Audit**

Q1: Generally speaking, please tell me if you are very satisfied, rather satisfied, rather unsatisfied or not at all satisfied with each of the following services in your city:

- a. Public transport in the city, for example the bus, tram or metro
- b. Schools
- c. Health care services offered by hospitals
- d. Health care services offered by doctors
- e. Green spaces such as public parks and gardens
- f. Sports facilities such as sport fields and indoor sport halls
- g. Cinemas
- h. Cultural facilities such as concert halls, theatres, museums and libraries
- i. Public Internet access such as internet cafés or libraries
- j. Internet access at home

Q2. I will read you a few statements. Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of these statements?

- a. In your city, it is easy to find a good job
- b. Foreigners who live in your city are well integrated
- c. In your city, it is easy to find good housing at a reasonable price
- d. When you contact the administrative services of your city, do they help you efficiently
- e. In your city, air pollution is a big problem
- f. In your city, noise is a big problem
- g. Your city is a clean city
- h. Your city spends its resources in a responsible way
- i. You are satisfied to live in your city
- j. In the next five years, it will be more pleasant to live in your city

Q3. For each of the following statements, please tell me, if this always, sometimes, rarely or never happens to you?

- a. You have difficulty paying your bills at the end of the month
- b. You feel safe in the neighborhood you live in
- c. You feel safe in your city
This survey was first held in 2004 over 35 cities and repeated in 2006 in 75 cities with a number of respondents per city between 297 and 308. As Eurostat mentions in its publications, the National Urban Audit Coordinators have checked all data before they were sent to Eurostat, who executed a project on the Quality Check of the Urban Audit between 2004-2005 and in 2008-2009 to detect potential errors in Urban Audit. Database applying systematic control procedures, and to provide Eurostat with an updated data set, that has been validated by the National Urban Audit Coordinators.

In this research part of the factual data, 250 cities are used on average and regarding the perception data based on the surveys, the aggregated data over the cities are used, resulting in an N of 75.

The data on decentralization were also derived from Eurostat. We use national data on the local expenditures per GDP and Central government expenditures per GDP. This results in an indicator on decentralization, namely the local expenditures divided by the central government expenditures. This variable is indicative for the question whether local government is able to deal with its problems autonomously.

**Analyses**

In this section correlation matrices are presented for the relation between the level of decentralization and the quality within four policy areas, namely public space, crime, public transport and health care. In the Urban Audit, there are indicators for the actual level of facilities in each of these areas as well as the perceived satisfaction of the city’s population. Below it is shown how decentralization at the national level is related to these four problems, controlling for three background factors, namely population density, median disposable income per household, and the unemployment rate. We control for these three factors, because they are indicative of the basic structure of the city and - as was argued above in Section 3 - are known
to be determinative for the problems of big cities. The partial correlations give the added value of decentralization for explaining the level of the problems in the four policy fields. We could have presented the results of a regression-analysis, but because of the number of missing values on the indicators for the actual problems and the limited number of cities in which the surveys were conducted (75), a regression-analysis is likely to result in unstable parameters. Although this also applies to the partial correlations we think that by presenting only the partial correlation-matrices we avoid pretending to get more out of the data than is justified on methodological grounds.

1.1. Green space

The first policy area investigated is that of green space in the city. Especially in big cities it increases the well-being of the inhabitants if next to houses, apartments and skyscrapers. A city also provides green space where its inhabitants can recreate, participate in sports, et cetera. As Santos argues, green space is needed to incorporate the historical and social nature of the way the space is occupied as an inherent component in the determinants of living conditions. “Space” becomes particularly important in large metropolises, which contain elements of diverse origins and ages with a multiplicity of capital, work, and cultural relations (quoted in Texeira 2002, 1193).

The Urban Audit measures the available publicly accessible green space per square kilometer. We divided this measurement by the total land area of the city. The second variable relevant in this respect is the question in the survey whether the respondent is satisfied with the green space in the city. Whether and how this is related to decentralization is given in Table 2. Seen in this table is first that contrary to expectations the actual green space area is hardly and not significantly related to the satisfaction with the amount of green space in the
city. However, both indicators are positively and statistically significantly associated with the level of decentralization in the country in which the city is situated. The larger the part of public expenditures by the local level compared to the expenditures at the central governments’ level, the more the municipalities in the core cities are able to provide accessible green space and to satisfy its citizens about such green space. One can conclude that in decentralized countries the core cities provide a more satisfactory amount of green space for its inhabitants than core cities in centralized countries do.

<table>
<thead>
<tr>
<th>Table 2. Decentralization and green space in the city</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Controlled for:</strong> Unemployment rate in Urban Audit cities *% &amp; Population density in Urban Audit cities &amp; Median disposable annual Household income</td>
</tr>
<tr>
<td>Decentralization:</td>
</tr>
<tr>
<td>Actual volume of green space per land area</td>
</tr>
<tr>
<td>Satisfied with public spaces (synthetic index 0-100)</td>
</tr>
</tbody>
</table>

a. Given are PM correlations. An asterix indicates that the correlation is statistically significant at 95%

1.2. Public Transport

In large cities adequate public transport is often desperately needed to go to work, to go to the city’s facilities and to release traffic jams. The Urban Audit points out that the core cities in the EU are congested with on average 378 registered cars per 1000 inhabitants and an average 25-minute journey time to go from home to work fluctuating between 15 minutes and 71 minutes. In some cities it takes over an hour to go to work. One solution for this congestion problem is to expand public transport. The degree to which public transport covers the whole city is indicated in the Urban Audit by the number of stops of public transport per km². There is hardly any transport
in some cities, while in other cities there are up to 35 stops per km². Whether public transport is better in cities situated in countries where decentralization is high is seen in table 3.

Table 3. Public transport and decentralization

<table>
<thead>
<tr>
<th>Control</th>
<th>Variables</th>
<th>Level of decentralization</th>
<th>Satisfied with public transport (synthetic index 0-100)</th>
<th>Number of stops of public transport per km²</th>
<th>Cost of a monthly ticket for public transport (for 5-10 km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate in Urban Audit cities % &amp; Population density in Urban Audit cities &amp; Median disposable annual household income</td>
<td>part of governmental expenditures by local government (local divided by central)</td>
<td>1,000</td>
<td>.258</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Satisfied with public transport (synthetic index 0-100)</td>
<td></td>
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<tr>
<td></td>
<td>Number of stops of public transport per km²</td>
<td>.181</td>
<td>-.087</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cost of a monthly ticket for public transport (for 5-10 km)</td>
<td>.325*</td>
<td>.366</td>
<td>-.013</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Table 3 shows that in decentralized countries inhabitants of core cities are more satisfied about public transport, the coverage of public transport is higher, and the costs thereof are higher. Hence, decentralization seems to have a positive and significant effect on the inhabitants’ satisfaction with public transport in the city and a positive (although not statistically significant) effect on the spread of public transport, although this comes at the price of higher cost for monthly tickets in cities situated in countries with higher levels of decentralization. From the table one can conclude that core cities in decentralized countries have better public transport facilities than core cities in centralized countries.

1.3. Crime

One of the wicked problems large cities have to deal with is crime. Crime is often much more frequent in urban than in rural areas, although it even varies among core cities. In the Urban Audit, there were on average 3.95 burglaries per 1,000 inhabitants reported in cities with a maximum of 23 in Almere,
the Netherlands, and Nottingham UK. The number of car thefts is somewhat lower – on average 3.45 – with a maximum of 20 per 1,000 inhabitants in Manchester, UK. Is this variance also related to centralization and decentralization? In many countries fierce political discussions are seen among those who plead for centralized police and those who favor municipal police. Table 4 shows the association between the level of decentralization in the nation-state and the number of burglaries and car thefts and perceptions of safety in the core cities.

Table 4 shows that inhabitants of core cities in decentralized states do feel more safe in their neighborhood (R2=.44) and in their city (R2=.55) and that the municipality is more able to prevent burglaries in these cities (R2= -.19). All these relations are statistically significant and as before controlled for population density, unemployment and median household income. The only problem not significantly related to decentralization is the number of car thefts. However, overall one may conclude that also regarding crime the impact of decentralization is positive on perceptions as well as occurrences.
1.4. Health care

The last policy area with which decentralization could be related to is health care. We investigate the number of available hospital beds, the satisfaction among the inhabitants with hospitals and doctors, the actual pollution in the city, and the perception of pollution.

<table>
<thead>
<tr>
<th>Table 5. Health and decentralization</th>
<th>Level of decentralization</th>
<th>Available hospital beds in Urban Audit cities - per 1000 inhabitants</th>
<th>Number of days particulate matter concentrations (PM10) exceeds 50 µg/m³ in Urban Audit cities - days per year</th>
<th>Satisfied with hospitals (synthetic index 0-100)</th>
<th>Satisfied with doctors (synthetic index 0-100)</th>
<th>Air pollution is a big problem here (synthetic index 0-100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part of expenditures by local government (local divided by central)</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available hospital beds in Urban Audit cities per 1000 inhabitants</td>
<td>-2.92*</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of days per year particulate matter concentrations (PM10) exceeds 50 µg/m³ in Urban Audit cities</td>
<td>-2.62*</td>
<td>.223*</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied with hospitals</td>
<td>.314*</td>
<td>-.175</td>
<td>-.340*</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied with doctors</td>
<td>.268</td>
<td>-.116</td>
<td>-.312*</td>
<td>.925*</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Air pollution is a big problem here</td>
<td>-.199</td>
<td>-.027</td>
<td>.195</td>
<td>-.312*</td>
<td>-.286</td>
<td>1,000</td>
</tr>
<tr>
<td>Satisfied with health care</td>
<td>.310*</td>
<td>-.140</td>
<td>-.270</td>
<td>.938*</td>
<td>.866*</td>
<td>-.365*</td>
</tr>
</tbody>
</table>

Table 5 shows that all indicators but the number of hospital beds are related to decentralization as expected. The satisfaction with hospitals, doctors, health care in general and air pollution is larger in cities situated in decentralized countries and the actual air pollution is less. Although not all relations are statistically significant, we can conclude that controlling for population
density, median household income and unemployment in cities, cities in decentralized countries are able to take care of health care better than cities in which most public expenditures are done by central government.

Hence, the outcomes of the analyses corroborate the claim that the degree to which core cities can autonomously decide about their policies and how much to spend on social problems does have a positive effect on each of the four aspects of the living conditions of their inhabitants, i.e. green space, public transport, crime and health.

Conclusions
This paper investigated whether the degree of decentralization in a nation-state has added explanatory value for four dimensions of living conditions in its core cities, i.e. green space, public transport, crime and health. Use was made of data from the Urban Audit. This is a research project conducted on behalf of Eurostat involving 560 cities on which indicators for the actual number of health-care facilities, public transport, green space and crimes were gathered. The Urban Audit also involves surveys among 75 core cities in order to measure whether the city’s inhabitants are satisfied with, for instance, the green space, public transport, crime and health care. We analyzed these data by relating them to the level of decentralization as indicated by the expenditures of local government relative to those by central government. These associations were controlled for population density, median household income and unemployment rate in the core cities.

The analyses in which these data were related to the level of decentralization at the national level led to the following conclusions:
1. As to perceptions, the inhabitants of cities situated in decentralized countries are more satisfied with the facilities with regard to green space, health care, and public transport and feel safer in their neighborhood as well as in the city as a whole.
2. As to the actual facilities and occurrences, cities in decentralized states have more green space per square kilometer, better public transport, and experience less crime.
Overall, the conclusion cannot but be that decentralization does have a positive and significant impact on the living conditions in core cities in the EU as indicated by its green space, public transport, crime and health care. This is a significant outcome, because according to us, it is one of the first examples of comparative statistical research in which the positive effects of decentralization are so clearly visible. Although decentralization is one of the most discussed themes in public administration, hard evidence of its positive impacts were until now only found in theoretical arguments, case studies, and rhetoric.

The findings presented here do not, however, present a final answer nor do they provide decentralization with the status of a panacea. As also shown some associations are not significant such as with the level of car thefts, the number of hospital beds, the perceived satisfaction with doctors and pollution. Furthermore, as mentioned in the introduction, the cities investigated here can be seen as extreme cases, because the cities are large municipalities in wealthy countries – EU member states - with administrative systems with sufficient capacity and capabilities. For instance, in answering the question on the Urban Audit survey as to whether administrative services help efficiently, on average 63% of each city’s inhabitants (totally) agreed, with a maximum of 89% in the administratively most capable city. This is unusually high and indicative of the relatively high quality of these cities’ administrative systems. These cities are therefore able to fully benefit from decentralization policies and apparently know how to spend the available resources efficiently in such a way that social problems diminish, and the satisfaction among its inhabitants increases.

The findings do therefore support the views of adherents to decentralization policies. They do have a point which is that the largest cities on the wealthiest part of this planet do indeed profit from decentralization.

The remaining question is whether that conclusion can be generalized to a statement that municipalities in general profit from decentralization. This does not necessarily have to be the
case in small municipalities and/or municipalities in relatively poor i.e. developing countries. In those cases it could well be much more difficult to take advantage of decentralization processes.

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Decentralisation: Pros and Cons (theory and empirical evidence)
Juraj Nemec and Lenka Matejova

Abstract

The principle of subsidiarity represents the official “ideology” in Europe. Its meaning is explained in more detail in the European Charter for Local Self-Government. Signatory countries should respect the principles set out in the Charter, for example the right to self-government of a municipality or region, right to own financial income for municipality or regional budget, etc. This paper has three main goals. First, based on literature review, it discusses selected theoretical arguments for and against subsidiarity/decentralisation. Second, it shows examples of existing evidence about economies of scale in the Central and Eastern Europe (CEE) region and third, it also indicates region specific issues limiting the potential of decentralisation in the conditions of developing countries in CEE.

The main conclusions of the paper are that decentralisation shall be understood as a tool and not as the definite goal. Decentralization cannot be seen as a one-dimensional strategy. Its outcomes and impacts will differ according to concrete time and environment. Finally, this strategy has to include all involved elements such as the legal, financial, territorial and ownership aspects of this process.
Introduction

The principle of subsidiarity represents the official “ideology” in Europe. All countries that are members of the Council of Europe signed (with or without certain reservations) the European Charter for Local Self-Government stating:

“Public responsibilities shall generally be exercised, in preference, by those authorities, which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.”

According to this document, the following main principles shall be respected in all signatory countries:

“Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population…The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law…Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter, which is not excluded from their competence nor assigned to any other authority…Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.”

This paper was written to fulfil three main goals. First, it discusses selected theoretical arguments for and against subsidiarity/decentralisation (literature review aspect). Second, it shows examples of existing evidence about economies of scale in the Central and Eastern Europe (CEE) region (analytical part). Third, it also indicates region-specific issues limiting the potential of decentralisation in the conditions of developing countries in CEE (theory enrichment).
The research was supported by specific research project MUNI/A/0786/2012 “Quality evaluation of public policies in the context of restrictive constraints of public finances.”

1. Decentralisation

In simplified terms, decentralisation represents the transfer of powers, responsibilities, and resources from the central to the lower level, the state administration to the self-government (“macro-level”), but also changes in systems of management of organisational units producing public services (“micro-level,” not included into our analysis).

Economic theory suggests that public administration should operate on the lowest possible level in order to achieve optimum results:

“Decentralization as the coordination mechanism for the public provision of goods and services represents an attempt to overcome information weaknesses involved in central coordination. When there is intergovernmental collaboration, then principals placed lower down know better how public programmes can be made to run efficiently” (Lane, 2002, p. 205).

The economic rationales for decentralisation are already well formulated. Oates summarises them as follows (2008):

· regional or local governments are in a position to adapt outputs of public services to the preferences and particular circumstances of their constituencies, as compared to a central solution which presumes that one size fits all (information asymmetry),

· in a setting of mobile households, individuals can seek out jurisdictions that provide outputs well suited to their tastes, thereby increasing the potential gains from the decentralised provision of public services (Tiebout 1956),

· in contrast to the monopolist position of the central
government, decentralised levels of government face competition from their neighbours; such competition constrains budgetary growth and provides pressure for the efficient provision of public services,

- decentralisation may encourage experimentation and innovation as individual jurisdictions are free to adopt new approaches to public policy; in this way, decentralisation can provide a valuable “laboratory” for fiscal experiments.

1.1 Pros and cons of decentralisation

The economic rationales for decentralisation in the public sector are frequently questioned by qualitative and quantitative research:

“Decentralization…is generally desirable from the viewpoint of efficiency and local accountability. These criteria must be balanced with other elements, such as spatial externalities, economies of scale, overall fiscal efficiency, regional equity, redistributive responsibilities of the government.” (Allen and Tommasi, 2001, pp. 73-74).

“The administrative capacity of subnational governments and the administrative and compliance costs of decentralization must be taken into the account when assigning expenditure among levels of government” (Allen and Tommasi, 2001, p. 74).

In this part, we summarise the main existing arguments supporting or criticising the existence of a small decentralised unit. Analyses that deal with the question of advantages and disadvantages of decentralisation have been quite common in the last twenty to thirty years, see e.g. Dahl and Tufte (1973), Nielsen (1981), King (1984), Mouritzen (1989), Newton (1992), Bours (1993), Sharpe (1995), Hampl and Müller (1998) Goldsmith and Rose (2000), Denters (2002), Dostál (2002), Rose (2002), Swianiewicz (2002), Illner (2006), Baldersheim
and Rose (2010) and Faul and Hicks (2011). The econometric interpretation is given in King (1984). Many authors provide arguments both for and against.

**Pros**

The most essential arguments for decentralisation are primarily based on “democracy-related arguments.” They include both the idea of localism (Jones, Stewart, 1983), and the idea of public choice (Swianiewicz, 2002a). Although they are based on very different theoretical assumptions, both theories come to a very similar conclusion that “small is beautiful.”

Denters (2002) found that contact between councillors and citizens is much closer in small municipalities, as the flow of information is easier and politicians are more accountable to their local communities. However, the studies by Hajnal (2001) and Borecky and Prudky (2001) on Hungary and the Czech Republic show that this rule does not apply to tiny municipalities with fewer than 1,000 citizens. In such cases, perhaps the low functional capacity of the local government overshadows the sociological beauty of small municipalities and negatively influences popular perceptions of local government performance (Swianiewicz, 2010a).

According to the classical Tiebout model (Tiebout, 1956), people migrate to local governments, in which the ratio of taxes versus services is closest to their personal preferences, i.e. in small municipalities citizens can vote “with their feet.” Thus, decentralisation decreases the costs of migration and increases the chances of reducing the gap between implemented public policies and the individual preferences of citizens (Ostrom, Tiebout and Warren, 1961).

Swianiewicz (2002a) concluded that decentralisation supports experimentation and innovation. However, it is interesting to note that the most well-known programme, which focused on stimulation of innovations and experiments in local governments, was introduced in the Nordic countries, where the territorial system is consolidated rather than fragmented (Baldersheim, Stahlberg, 1994).
The last argument says that small local governments are less bureaucratic (Swianiewicz, 2002a). For example, in the administrative function, economy of scale is overshadowed by problems related to the coordination and management of large units.

**Cons**

The most important arguments for territorial consolidation and limited decentralisation are connected with economic theories. According to them not only economies of scale, but also many other serious problems faced by small municipalities (including a lack of financing and employment opportunities for their inhabitants, a lack of technical infrastructure, difficult access to basic services, and a small population) limit their performance.

Keating (1995) argues that the less fragmented structure of municipalities encouraged competition for financial resources among local governments and thus more efficient allocation of capital. Larger units are more interesting for private capital and have better preconditions for processing development projects, such as a construction of water supply, sewage, local communications and in obtaining European funds.

Swianiewicz (2002) found that budgets of small local governments are mainly expended by administrative spending – in some extreme cases and not much is left for any other purposes. In small municipalities, the number of services provided is much lower than that of bigger cities, and the unit costs of public services are higher.

The most frequently discussed economic problem, which is associated with the problem of decentralisation, is the existence of *economies of scale* that can be achieved after amalgamation. The issue becomes very relevant in the present global financial crisis that has significantly affected tax revenues and has also had a significant impact on municipal budgets in the Czech Republic.
Scale economies exist in the private sector when a firm that optimizes its production costs in the face of some fixed costs enjoys lower per unit production costs as the production grows. From a production point of view, municipalities can be seen as production units where the production function and economies of scale are the decisive factors (Houlberg, 2010). The municipalities have to be large enough to minimize average costs, and there must be forces working to ensure efficient exploitation of these factors.

Potential economies of scale at the municipal level are primarily related to administration and the costs of political representation. The costs per capita of having a local council may decrease as the number of inhabitants increases, as well as the costs for having a Chief Executive Officer in addition to other administrative personnel. Every municipality will need a minimum amount of personnel, buildings, and machinery to even start a production, and this also includes having a minimum of administration (Houlberg, 2010).

There is an assumption that the fixed costs are higher in more capital-intensive production. Thus, economies of scale are most likely to be found in capital-intensive production (roads, refuse disposal etc...) and not so often in personal-intensive production. As mentioned above, this concept can be found in administration, the most labour intensive services are schools, nursing homes, kindergartens; all of them also need buildings and equipment. Moreover, their specialized nature means that an increased volume of services requires a correspondingly large number of employees. Thus, in general, labour-intensive services generate a few scale economies, but according to Dollery and Fleming (2006), capital-intensive services usually yield significant economies of scale since the cost of fixed assets can be spread across a greater number of homes.

On the other hand, after a certain level of production, diseconomies of scale may begin to emerge and unit costs rise (Boyne, 1995). Thus, marginal costs are larger than average cost. The personnel can be so specialized that they can only focus on their own narrow field, no longer capable of being
flexible and their potentials not optimally used (Scherer and Ross, 1990).

At the theoretical level, potential economies of scale may be replaced by diseconomies of scale at a certain level of production. The average cost of production therefore is U-shaped (see Figure 1). In a multipurpose municipality, the U-shape could mean that there are different optimal sizes in different service areas.

Based on the above, the Table 1 summarizes the arguments for and against decentralisation, which are often mentioned in the literature.

1.2 Economics of scale: reality or myth (in the CEE region)?

There exists a relatively large sample of studies focusing on the verification of the existence of economies of scale principle at the local government level (some of them mentioned above). However, only few such studies exist in the CEE region. We provide some data from existing studies in the following text.

Administrative costs of local taxation in the Czech Republic were calculated by Vitek and Pubal (2002) on the example of random sample of several municipalities, using methods of personal interviews, personal time-shots, and an analysis of existing statistical data. Table 2 describes the results.

In spite of the fact that the data are obtained from just a random sample with a small number of municipalities, and the calculation might be biased by problems in calculating exact costs (like estimate of proportion of time of some officials, devoted to this issue), figures clearly present the problem of relatively high administrative costs for any activity in municipalities that are too small (administrative costs of central taxation in the Czech Republic are estimated to be bit less than 3%).

Our research in Slovakia confirmed the same patterns (Pompura, 2012). Administrative costs of local taxation reached 2 - 3% in
cities above 30,000 inhabitants, but up to 30% in municipalities with the size 1,000-5,000 inhabitants.

Soukopova (2011) tested the relation between the size of municipalities and the costs of municipal waste management per inhabitant. Her results do not visibly show any existence of economies of scale. The costs increased with the number of inhabitants almost linearly (correlation coefficient 0.9955). This research indicates that also in the conditions of CEE countries, the argument of economies of scale may be irrelevant in cases when it is possible to separate responsibility for service from actual delivery, because many local services are contracted out to the private sector and in such a situation, economy of scale depends on the size of the private company (Savas, Schubert, 1987; Walsch 1989; Lorrain, 1997; Reidenbach, 1997).

2. Region specific “decentralisation risks”

During decentralisation processes in CEE countries, most of the necessary new formal structures were created, but as many authors caution (like Bouckaert et al, 2010), the public administration systems still do not function as expected due to many underlying many reasons. In such an environment, the large scale decentralisation changes are really complicated, and their non-careful implementation may lead to important problems (Malikova et al, forthcoming).

2.1 “Quality” of democracy and local democracy

Both decentralisation and the principle of subsidiarity are very much based on the assumption of vital local democracy and the high level of citizen participation in local issues. However, this is not really true for most transitional countries. In such conditions, central governments may not only claim that they are not willing to transfer additional resources to local authorities because of economic consequences arguments, but also because the local environment is not well-developed to manage these resources.

However, according to existing data and also our opinion, citizens in transitional countries are still not well prepared
to effectively control politicians and bureaucrats (neither on the central, nor on the local level) – especially after a long period of former regimes. There is some evidence to support this argument but also to show that situation is improving on some level. Many, especially older people, still think that the state “donates them its services,” and they must be satisfied with any quality provided. The ability to control the state via complaints (or even via courts) and by effective participation is also limited. Several surveys provide data.

The heritage of the socialist period remains visible as citizens prefer to rely on “state” help rather than develop individual responsibility for their welfare and their capacity to “control” the state. Data collected from different sources highlight absolute and relative situations; Table 3 is one example.

Fiscal illusion (higher than in developed countries), low level of tax compliance (Orviska and Hudson 2003), and paternalism generate a fiscal trap in which citizens demand large scale public services (free of charge) while total government revenues cannot meet the high demand.

Older Swianiewicz’s book (2001, p. 66) states that citizens’ willingness to participate in public activities is limited:

- certainly yes: 11%
- generally yes: 22%
- nor yes, not no: 22%
- generally no: 26%
- certainly no: 12%

The data about participation in local elections are also not very optimistic, significantly below 50% for most countries in the region and decreasing (see for example Soos and Zentai, 2005). Especially regional self-government elections do not attract citizens to participate in local elections (Slovakia in 2006 turn-out was about 15%).
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Answers given by local majors to questions asked in the LDI survey in 1997 are still symptomatic concerning the position and attitudes of local politicians (Table 4).

Data provided show that the right for independent decision making is still the most important thing for local politicians, in many cases serving small interest groups and not the total population (in the Czech Republic 35%, in Poland 48%, in Hungary 42% of respondents think that local mayors serve only a small part of inhabitants and small interest groups (Swianiewicz, 2001, p. 25).

2.2 Accountability and responsibility/corruption

Accountability and responsibility are partly different issues but still very much interlinked. We will deal with them in one bulk, showing that still no level of government in accession countries really respect its role to serve and to be held accountable to its stakeholders: the citizen. Several examples and data can support this argument.

Local self-governments in many cases in CEE still try to protect themselves from most of the alternative forms of accountability. Davey (2002, p. 39) comments on this: “The greater degree of fiscal decentralisation the greater need for improved systems of accountability. The EU accession processes, for example, highlight the need to develop systems of external audit of local government and to restrict indebtedness, measures that are both unpopular and technically demanding.”

When compared to the central level, which has improved step-by-step in reporting to the citizen, local authorities still do not fully accept the necessity to be held accountable to the local citizen. There is, for example, a general trend to publish yearly performance reports of public organisations made available to citizens that answer many important performance-related questions, like the use of resources, goals and their fulfilment, and possible improvements. Municipalities in several CEE countries do not follow this positive trend as the rule.

Legal accountability improves too slowly. In Poland, corruption started to be really prosecuted from the late
nineties. In Slovakia, the first lord-mayor was imprisoned for corruption only in 2006, even though there had previously been other cases of corruption. The CEE countries still belong to the most corrupted states in the world, at least according to Transparency International corruption indexes. However, CPI indexes describe opinions about corruption and do not measure it directly. Such methodology is sensitive to the level of awareness – when respondents become more aware about the problem, results worsen. In any case, a more concrete set of data for “better CEE countries” clearly show that the risk of corruption in CEE is relatively high (Table 5).

People seeking something to which they were entitled by law still think they have to offer money or other benefits in order to get the service of expected quality. Table 6 highlights this problem.

Nearly every CEE countries recently adopted modern laws on free access to information in order to increase transparency. However the experiences of compliance with this law at the local level are not fully dissatisfactory. Administrative, financial, and time constraints are used to prevent the citizens from having access ”free” information. E-governance is another tool that serves for better transparency. The example from one of the most “e-developed” county – Slovenia (Kunstelj, Leben and Vintar, 2006) shows that the importance of e-governance also on growth at the local level, but improvements on the local level are still necessary:

“The results of the supply-side survey show that most administrative bodies are presented on the web with information about their organization and operation. They also offer e-mail communication with citizens. Much downloadable application forms are already available for the procedures in the competence of central government bodies, contrary to the local self-government procedures. Regarding the distribution between central and local government of available e-applications, a similar conclusion can be made but the amount of the e-applications is considerably smaller. E-transactions have not been implemented yet.
On the demand side the survey results show that awareness of e-government among internet users is surprisingly high, as all of them are aware of at least one functional group of e-government (information, e-mail communication with civil servants, downloadable application forms and public e-services). At first glance, the level of e-government usage is also relatively high, as 83% of internet users have already used at least one of the above-mentioned possibilities; however, only a small amount of the provided information, application forms and e-services has already been used. The same is also true of e-mail communication.”

To conclude, we have to stress that the lack of transparency represents one of the main weaknesses, prohibiting achieving generally accepted standards of local governance, and successful fiscal decentralisation probably in every accession countries.

The concrete irresponsible and in many cases illegal behaviour of municipalities has been confirmed several times via our research about contracting local services (Merickova et al, 2011). Contracting is quite frequent but does not deliver efficiency. In many cases contracting increases costs (Table 7), greatly because awards of contracts are not competitive, but with high probability corrupted – the Law on Public Procurement requires open competition - (Table 8 - no answer usually means direct award).

2.3 Costs of the decentralisation process

We would like to specifically reiterate that all reforms, including decentralisation require a large cost in the transformation process. Such costs are usually underestimated (for example estimated costs of public administration reform in Slovakia realized in 1996 were 20 bil. Sk, bit less than 10% of total yearly state budget expenditures, compared to official planned figure on the level close to 3 bil. Sk). It is not easy to find such an amount of resources in accession countries, but without them, many necessary preconditions for successful decentralisation cannot be achieved. Too high “reform realization” costs (direct and indirect) may also overweight future benefits and limit real success of the reform. To cope with this problem, some developed (and also CEE) countries
established “deregulation agencies,” responsible for an “ex-ante audit” type of assessment of any government action, able to prevent “unnecessary reforms.” However, such approach – real ex-ante audit of full costs and benefits of decisions is not effectively implemented in any CEE country.

Conclusions

Most if not all experts would agree that decentralisation is important, maybe the most important tool of public administration reform, but also that it does not represent simple, one dimensional and ”all treating” medicine. Decentralisation has the same character as most of other reform mechanism – can bring both positive and negative effects, depending on local conditions, environment and connected complementary measures. In non-appropriate environment, or because of implementation failures, decentralisation cannot deliver expected positive improvements as the rule. The opposite could be expected – especially in short term perspective the decentralisation, not supported by other mechanisms, might deepen many existing problems, opening additional space for many forms of “government failure.”

Taking these facts into account the decentralisation and fiscal decentralisation shall be in CEE environment implemented very carefully, and as the complex process. Formal transfer of responsibilities and resources might be not enough to achieve positive outcomes and impacts, especially not in short-term dimension. Without implementation of necessary complementary measures, fiscal decentralisation may just represent transfer of public funds from hands of central bureaucrats to hands of local politicians and bureaucrats, serving to their private interests, and not to citizen as original “owners” of these resources. Such risk is still very high in the specific environment of CEE countries, where local democracy is still developing, and main values of modern governance, like openness, participation, accountability, effectiveness and coherence do not dominate on any public administration level. For reform success, this fact is to be respected, and should respect at least following principles:

1. Decentralisation shall be understood as a tool and not as the definite goal.
2. Decentralisation is not simple and one-dimensional strategy, and its outcomes and impacts will differ
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according to concrete time and environment.

3. To decentralise, as minimum opportunity, capacity and preparedness are needed.

4. Decentralisation strategies have to include all main involved elements - especially legal, financial, and territorial and ownership aspects of the process.

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Figure 1: Hypothesized shape of the relationship between the size of municipality and the cost of municipal service provision

Source: Holzer et al, 2009

Table 1: Arguments for and against decentralisation

<table>
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<th>FOR</th>
<th>AGAINST</th>
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<tr>
<td>Democracy-related arguments</td>
<td>Democracy-related arguments:</td>
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<tr>
<td>- better representation of various</td>
<td>- violation of local autonomy</td>
</tr>
<tr>
<td>minority groups</td>
<td>- poor accountability of politicians</td>
</tr>
<tr>
<td>- better accessibility of local</td>
<td>- more bureaucracy</td>
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<tr>
<td>administration</td>
<td>- worse participation in and effective</td>
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<tr>
<td>- more competent candidates for</td>
<td>control of political decisions</td>
</tr>
<tr>
<td>elected functions</td>
<td>- lower total non-electoral participation</td>
</tr>
<tr>
<td>Economy-related arguments</td>
<td>- worse accessibility of local administration</td>
</tr>
<tr>
<td>- economies of scale of public services</td>
<td>- worse human relationship</td>
</tr>
<tr>
<td>delivery</td>
<td>- possible conflicts among different</td>
</tr>
<tr>
<td>- better specialization and professional</td>
<td>parts of the amalgamated municipality</td>
</tr>
<tr>
<td>bureaucracy</td>
<td></td>
</tr>
<tr>
<td>- lower costs related to spillovers</td>
<td></td>
</tr>
<tr>
<td>- reduction of bureaucracy</td>
<td></td>
</tr>
<tr>
<td>- more financial and employment</td>
<td></td>
</tr>
<tr>
<td>opportunities for inhabitants</td>
<td></td>
</tr>
<tr>
<td>- sufficient personal, economic and</td>
<td></td>
</tr>
<tr>
<td>political resources</td>
<td></td>
</tr>
<tr>
<td>- more ambitious development projects</td>
<td></td>
</tr>
<tr>
<td>- better technical infrastructure</td>
<td></td>
</tr>
</tbody>
</table>

|                                                                                 |

Source: Authors according to various sources in literature
Table 2: Administrative costs of taxation in selected Czech municipalities (2000)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Number of inhabitants</th>
<th>Revenue from local taxes (thousands CZK)</th>
<th>Administrative costs (thousands CZK)</th>
<th>Administrative costs (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>150</td>
<td>3</td>
<td>6</td>
<td>200</td>
</tr>
<tr>
<td>B</td>
<td>400</td>
<td>7,5</td>
<td>8,1</td>
<td>107,5</td>
</tr>
<tr>
<td>C</td>
<td>6400</td>
<td>1313</td>
<td>182</td>
<td>13,9</td>
</tr>
<tr>
<td>D</td>
<td>9800</td>
<td>970</td>
<td>307</td>
<td>31,6</td>
</tr>
<tr>
<td>E</td>
<td>23000</td>
<td>1365</td>
<td>243</td>
<td>17,8</td>
</tr>
<tr>
<td>F</td>
<td>33100</td>
<td>7750</td>
<td>243</td>
<td>3,13</td>
</tr>
<tr>
<td>G</td>
<td>72000</td>
<td>15207</td>
<td>486</td>
<td>3,2</td>
</tr>
</tbody>
</table>

Source: Vitek and Pubal, 2002

Table 3: Citizen Opinions (percentages in selected CEE states)

<table>
<thead>
<tr>
<th>Country</th>
<th>Agree with democracy</th>
<th>Agree with market economy</th>
<th>Comparison to pre-1989</th>
<th>Three most critical problems</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1991</td>
<td>2009</td>
<td>Better</td>
<td>Equal</td>
</tr>
<tr>
<td>East Germany</td>
<td>91</td>
<td>85</td>
<td>86</td>
<td>82</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>80</td>
<td>80</td>
<td>87</td>
<td>79</td>
</tr>
<tr>
<td>Slovakia</td>
<td>70</td>
<td>71</td>
<td>69</td>
<td>66</td>
</tr>
<tr>
<td>Poland</td>
<td>66</td>
<td>70</td>
<td>80</td>
<td>71</td>
</tr>
<tr>
<td>Hungary</td>
<td>74</td>
<td>56</td>
<td>80</td>
<td>46</td>
</tr>
<tr>
<td>Lithuania</td>
<td>75</td>
<td>55</td>
<td>76</td>
<td>50</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>76</td>
<td>52</td>
<td>73</td>
<td>53</td>
</tr>
</tbody>
</table>


Table 4: Goals of Local Government

<table>
<thead>
<tr>
<th></th>
<th>Czech Republic</th>
<th>Poland</th>
<th>Slovakia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democracy</td>
<td>61,3</td>
<td>54,3</td>
<td>71,7</td>
</tr>
<tr>
<td>Autonomy</td>
<td>67,5</td>
<td>61,5</td>
<td>89,1</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>71,2</td>
<td>84,2</td>
<td>49,2</td>
</tr>
</tbody>
</table>

Source: Swianiewicz, P., 2001, p. 24
Table 5: Indicators of corruption in selected CEE countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Observations</th>
<th>A</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>2002</td>
<td>182</td>
<td>35.93</td>
<td>26.58</td>
<td>1.21</td>
<td>14.29</td>
<td>...</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2005</td>
<td>208</td>
<td>29.73</td>
<td>36.82</td>
<td>1.98</td>
<td>25.49</td>
<td>...</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2009</td>
<td>250</td>
<td>8.73</td>
<td>30.31</td>
<td>1.49</td>
<td>25.12</td>
<td>35.15</td>
</tr>
<tr>
<td>Estonia</td>
<td>2002</td>
<td>134</td>
<td>35.14</td>
<td>24.76</td>
<td>1.04</td>
<td>4.58</td>
<td>...</td>
</tr>
<tr>
<td>Estonia</td>
<td>2005</td>
<td>172</td>
<td>18.31</td>
<td>7.97</td>
<td>0.18</td>
<td>3.68</td>
<td>...</td>
</tr>
<tr>
<td>Estonia</td>
<td>2009</td>
<td>273</td>
<td>1.60</td>
<td>0.28</td>
<td>0.00</td>
<td>5.43</td>
<td>66.45</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2002</td>
<td>110</td>
<td>64.44</td>
<td>56.18</td>
<td>3.35</td>
<td>32.04</td>
<td>...</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2005</td>
<td>143</td>
<td>35.87</td>
<td>38.20</td>
<td>2.02</td>
<td>13.64</td>
<td>...</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2009</td>
<td>275</td>
<td>11.63</td>
<td>23.06</td>
<td>2.31</td>
<td>33.11</td>
<td>20.67</td>
</tr>
</tbody>
</table>

Source: Enterprise surveys (2013)

A: % of firms expected to pay informal payment to public officials (to get things done)
J: % of firms expected to give gifts to secure a government contract
K: value of gift expected to secure government contract (% of contract)
L: % of firms identifying corruption as a major constraint
M: % of firms believing the court system is fair, impartial and uncorrupted

Table 6: Likelihood that bribes must be offered to different officials

<table>
<thead>
<tr>
<th>Officials in state ministries</th>
<th>Czech Republic</th>
<th>Slovakia</th>
<th>Bulgaria</th>
<th>Ukraine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital doctors</td>
<td>70%</td>
<td>85%</td>
<td>82%</td>
<td>87%</td>
</tr>
<tr>
<td>Customs officials</td>
<td>47%</td>
<td>89%</td>
<td>93%</td>
<td>94%</td>
</tr>
<tr>
<td>Court officials</td>
<td>53%</td>
<td>71%</td>
<td>92%</td>
<td>86%</td>
</tr>
<tr>
<td>MPs</td>
<td>44%</td>
<td>75%</td>
<td>80%</td>
<td>87%</td>
</tr>
<tr>
<td>University staff</td>
<td>54%</td>
<td>74%</td>
<td>74%</td>
<td>80%</td>
</tr>
<tr>
<td>Officials in local government offices</td>
<td>49%</td>
<td>58%</td>
<td>79%</td>
<td>87%</td>
</tr>
<tr>
<td>Police officers</td>
<td>42%</td>
<td>64%</td>
<td>72%</td>
<td>89%</td>
</tr>
<tr>
<td>Elected officials on councils</td>
<td>44%</td>
<td>52%</td>
<td>69%</td>
<td>80%</td>
</tr>
<tr>
<td>People working in the private sector</td>
<td>42%</td>
<td>55%</td>
<td>63%</td>
<td>61%</td>
</tr>
<tr>
<td>School teachers</td>
<td>10%</td>
<td>36%</td>
<td>45%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Source: Miller, Grodeland and Koschechkina (1998)
Centralization – Decentralization Debate Revisited:  
The case of Spain  
Pere Vilanova

Introductory Remarks

The relevance of the topic “centralization-decentralization” is self evident, not only on academic grounds but also in any policy perspective. In the case of the European Union (EU), for instance, one of the increasing topics in any debate has to do with “multilevel governance” and thus, with decentralization.

As this proposal points out, the EU is not a monolithic structure. Even though all its member-states have a common political-constitutitional framework and a similar regime, the EU is a very heterogeneous machine as far as the territorial distribution of power is concerned. The empirical complexity of the EU process goes beyond the alternative between federal states vs centralized states and some of the country cases suggested here will prove it extensively.

Spain is a unique case for a different set of reasons. On the one hand, from a historical viewpoint, the Spanish case raises the question of how to move from a very centralized state-tradition to a para-federal case comparable with several federal countries from any constitutional perspective. On the other hand, the long-standing tradition of hyper-centralism in Spain is the narrative of a spectacular failure spanning the four centuries of construction of the nation-state. Evidence of this can be found in particular during the 19th and the 20th Century until the approval of the current Constitution in 1978.

So this paper will focus on – as a basic introduction to our topic – the role of territorial tensions, contradictions, and attempts to solve this particular issue of decentralization/centralization
until the Consituent Period which followed the end of Franco’s dictatorship (the most extreme paradigm of “authoritarian centralism” in Spanish political tradition).

The territorial issue, or the reform of the old centralist model, was among the three basic structural issues to solve during the Constituent debates, along with the dilemma between monarchy/republic and the reform of the armed forces. As of today, the territorial issue is still far from finding some kind of stable territorial reform, where the two other sensitive questions have reached high standards of modernization.

The practice of the territorial option of 1978, the “State of Autonomous Communities” (SAC), in the last 35 years, presents a balance which is perceived as basically negative by all actors involved, sometimes for different or opposite reasons. Here we will explore the importance of social and political perceptions on behalf of the public opinion, for it is becoming an issue in itself, and political elites play with it in a very irresponsible and manipulative manner.

The structure of the paper will therefore follow this logic (here simplified):

1. The historical tensions of long-standing centralism, basically linked with a strong predominance of authoritarian-conservative regimes over nearly the last three centuries. This includes –due to its importance for the Spanish collective social memory—the several episodes of civil wars between 1808 and 1939, wars in which this territorial dimension played a crucial role.


3. Additionally, the paper will explore the fourth stage of the SAC, which marks the decline and crisis of the model as a whole, to end up with the current situation, in which the crisis
of the territorial model comes across the catastrophic impact of the economic crisis over five years now (end 2013).

Conclusions should further explore the possibilities but also the limits of the comparative method in this particular issue, but one major conclusion will certainly be that politics and rational choice often don’t go hand-in-hand, and the misuse of the territorial tensions can be very dangerous for the good health of the Rule of Law and Etat de Droit as such.

The Constitution and its Historical Framework

The Spanish Constitution (Spanish: Constitución Española) is the Basic law of the Kingdom of Spain. It was enacted after the 1978 referendum as an essential component of the Spanish transition to democracy, which started when Franco died on the 20th November 1975. But the constitutional history of Spain dates back to the Constitution of 1812.

After the death of dictator Franco in 1975, a general election in 1977 convened the Constituent Cortes (the Spanish Parliament, in its capacity as a constitutional assembly) for the purpose of drafting and approving the constitution.

A seven-member panel was selected among the elected members of the Cortes to work on a draft of the Constitution to be submitted to the body. These seven people were selected to represent the wide political spectrum within the Spanish Parliament, while the leading role was given to then ruling party Unión de Centro Democrático (UCD) lead by Adolfo Suarez, one of the architects of the political macro-condition which made it all possible: the Consensus (which lasted for at least five years).

The Constitution was approved by the Parliament on 31 October 1978, and by the Spanish people in a referendum on 6 December 1978. Eighty-eight percent of voters supported the
new constitution. Finally, it was enacted by King Juan Carlos on 27 December 1978. Constitution Day on 6 December has since been a national holiday in Spain.

As for the purpose of this paper, within the general structure of the Constitution, it is important to focus on the topic of the structure of the state.

The Constitution recognizes the existence of nationalities and regions (Preliminary Title), when it says:

“Section 2. The Constitution is based on the indissoluble unity of the Spanish Nation, the common and indivisible homeland of all Spaniards; it recognizes and guarantees the right to self-government of the nationalities and regions of which it is composed and the solidarity among them all.”

It is obvious that the overcharged style of this article hides the difficulties of the many compromises to achieve and it keeps an additional set of problems as if we read it nowadays.

As a result, Spain is composed of 17 autonomous communities and two autonomous cities (Ceuta and Melilla, in the shores of Morocco), with varying degrees of autonomy, to the extent that, even though the Constitution does not formally state that Spain is a federation (nor a formal unitary-centralized State), the current distribution of powers shows, depending on the issue considered, widely grades of decentralization, ranging from the quasi-confederal status of tax and fiscal policies in Navarra and the Basque Country to the total centralization in airport management and other national infrastructures.

This is constitutionalized in the following articles of the Constitution:

Article 143; Section 1: In the exercise of the right to self-government recognized in Article 2 of the Constitution, bordering provinces with common historic, cultural, and economic characteristics, island territories and provinces with historic regional status may accede to self-government
and form Autonomous Communities in conformity with the provisions contained in this Title and in the respective Statutes.

Many experts think that the Constitution should be reformed after so many years, either for technical reasons or to solve political tension. In favor of the principle of re-adapting the Constitution to reality one could argue that it has been reformed twice:

The first time, Article 13.2, Title I was changed (approx. 20 years ago) to extend the right to active and passive suffrage (both voting rights and eligibility as candidates) in local and municipal elections to citizens of the European Union. The second time, in August/September 2011, a balanced budget amendment and debt brake was added to Article 135, following instructions of the Brussels authorities (European Zone and Central European Bank).

It is true that to reform the Constitution, you need a very high degree of consensus as one can see in the section on reform procedure the Reform procedure section:

**Protected Provisions**

Title X of the Constitution establishes that the approval of a new constitution or the approval of any constitutional amendment affecting the Preliminary Title, or Section I of Chapter II of Title I (on Fundamental Rights and Public Liberties) or Title II (on the Crown), the so-called “protected provisions,” are subject to a special process that requires (1) that two-thirds of each House approve the amendment, (2) that elections are called immediately thereafter, (3) that two-thirds of each new House approves the amendment, and (4) that the amendment is approved by the people in a referendum.

Curiously, Title X does not include itself among the “protected provisions” and, therefore, it would be possible, at least in theory, to first amend Title X using the normal procedure to remove or reduce severity of the special requirements, and then change the formerly protected provisions.
But it is also wise to keep in mind that the Spanish Constitution does not have “non reformable clauses,” therefore it’s all about political will among mainstream political forces.

As for the Constitutional hierarchy of legal norms, The “Statutes of Autonomy” of the different regions belong to the second most important Spanish legal norms (“Ley orgánica,” superior to ordinary Law) when it comes to the political structure of the State.

**About the Autonomous Communities in Spain:**

**Pre-Constitutional Historical Background**

Spain is a diverse country integrated by different contrasting regions that show varying economic and social structures, as well as different languages and historical, political and cultural traditions. From the 18th century onwards, the Bourbon kings and the government tried to establish a more centralized regime; leading figures of the Spanish Enlightenment advocated for the building of a Spanish nation beyond the internal territorial boundaries. However, and unlike other European countries like France, where regional languages were spoken in rural areas or less-developed regions, in Spain, two important regional languages were spoken in some of the most industrialized areas, with higher levels of prosperity. These areas also had their own cultures and historical consciences, namely the Basque Country and Catalonia, giving rise to peripheral nationalisms along with Spanish nationalism. Therefore, economic and social changes that had produced a national cultural unification in France had the opposite effect in Spain. As such, Spanish history since the late 19th century has been shaped by a dialectical struggle between Spanish nationalism and peripheral nationalisms, mostly in Catalonia and the Basque Country, and to a lesser degree in Galicia.

In a response to Catalan demands early in the 20th century, limited autonomy was granted to Catalonia in 1913 -abolished in 1920- and granted again in 1932 during the Second Republic, when the Generalitat, Catalonia’s institution of
Centralization Decentralization Debate Revisited

self-government, was restored. In fact, the Constitution of 1931 envisaged a territorial division for all Spain in three “autonomous regions,” which was never fully attained. Only Catalonia, the Basque Country, and Galicia had approved the “Statutes of Autonomy” - the process being broken by the Spanish Civil War that began in 1936, and the victory of the rebel national forces under Francisco Franco. During General Franco’s dictatorial regime, centralism was most forcefully enforced as a way of preserving the “unity of the Spanish nation.” Peripheral nationalism, along with communism and atheism were regarded by his regime as the main threats. His attempts to fight separatism with heavy-handed but sporadic repression, and his often severe suppression of language and regional identities backfired: the demands for democracy became intertwined with demands for the recognition of a pluralistic vision of the Spanish nationhood.

When Franco died in 1975, Spain entered a phase of transition towards democracy, and the most difficult task of the newly democratically elected Cortes Generales (the Spanish Parliament) in 1977 acting as a Constituent Assembly was to transition from a unitary, centralized state into a decentralized state in a way that would satisfy the demands of the peripheral nationalists. Shortly after, the government allowed the creation of “assemblies of members of parliament” integrated by deputies and senators of the different territories of Spain, so that they could constitute “pre-autonomic regimes” for their regions as well.

The Fathers of the Constitution had to strike a balance between the opposing views in Spain, on the one hand, the centralist view inherited from Franco’s regime, and, on the other hand, the federalist and a pluralistic view of Spain as a “nation of nations”; between a uniform decentralization of entities with the same competences and an asymmetrical structure that would distinguish the nationalities. (Peripheral nationalist parties wanted a multinational state with a federal model, whereas the governing Union of the Democratic Center and the People’s Alliance wanted minimum decentralization; the Spanish Socialist Workers’ Party was sympathetic to a
federal system, but belongs to a fairly “jacobin” political culture). In the end, the constitution tries to meet a balance in recognizing the existence of “nationalities and regions” in Spain, in the “indissoluble unity of the Spanish nation.” While federalism was ruled out, the Constitution guaranteed the right to autonomy or self-government of the said “nationalities and regions,” through a process of asymmetric devolution of power to the “autonomous communities.”

So the issue was how to turn a state comprised of 50 provinces (of a long-standing administrative tradition) into 17 autonomous communities.

The Constitution established two “tracks” to create an autonomous community. The “fast track” was established in Article 151 of the Constitution and was implicitly reserved for the three “historical nationalities”—the Basque Country, Catalonia and Galicia—in that the very strict requirements to opt for this route were waived via the second transitory disposition of the Constitutional Norm for those territories that had approved a “Statute of Autonomy” during the Second Spanish Republic.

Otherwise, the Constitution required the approval of three-fourths of the municipalities involved whose population would sum up to at least the majority of the electoral census of each province and the ratification through a referendum with the affirmative vote of the absolute majority of the electoral census of each province—that is, of all registered citizens, not only of those who would vote.

The Constitution also explicitly established that the institutional framework for these communities would be a parliamentary system, with a Legislative Assembly elected by universal suffrage, a cabinet or “council of government,” a president of such a council, elected by the Assembly, and a Supreme Court of Justice. They were also granted a maximum level of devolved competences.

The “slow track” was established in Article 143. This option could be taken—via the first transitory disposition of the Constitution—by the “pre-autonomic provisional regimes” that
had been constituted in 1978, while the constitution was still being drafted, if approved by two-thirds of all municipalities involved whose population would add up to at least the majority of the electoral census of each province or insular territory. These communities would assume limited competences during a provisional period of 5 years, after which they could assume further competences, upon negotiation with the central government. However, the constitution did not explicitly establish an institutional framework for these communities. They could have established a parliamentary system like the “historical nationalities,” or they could have not assumed any legislative powers and simply established mechanisms for the administration of the competences they were granted.

Once the autonomous communities were created, Article 145 prohibits the “federation of autonomous communities.” This was understood as any agreement between communities that would produce an alteration to the political and territorial equilibrium that would cause a confrontation between different blocks of communities, an action incompatible with the principle of solidarity and the unity of the nation.

The so-called “additional” and “transitory” dispositions of the Constitution allowed for some exceptions to the above-mentioned framework. In terms of territorial organization, the fifth transitory disposition established that the cities of Ceuta and Melilla, Spanish exclaves located on the northern coast of Africa, could be constituted as “autonomous communities” if the absolute majority of the members of their city councils would agree on such a motion, and with the approval of the Spanish Parliament, which would exercise its prerogatives to grant autonomy to other entities besides provinces. In terms of the scope of competences, the first additional disposition recognized the historical rights of the “chartered” territories (in Spanish: territorios forales). This recognition would allow them to establish a financial “chartered regime” whereby they would not only have independence to manage their own finances, like all other communities, but to have their own public financial ministries with the ability to levy and collect all taxes. In the rest of the communities, all taxes are levied and collected by
or for the central government and then redistributed among all. That was a dramatic mistake, for it “constitutionalizes” a “fiscal confederation” as opposed to the fiscal unity principal of any federal state, let alone centralized or unitarian states.

The Statutes of Autonomy of the Basque Country and Catalonia were sanctioned by the Spanish Parliament on 18 December 1979. The position of the party in government, the Union of the Democratic Center (UCD), was that only the three “historical nationalities” would assume full competences, while the rest would accede to autonomy via the “slow track” of Article 143, assuming less powers and perhaps not even establishing institutions of government. This was firmly opposed by the representatives of Andalusia, who demanded for their region the maximum level of competences granted to the “nationalities.” After several months of discussion, the then Prime Minister of Spain, Adolfo Suárez, and the leader of the opposition, Felipe González, reached an agreement to resolve the Andalusian issue, whereby the Parliament approved an amendment to the law that regulated referendums, and used a prerogative of Article 144c of the Constitution, both actions which combined would allow Andalusia to take the fast route. They also agreed that no other region would take the “fast route,” but all would establish a parliamentary system with all institutions of government. This agreement was eventually put into writing in July 1981 in what has been called the “first main autonomic pacts” (Spanish: pactos autonómicos or acuerdos autónomicos).

These “autonomic pacts” intended to fill the gap left by the relatively open character of the Constitution. Among other things:

a) they described the final outline of the territorial division of Spain, with the specific number and name of the autonomous communities to be created;
b) they restricted the “fast-route” to the “historical nationalities” and Andalusia; all the rest had to take the “slow-route”;
c) they established that all autonomous communities would
have institutions of government within a parliamentary system;
d) they set up a deadline for all the remaining communities to be constituted: 1 February 1983.

In the end, 17 autonomous communities were created as it follows:

Andalusia, and the three “historical nationalities”—the Basque Country, Catalonia and Galicia—took the “fast-route” and assumed the maximum level of competences immediately. The rest took the “slow route”;

Aragon, Castile-La Mancha, Castile and León, Extremadura and the Valencian Community acceded to autonomy as communities integrated by two or more provinces with common historical, economic and cultural characteristics;

The Balearic Islands and the Canary Islands acceded to autonomy as insular territories, the latter integrated by two provinces;

Asturias, Cantabria, La Rioja, and Murcia acceded to autonomy as single provinces with historical identity (also called “uniprovincial” autonomous communities);

Navarre, as a single province, acceded to autonomy through the recognition, update and improvement of its historical “charters” (Spanish: fueros), and as such, it is known as a “chartered community”;

The province of Madrid was removed from Castile-La Mancha, to which it naturally belonged, and constituted as a uniprovincial autonomous community in the nation’s interest as the capital of the nation with the name “Community of Madrid.”

Special provisions were made for the Valencian Community and the Canary Islands in that, although they took the “slow route,” through the subsequent approval of specific organic
laws, they were to assume the maximum level of competences in less than 5 years, since they had started a process towards the “fast route” prior to the approval of the “autonomic pacts.”

Cantabria and La Rioja, although originally part of Old Castile, were granted autonomy as single provinces with historical identity, a move supported by the majority of their populations.

At the end, Spain is now a highly decentralized country with a structure unlike any other non-federal State, similar but not equal to a federation. Let us have a look at the regional institutional framework today.

The majority of the communities have approved regional electoral laws within the limits set up by the laws for the entire country. Despite minor differences, all communities use proportional representation following the D’Hondt method; all members of regional parliaments are elected for four-year terms, but the president of the community has the faculty to dissolve the legislature and call for early elections. Nonetheless in all communities, with the exception of the Basque Country, Catalonia, Galicia, and Andalusia, elections are celebrated the last Sunday of May every four years, concurrent with municipal elections in all Spain.

The names of the Council of Government and the Legislative Assembly vary between communities. In some autonomous communities, these institutions are restored historical bodies of government or representation of the previous kingdoms or regional entities within the Spanish crown— like the Generalitat of Catalonia— while others are entirely new creations. Given the ambiguity in the Constitution that did not specify which territories were nationalities and which were regions, other territories, besides the implicit three “historical nationalities,” have also chosen to identify themselves as nationalities, in accordance to their historical regional identity, such as Andalusia, Aragon, the Balearic Islands, the Canary Islands, and the Valencian Community.
Competences and Powers of the Territorial Entities

The autonomic agreements of 1982 and 1992 tried to equalize competences devolved to the 17 autonomous communities, within the limits of the Constitution and the differences guaranteed by it. This has led to an “asymmetrical homogeneity.” In the words of the Constitutional Court of Spain in its ruling of August 5, 1983, the autonomous communities are characterized by their:

“Homogeneity and diversity...equal in their subordination to the constitutional order, in the principles of their representation in the Senate, in their legitimation before the Constitutional Court, and in that the differences between the distinct Statutes [of Autonomy] cannot imply economic or social privileges; however, they can be unequal with respect to the process to accede to autonomy and the concrete determination of the autonomic content of their Statute, and therefore, in their scope of competences. The autonomic regime is characterized by an equilibrium between homogeneity and diversity [...] Without the former there will be no unity or integration in the State’s ensemble; without the latter, there would not be [a] true plurality and the capacity of self-government.”

The asymmetrical devolution is a unique characteristic of the territorial structure of Spain, in that the autonomous communities have a different range of devolved competences. These were based on what has been called in Spanish as hechos diferenciales, differential facts or differential features. This expression refers to the idea that some communities have particular traits, with respect to Spain as a whole. In practice these traits are a native “language proper to their own territories” separate from Spanish, a particular financial regime or special civil rights expressed in a code, which generate a distinct political personality.

Competences can be divided into three groups: exclusive to the central State or central government, shared competences, and devolved competences exclusive to the communities. Article 149 states which powers are exclusive to the central
government: international relations, defense, administration of justice, commercial, criminal, civil, and labor legislation, customs, general finances and State debt, public health, basic legislation, and general coordination. All autonomous communities have the power to manage their own finances in the way they see fit, and are responsible for the administration of education—school and universities—health and social services and cultural and urban development. Yet there are differences as stipulated in their Statutes and the constitution:

Aragon, the Balearic Islands, the Basque Country, Catalonia, Galicia and the Valencian Community have a regional civil code

Basque Country, Catalonia, and Navarre have their own police corps—the Ertzaintza, the Mossos d’Esquadra and the Nafarroako Foruzainoga.

The Canary Islands have a special financial regime in virtue of its location as an overseas territory, while the Basque Country and Navarre have a distinct financial regime called “chartered regime”.

The Balearic Islands, the Basque Country, Catalonia, Galicia, Navarre, and the Valencian Community have a co-official language and therefore a distinct linguistic regime.

Financial and Fiscal Regimes

The way in which the communities are financed has been one of the most problematic aspects of their relationship with the central government. The constitution gave all communities significant control over spending, but the central government retained effective control of their financing, the central state is still charge of levying and collecting most taxes, which it then redistributes with the aim of producing “fiscal equalization.” This applies to all communities, with the exception of the Basque Country and Navarre. This financial scheme is known as the “common regime.” In essence, fiscal equalization implies that richer communities become net contributors to the system, while poorer communities become net recipients. The two largest net contributors to the system are the Balearic Islands and the Community of Madrid, in percentage terms, or the Community of Madrid and Catalonia in absolute terms.
Centralization Decentralization Debate Revisited

Central funding is the main source of revenue for the communities of “common regime.” Redistribution, or transfer payments, is given to the communities of common regime to manage the competences they have assumed and the amount is based on several calculations which include a consideration for population, land area, administrative units, dispersal of population, relative poverty, fiscal pressure and insularity. The central government is committed to returning a specific percentage of taxes to all communities with common regime, within the differences allowed for “fiscal equalization.” The communities of common regime have the ability to add a surcharge to the so-called “ceded taxes”—taxes set at the central level, but collected locally—and they can lower or raise personal income taxes up to a limit.

The Basque Country and Navarre were granted an exception in the fiscal and financial system through the first additional disposition of the constitution that recognizes their historical “charters” (in Spanish *fueros*)—hence they are known as “communities of chartered regime” or “foral regime.” Through their “chartered regime,” these communities are allowed to levy and collect all so-called contracted taxes, including income tax and corporate tax, and they have much more flexibility to lower or raise them. This chartered or foral contract entails true financial autonomy. Since they collect almost all taxes, they send to the central government a pre-arranged amount known as *cupo* (quota) or *aportación* (contribution), and the treaty whereby this system is recognized is known as *concierto* (treaty) or *convenio* (pact). Hence they are also said to have *concierto económico* (economic treaty). Since they collect all taxes themselves and only send a prearranged amount to the central government for the competences exclusive to the State, they do not participate in “fiscal equalization,” in that they do not receive any money back.

As more competences have been assumed by the autonomous communities in areas such as social welfare, health, and education, public expenditure patterns have seen a shift from the central administration towards the communities since the 1980s. In the late 2000s, autonomous communities accounted for 35% of all public expenditure in Spain, a percentage that is
even higher than that of states within a federation. The Organic Law of the Financing of Autonomous Communities of 1988 requires that the communities obtain the authorization of the central Ministry of Finance to issue public debt.

By means of the State of Autonomies implemented after the Spanish Constitution of 1978, Spain has been quoted to be “remarkable for the extent of the powers peacefully devolved over the past 30 years” and “an extraordinarily decentralised country,” with the central government accounting for just 18% of public spending; the regional governments 38%, the local councils 13%, and the social-security system the rest.

In terms of human work power, by 2010 almost 1,350,000 people or 50.3% of the total civil servants in Spain were employed by the autonomous communities; city councils and provincial *diputaciones* accounted for 23.6% and those employees working for the central administration (police and military included) represented 22.2% of the total.

**The Linguistic Question/Issue**

The Preamble to the Constitution explicitly stated that it is the nation’s will to protect “all Spaniards and the peoples of Spain in the exercise of human rights, their cultures and traditions, languages and institutions.” This is a significant recognition not only in that it differed drastically from the restrictive linguistic policies during the Franco era, but also because part of the distinctiveness of the “historical nationalities” lies on their own regional languages. The nation is thus openly multilingual, in which Castilian—that is, Spanish—is the official language in all territories, but the “other Spanish languages” can also be official in their respective communities, in accordance to their Statutes of Autonomy. Article 3 of the Constitution ends up declaring that the “richness of the distinct linguistic modalities of Spain represents a patrimony which will be the object of special respect and protection.” Spanish remains the only official language of the state; other languages are only co-official with Spanish in the communities that have
so regulated. In addition, knowledge of the Spanish language was declared a right and an obligation of all Spaniards. Spanish legislation, most notably in the Statutes of Autonomy of the bilingual communities, use the term “language proper to a community” (Spanish: *lenguapropia* or “own language”) to refer to a language other than Spanish that originated or had historical roots in that particular territory. The Statutes of Autonomy of the respective autonomous communities have declared Basque the language proper to the Basque Country and Navarre, Catalan the language proper to Catalonia, the Balearic Islands and the Valencian Community—where it is historically, traditionally, and officially known as Valencian—and Galician to be the language proper to Galicia. There are other protected regional languages in other autonomous communities.

**Conclusion: The Tensions within the Constitutional System**

Peripheral nationalism continues to play a key role in Spanish politics. Some peripheral nationalists view that there is a vanishing practical distinction between the terms “nationalities” and “regions,” as more competences are transferred to all communities in roughly the same degree and as other communities have chosen to identify themselves as “nationalities.” In fact, it has been argued that the establishment of the State of Autonomies has led to the creation of new regional identities. Many people in the Basque Country and Catalonia still view their communities as “nations,” not just “nationalities,” and Spain as a “plurinational State” or a “nation of nations,” and they have made more demands for further devolution. In 2004, the Basque Parliament approved the Ibarretxe Plan, whereby the Basque Country would approve a new Statute of Autonomy containing key provisions such as shared sovereignty with Spain, full independence of the judiciary, and the right to self-determination, and assuming all competences except that of the Spanish nationality law, defense, and monetary policy. The Plan was rejected by the Spanish Parliament in 2005. In 2006, the Catalan Parliament approved a new Statute of Autonomy which included an article
that defined Catalonia as a “nation.” The Spanish Parliament made revisions to the final approved version, removing the article, but making a reference in the preamble of the document to the fact that the Catalan Parliament had voted by a large majority to define Catalonia as a nation, but that the constitution recognizes its “national reality” as a “nationality.”

The severe economic crisis in Spain that started in 2008 has produced different reactions in the different communities. On one hand, politicians in some of the communities that are not “nationalities” and governed by the People’s Party (PP) are considering a return of some competences to the central government. On the other hand, in Catalonia, the party in power, Convergence and Union (CiU), views the “unfairness” of the large fiscal deficit—Catalonia, being one of the largest net contributors in taxes—as one of the main causes of the strenuous fiscal situation that has allegedly forced the government to enact severe austerity measures and defer payments to workers. This, in turn, has led many who are not necessarily separatist but who are enraged by the financial deficit to support secession. Artur Mas, Catalonia’s president, requested from the central government a new “fiscal agreement” in September 2012, with the possibility of giving his community powers equal to those of the communities of chartered regime, but Prime Minister Mariano Rajoy refused. Mas dissolved the Catalan Parliament, called for new elections, and promised to celebrate a referendum on independence within the next four years. Rajoy’s government declared that they will use all “legal instruments”—current legislation requires the central executive government or the Congress of Deputies to call for or sanction a binding referendum—to block any such attempt. The Spanish Socialist Workers’ Party and its counterpart in Catalonia propose to reopen the debate on the territorial organization of Spain, changing the constitution to create a true federal system, to “better reflect the singularities” of Catalonia, as well as to modify the current taxation system.

Because of that, the reform projects of some of the Statutes have been either rejected or produced considerable controversy. The plan conducted by the Basque president Juan José Ibarretxe to reform the status of the Basque Country in the Spanish
state was rejected few years ago by the Spanish Cortes, on the grounds that it was a hidden attempt to force an implicit reform of the Constitution on a unilateral territorial basis (the Basque Country as the only decider, on a constitutional matter of a national dimension). Or, the People’s Party (then in the opposition) proposed to reject the admission into the Spanish Cortes of the 2005 reform of the Autonomy Statute of Catalonia on the grounds that it should be dealt with as a constitutional reform rather than a mere statute reform because it allegedly contradicts the spirit of the Constitution in many points, especially the Statute’s alleged breaches of the “solidarity between regions.” After failing to assemble the required majority to dismiss the text, the People’s Party filed a claim of unconstitutionality against several dozen articles of the text before the Spanish Constitutional Court for them to be declared non-constitutional.

The amended Autonomy Statute of Catalonia has also been legally contested by the surrounding autonomous communities of Aragon, Balearic Islands, and the Valencian Community on similar grounds as those of the PP. The most underlined arguments are the self-appointed unprecedented extensions and expansions of the powers of autonomous communities in recently reformed statutes:

The amended version of the Catalan Statute prompts the State to allot investments in Catalonia according to Catalonia’s own percentage contribution to the total Spanish GDP. The Autonomy Statute of Andalusia, a region that contributes less to Spain’s GDP than the region of Catalonia contributes, requires it in turn to allocate state investments in proportion to its population (it is the largest Spanish Autonomous Community in terms of population). These requirements are legally binding, as they are enacted as part of Autonomy Statutes, which rank only below the Constitution itself. It is self-evident that should all autonomous communities be allowed to establish their particular financing models upon the State, the total may add up to more than 100% and that would be unviable. The Valencian statute, whose reform was one of the first to be enacted, includes a clause which makes any powers assumed
by other communities in its statutes automatically available to the Valencian community. Autonomous communities such as Catalonia, Aragon, Andalusia or Extremadura, have included statutory clauses claiming exclusive powers over any river flowing through their territories. Nearby communities have filed complaints before the Spanish Constitutional Court on the grounds that no community can exercise exclusive power over rivers that cross more than one community, not even over the part flowing through its territory because its decisions affect other communities, both downstream or upstream.

An escalation of comparative grievances, as one can see.

The lessons one could learn of the Spanish case make an open list, which would be worth discussing:

a) There are no magic “legal formulas” to solve complex political problems, rooted in history, and based not only on legal misunderstandings or insufficient legal skills. The misuse of Constitutions is a common place, but in the case of Spain it has been and continues to be a Paradigm.
b) Decentralization, under the legal form of Federalism (meaning here the formal Constitutional technique of Federalism) or any other innovative para-federal formulas (as Spain or Italy tried to do) may be a solution to solve complex problems of governance, where the territorial dimension is explicit. But this option must rely on a solid “constituent or constitutional loyalty” among all (or most of) actors involved, included (but not limited to) political parties and major social organizations, plus mainstream media and other means of social communication.
c) Recentralization, without at least the same level of consensus achieved on the foundational of the political regime, is not – or not only—a —”technical solution” based on “efficiency” or “economy of means” or “rationalization” or “better governance,” it always has a political intention, and in the case of Spain it could mean: back to “authoritarian rule,” with by the way a substantial social support in many parts of the country.
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Centralization vs. Decentralization:  
The current trends in Italy  
Marco Olivetti (*)

1. Centralization and decentralization in Italian constitutional history

The problem of centralization and decentralization\(^1\) has been a very important object of political debate and academic discussion in the 152 years of the Italian unitary state. Apparently from this point of view, Italian constitutional history can be divided into three periods: a) that of the unitary and centralized state, inspired by the French Napoleonic model; b) that of the regional system created by the 1947 Constitution; c) that of the quasi-federal arrangement outlined in the constitutional reform of 2001.

But this “linear” image, which describes an evolution from a highly centralized state to a constitutional arrangement based on the central European federal tradition, is at least partly misleading. Indeed, if we limit our analysis to the formal constitutional text, it is certainly true that the first national constitution – adopted in 1848 in the Sardinian Kingdom\(^2\) and

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\(^1\) The concept of decentralization will be used in this paper in its broad sense of allocation of powers to peripheral state authorities and to regional and local governments. However, it is important to stress that for Italian public law doctrine, decentralization must be distinguished from local and regional autonomy: while the former is realized every time the state decentralizes power to decide to its peripheral authorities, the latter consists in the creation of partial legal orders that represent a local community, are legally distinguished by the state and are endowed with administrative, financial and (in some cases) legislative powers.

\(^2\) The political centre of the Kingdom of Sardinia was the northern region of Piedmont and its capital, Turin. This state led the process of Italian unification in 1859-61, which culminated in the proclamation of the new Kingdom on March 17\(^{th}\), 1861. When the new Kingdom was formed, the Constitution and the King (and up to 1865 also the capital) were extended to the new
extended in 1861 to the unified Italian state – was silent on the topic. The current 1947 Constitution includes territorial autonomy as one of the fundamental principles of the Italian Republic (Art. 5) and devotes “Regions, Provinces and Municipalities” to 19 of its 139 articles, the so-called “Fifth Chapter” of the second of the two parts into which the constitutional text is divided.

But, notwithstanding the clear change of paradigm concerning autonomy and decentralization under the post-war constitution and further emphasis of regionalism and local government in the constitutional reform of 2001, Italian constitutional history has been marked by a pendulum swing between trends towards centralization and decentralization. This dynamic is in part independent from the constitutional provisions. In this perspective, it is possible to identify five decentralization “waves” in which some cases focused on regionalization and others on local governments. Each “wave” was followed by strong re-centralizing trends.

1.1. The regionalization proposals in 1861-65 and the “administrative unification” of 1865

During the first years after the foundation of the Kingdom of Italy, a comprehensive debate on the administrative structure of the new state took place within the political elite. While some politicians (like Luigi Carlo Farini and Marco Minghetti, both prime ministers in the 1860s and 1870s) advocated the creation of regions and the strengthening of local government, the majority of the governing liberal party imposed its view in the 1865 legislation on administrative unification (which had partly been anticipated by the law on local government adopted in 1859 when Lombardy had been annexed to the state. National unification was completed later in the same decade, with the annexation of Venice (1866) and Rome (1871).

5. See “Schedule A” of the Royal decree 20.3.1865, no. 2248.
6. It is the so-called Rattazzi Law of October 23rd, 1859, from the name of the home minister of 1859-60 (and later prime minister for two short periods).
Sardinian Kingdom). The fear that regional government could put the process of national unification at risk, which had come about so late in comparison with the main western European States, was one of the factors that explain the success of the centralist option.

According to the 1865 legislation, Italy was organized in municipalities and provinces, the latter ruled by a prefét, following the French Napoleonic model that had already been adopted by the Sardinian Kingdom. Local autonomies were recognized but within an oppressive system of controls from centrally-driven authorities. Both the municipalities and the provinces were at the same time instruments of dependent state decentralization and forms of local autonomy. Their governing bodies were composed of a representative assembly, elected by the citizens with a limited franchise, a governing council and a chief executive (mayor and prefét) appointed by the Minister for Home Affairs. Only in 1888 (and in 1896 for the municipalities with less than 10,000 inhabitants) was the chief executive made elective by the representative assembly, thus reducing but not eliminating the strength of the line of command of the national government on decentralized and autonomous bodies.

1.2. The aborted attempt at regionalization after World War I and centralization under the fascist regime

The pendulum swung again in favour of decentralization after World War I when the need to provide some recognition for the provinces that had been annexed from the Austro-Hungarian Empire (in which those provinces had enjoyed some forms of regional autonomy) re-opened the debate on local autonomy and the creation of regions. The Catholic priest Luigi Sturzo, leader of the Popular Party founded in 1919, proposed to extend to the whole national territory: the region was seen as a device to “free the energies of the Nation” from the oppressive centralism of the state.

7. See respectively law 30.12.1888 no. 5865 and law 22.7.1896, no. 346.
8. For a reasoned presentation of the history of local government in Italy during the so-called liberal era see M. Nigro, Il Governo locale, I – Storia e problemi, Bulzoni, Roma, 1980, p. 27 ss.
9. The new provinces were those of Trento, Bolzano, Trieste, Pola, Fiume, and Zara. In the Austrian Empire they had been included in the Länder of Tyrol, Littoral and Carniola. The areas corresponding to Pola, Fiume, and Zara were lost by Italy at the end of World War II according to the Treaty of Peace of 1947.
10. See the manifesto of the Popular Party of January 19th, 1919.
Only a few years later, the rise and consolidation of the fascist government not only blocked all developments in favour of regionalization, but led to the suppression of the democratic organization of the municipalities, and therefore of every form of political autonomy.

\[1.3. \textit{The Constitution of 1947 and the freezing of the \textquotedblleft ordinary\textquotedblright regions and of the principle of autonomy in 1948-70}\]

A strong trend towards a radical reform of the Italian State reappeared at the end of World War II. On the one hand, at that time some peripheral regions were experiencing the rise of regionalist or even of separatist movements (Sicily), while it was feared that Italy could lose the provinces where a French or a German-speaking population was present (Aosta and Bolzano). Therefore four special regions (Sicily, Sardinia, Trentino-Alto Adige and Valle d’Aosta) were created already in the so-called transitional period (1943-48), between the fall of the fascist government and the adoption of a republican Constitution.\[11\]

On the other hand, the strongest party in the Constitutional Assembly elected in 1946 were the Christian Democrats, the heirs of the Popular Party who had advocated regionalism and local government at the close of World War I and in the process of drafting the constitution, they fought successfully for the regionalization of the country and for the strengthening of local government. The reasons behind the introduction of the regions in the Constitution were at least four: a) to bring the services provided in certain areas by the state nearer to the citizens; b) to foster a new, and more democratic, way of exercising the administrative function; c) to simplify the legislative workload of the Parliament, giving legislative powers to the regions on subject matters of local relevance; d) to strengthen democracy, on the one hand creating a new level of government, with its own sphere of action (and therefore checking the omnipotence of parliament) and on the other opening new avenues for the political participation of the citizens.\[12\]

\[11\] The fascist government was recalled by the King on July 25th, 1943. World War II ended in Italy with the liberation from German occupation on April 25th, 1945. On June 2nd, 1946, a Constitutional Assembly was elected. The new Constitution was adopted by the Constitutional Assembly on Dec. 22nd, 1947 and it came into force on January 1st, 1948. The first elections under the new Constitution took place on April 18th, 1948.

Therefore the new Constitution approved on December 22, 1947, expressly recognized autonomy as a fundamental constitutional principle (Art. 5) and created 19 regions with legislative powers (Art. 117), while confirming the existence of provinces and municipalities (Articles 114 and 128).

Italian regionalism was asymmetric: while 5 regions (the 4 mentioned above, plus Friuli-Venezia Giulia) were endowed with “special forms and conditions of autonomy,” regulated for each region by a special statute, having the nature of a Constitutional Act (Art. 116), the other 14 ‘ordinary’ regions were recognized and regulated by Art. 117 and ff. of the Constitution, but a series of ordinary laws were required to create them effectively. This difference is very important, because after the entry into force of the Constitution, the international momentum of the Cold War, and the fact that the main opposition parties in Italy (the Communist Party and, till 1956 the Socialist Party) had organic ties with the Soviet Union at the time., it was likely that they would have led some regional governments, convinced the governing parties that it was wise to leave the regional system on paper. From 1948 to 1970 only four (from 1963 five) special regions actually existed in political reality, while the institution of the ‘ordinary’ regions was indefinitely postponed. Therefore we can identify the two post-war decades as a period in which the trends in favour of re-centralization actually prevailed.

1.4. Regionalization during the 1970s and disillusionment in the following decade

The 1970s were the decade in which regionalization was at last fully implemented in Italy through the actual election of regional authorities in 1970, the adoption by each region of its own fundamental law (“statuto regionale”), and the transfer of functions to their administrative structures.  

13. According to Palmiro Togliatti – the head of the Italian Communist Party and one of the fathers of the Constitution – regionalization was “one of the pillars” on which all the constitution has been built (see his speech in the Constitutional Assembly on Oct. 29th, 1947).

14. The number of regions – listed in Art. 131 of the Constitution – was later increased to 20 with the division of the region “Abruzzi e Molise” into the two regions of “Abruzzi” and “Molise” (Constitutional Act no. 2/1963).


In 1978, the creation of a national health system marked an important turning point for the regions, as the administration of the health system was allocated at the regional level.

But in the 1980s the most dynamic elements of regionalization were reduced. The powers of the regions were interpreted in a restrictive way by the Constitutional Court, and the national structures of the political parties of the time did not help the new institution to develop according to an autonomous logic. Instead, the Court saw regions as “terminals” to realize nationally conceived policies more than as autonomous structures.

1.5. Devolution and “federalization” in 1990-2001 and the failure of the 2001 constitutional reform

The decade between 1990 and the constitutional reform of October 2001 witnessed the last wave of decentralization experienced in Italy. Large transfers of functions were implemented in the years between the reform of local government of 1990 and the end of the decade. Again, as in the early 1920s, in the 1940s and in the 1970s, regions and local governments were seen as instruments of political and administrative renovation, symbolized at that time by the mayors who were elected by the citizens after 1993 and personified the renovation of Italian politics in the 1990s. At the end of that period, two constitutional amendments (Const. Acts No. 1/1999 and No. 3/2001) crystallized the result of this process.

We shall now briefly describe the main characteristics of the constitutional provisions on regions and local government before analysing some aspects of the current debates and trends. We have to first underline that the pendulum between centralization and decentralization swung again after 2001, and especially after 2010, toward strong recentralization, for which we will have to describe the main features and identify the reasons (par. 4).

18. See law no. 81/1993 and section 4.5.
2. The current constitutional framework: an outline

The Italian Republic is divided today into 20 regions, of which 5 enjoy a special form of autonomy due to their being islands (Sicily and Sardinia) or to the presence of linguistic minorities (at the northern and eastern borders: Valle d’Aosta, Trentino-Alto Adige and, in a lesser form, Friuli-Venezia Giulia: see par. 5.1.1).

In general, the autonomy recognized to each region – whether ‘ordinary’ or special – includes a legislative, administrative, and financial dimension.

The ‘ordinary’ regions also have the power to adopt their own “statute,” a sort of regional fundamental law through which they define their political and administrative organization within the framework of the principles established by the national Constitution (Art. 123).19

The regional legislative power is defined as general (Art. 117.4 Const.), in the sense that it includes all the subject matters not expressly reserved to the state by the Constitution, while the list of the competences of the state includes “exclusive” (Art. 117.2 Const.) and “concurrent” (Art. 117.3 Const.) competences. In the Italian constitutional system, the “concurrent” competences are the equivalent of the German framework legislation (“Rahmengesetzgebung”) and not of the German and EU “concurrent legislation” (“Konkurrierende Gesetzgebung”). The state has the power to establish the fundamental principles of each subject matter, and the region has the power to legislate within that framework. However, the actual extension of the state’s legislative powers is wider than how it appears in the text of the Constitution, mainly because the Constitutional Court has adopted an extensive interpretation of the list of the competences of the state (see par. 4.1.1).

According to Article 118 of the Constitution, the municipalities are responsible in general for the administrative functions, but

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19. A similar power has been recognized to the special Regions by the Constitutional Act no.2/2001. The special regions may choose their system of government adopting a special law, following a procedure similar to that laid down by art. 123 of the Const. for the adoption of the statute of the ‘ordinary’region.
when it is required for reasons of subsidiarity and adequateness the administrative functions can be conferred to the provinces, metropolitan cities, regions and state: therefore, according to the text of the Constitution, while the regions have a general competence from the legislative point of view, the municipalities have a general competence from the administrative point of view. But the latter is clearly only a general guideline and the responsibility to allocate the administrative functions belongs to the law of the state or of the regions (according to their legislative competence).  

According to the principle of subsidiarity, the Italian Republic also recognizes the autonomy of the provinces (currently 109) and of the municipalities (more than 8000), which have administrative competences. Article 114 of the Constitution, as modified in 2001, even says that “the (Italian) Republic is constituted by the municipalities, by the Provinces, by the metropolitan cities, by the Regions and by the State,” thus placing the autonomous bodies on an equal footing with the sovereign state, with the consequence that the sovereign position of the state is determined by the quality of its powers, as defined by the Constitution, and at the same time it seems to be limited within them. This article goes maybe too far because the Constitution itself clearly distinguishes the type of functions recognized to the various levels of government, which differ in quality and not only in quantity. It could be even read as a clarification of a choice that had already been made in 1947: the regions and the local governments are not defined by the Constitution simply as a form of decentralization of state power, but as autonomous entities whose powers are established by the Constitution and are protected by the Constitutional Court also against infringements from the national legislator.

20. The law of the state is also competent to define the “fundamental functions” of provinces, municipalities and metropolitan cities (art. 117.2.p).
21. See section 5.3.
22. Yet it must be recalled that only regions (and the two autonomous provinces of Trento and Bolzano) have direct standing before the Constitutional Court (see art. 127 of the Constitution and the corresponding articles of the special statutes), while this privilege is denied to municipalities and Provinces.
23. This opinion was clearly stated by the Gaspare Ambrosini, the Christian Democrat member of the Constitutional Assembly (and professor of Constitutional Law) who chaired the Committee that wrote the original “Chapter V” of the Constitution, concerning regions and local governments. See G. Ambrosini, La nuova Costituzione italiana, Editrice Studium, Roma, 1947, p. 218, who also underlines the difference between the principle of “constitutional autonomy”.
The Constitution does not regulate the coordination between the different levels of government (so-called “cooperative regionalism”), but the legislation has created a system of “conferences” in which the state, the regions, the provinces, and the municipalities can interact.\textsuperscript{24} The lack of a second chamber where the regions should be represented is regarded by the majority of the constitutional doctrine as a cause of frequent conflict between the legislation of the state and that of the regions (section 5.5). Its introduction is discussed also in the current reform process (section 6).

3. Who provides what: which services are currently decentralized in Italy

A) When the administrative functions were transferred to the regions in the 1970s, they were organized into four main fields: regional administrative organization, social services, economic development, regulation and use of the territory.\textsuperscript{25}

After the creation of the national health system in 1978, the administrative functions of the regions have become ever more centred around it. This is at present the core business of regional administrative activities, given the fact that 80 percent of their budget is devoted to the health system. Regions also have administrative functions on agriculture, professional training, economic development, and public local transportation.\textsuperscript{26} Moreover they also play a role in coordinating municipal and provincial administrations.

B) While until recently the functions of the provinces were concentrated in some specific areas such as management of provincial roads and school buildings, and some functions of

\textsuperscript{24} See legislative decree no. 281/1997.

\textsuperscript{25} See d.p.R. no. 616/1977. The Regions were conceived at that time as entities which were supposed to represent generally the communities living on their territory.

\textsuperscript{26} To have an idea of the administrative activity of the regions, we may look at the structure of the regional government in Lombardy, the biggest Italian Region. The regional executive is divided into 14 departments (\textit{direzioni generali}): a) Presidency; b) Agriculture; c) Economy, research and innovation; d) Environment, energy and sustainable development; e) Housing and equal opportunities; f) Commerce, tourism and services; g) Cultures, identity and autonomies; h) Family, social solidarity and voluntary organizations; i) Transport and mobility; l) School and work; m) Health; n) Sport and youth policies; o) Security, civil protection and immigration; p) Territory and urban planning.
social welfare, the reforms adopted under the Monti government have modified the role of the provinces, qualifying them as coordinating structures that should not exercise administrative functions directly. They should coordinate the municipalities mainly in three areas, especially where municipalities are small: territorial planning at the provincial level, planning of public transport at the provincial level, planning of the school system at the provincial level and management of school buildings. They also play the role of being the level at which many state functions are decentralized to local bodies dependent on the state.

C) The main functions of municipalities concern the registration of the civil status of citizens, urban planning, registration of landed and house property, social welfare, collection of garbage, local transportation at the municipal level, control of local commerce, local police, and civil protection.

D) In the history of the system of regional and local government after World War II, the three levels of government have been complementary but also competitive. And the competition has not been only that between the coordinating role of the provinces and of the regions (which led in the past, at the moment of the creation of the regions, to the proposal of suppressing the provinces), but also that between a decentralized system built around the regions and a decentralized system built around the municipalities. Neither the Constitution of 1947 nor the constitutional reform in 2001 have made a clear choice between these two alternatives.

This indecision can be seen in a difference between the Italian regional system and some classic federal systems (United States and Germany). While in Germany, the local government belongs to the competence of the Länder, in Italy the regulation of local government is included among the subject matters belonging to the competence of the national legislator (Art. 117.2.p) as opposed to the regional legislator. There is only one

27. For this list see art. 23 of decree-law no. 201/2011 and art.17 of decree-law no. 95/2012.
28. For this list see art. 19.1 a of decree-law no. 95/2012.
important exception to this general rule. The special regions do have legislative competence on the regulation of local government between their borders (Const. law n. 3/1993).

4. The failure of the 2001 Constitutional reform

The fifth “wave” of decentralization in Italian constitutional history (supra, section 1.5) culminated in the constitutional reform of 2001, which tried to strengthen the position of regions and local governments, providing a formal constitutional foundation for the devolution of competences implemented at the legislative level during the 1990s.

In this perspective, the reform incorporated some mechanisms into the Italian regional system that are typical of many federal states. Such as a division of legislative competences between the state and the regions characterized by the general competence of the regions and by the enumeration of the competences of the state.

At the same time, the reform recognized the pivotal role of local governments for the provision of services to the citizens. But in its three main aspects (legislation, administration, finance), constitutional reality has been very far removed from the constitutional text.

4.1. The division of legislative competences

Even though not a single word of the Constitution mentions the concepts of a federal state or federalism, some federal mechanisms have been clearly adopted by the constitutional reform of 2001. The most striking “federal element” is Art. 117.4, according to which “Regions exercise the legislative power on all the subject matters that are not expressly reserved to the legislative powers of the State”.30

The wording of this

30. In some of its decisions, the Constitutional Court has identified some areas that belong to the so-called residuary regional legislative competence. Some examples are: local fairs of a religious or political character (dec. no. 1/2004); professional training (dec. n. 50 and 51/2005; no. 250 and 271/2009; no. 176/2010); public local transport (dec. no. 222 and 456/2005); mountain communities (dec. no. 224/2005); institutes of council housing (dec. no. 94/2007 and no. 121/2007); tourism in various forms (dec. no. 339/2007, n. 14 and 412/2008); social services (dec. no. 61/2011); shops (dec. no. 150/2011); hunting (dec. no. 227/2011).
sentence clearly reminds us of Art. I Sec. 8 and the X Amendment of the Constitution of the United States stating that the federal powers have only the authority that is recognized to them by the Constitution, while all other powers belong to the federated entities. Of course the extension of the legislative power of the Italian regions is much more restricted in comparison to that granted to the American member states, simply because the list of the legislative powers reserved to the state as areas of exclusive or concurrent legislation (respectively Art. 117.2 and 117.3) is much more extensive than that laid down by Art. I Sec. 8 of the US Constitution, as a consequence of the fact that the functions of a modern welfare state are wider than those of an 18th century liberal state. But the option in favour of strong political decentralization and of the region as the main centre of production of legislative rules was nonetheless clear in the text of the 2001 Constitutional Reform. And equally clear was the option in favour of the decentralization of the administrative functions at the local level.

However, the constitutional reality has been totally different. It is not an exaggeration to say that after 2001, the national parliament has continued to legislate in all the main fields of social life, included those which should have been considered as withdrawn from its sphere of action, according to the letter and to the ratio legis of the new Art. 117 of the Constitution. This should not be a surprise if we start from the assumption that every power holder has the natural inclination to enlarge its sphere of power and to abuse it (an assumption that is at the heart of constitutionalism and of its complex device of mechanisms for limiting the power). But what may be more surprising is that public opinion and the Constitutional Court have supported, or at least tolerated, the expansion of the state’s legislative power in relation to the new constitutional text (or, seen from another perspective, the maintenance of the previously existing legislative powers of the state and therefore the continuity with the situation existing before the reform of 2001).

The Constitutional Court on the one hand has recognized forms of legislative powers of the state for which no clear basis could be found in the new text of the Constitution. The
most striking mechanism created by the Court is the so-called “attraction in subsidiarity” that allows the national legislative power to intervene when it thinks fit, for reasons of national interest, to keep some administrative functions at the central level even though, according to the division of legislative powers in Art. 117 of the Italian Constitution, such a matter should be recognized as included in the regional legislative competence.31

On the other hand, the Constitutional Court has ruled that some subject matters that belong to the legislative competence of the state are “transversal,” in the sense that they allow the state to intervene in the sphere of regional legislative powers. This is the case of the state competence to regulate the protection of the environment, the promotion of competition, to ensure that the “essential levels of the services connected to civil and social rights are granted uniformly over the whole national territory,” to regulate civil legislation or public security. For example, the Constitutional Court has justified a state regulation distributing between the regions the quotas for fishing red tuna as founded on the state competence to protect the environment, even if, apparently, the regulation of red tuna seems to belong to the subject of fisheries (on which Sardinia has exclusive legislative powers).32 The so-called “lunch bonus” for public employees has been considered as included not in the regional legislative competence concerning regional employees, but in the legislative power on “civil law,” and belonging to the competence of the state, with the argument that the contract between public workers and the public administration is regulated through collective agreements.33 A national law concerning the so-called “social card,” i.e. financial support for economically disadvantaged persons, has been included in the state competence concerning the guarantee of uniform essential levels of social rights, instead of in the regional competence concerning social welfare.34 The subject of airports has been

included by the Court in the field of public security, included in the legislative competence of the state. And these are just a few examples as many others of this type could be given.

But the failure of the constitutional reform of 2001 has not concerned only the system of legislative competences. The reform has not been implemented also in other areas, arguably of major importance.

4.2. Administrative autonomy

Art. 118 of the Constitution, as modified in 2001, identifies the municipalities the ‘ordinary’ institution entitled to exercise the administrative functions and on the principle of subsidiarity the rule of the relations between municipalities and other levels of government. The national and regional legislation had the task of implementing these two criteria. Nevertheless, no national law has been adopted to implement the principle of subsidiarity and to re-allocate the administrative functions between the different levels of government. Therefore, the situation, in its main features, is the same as it existed after the devolution of powers at the end of the 1990s (in particular after legislative decree no. 112/1998).

On the other hand, the constitutional reform of 2001 did not regulate the forms and procedures of cooperation between the state, regions and local governments (so-called “cooperative regionalism”). However, an informal, albeit very intensive, system of cooperation, especially between the state and the regions through consultations, conferences, agreements, etc. was gradually developed in the last decade. This system of cooperation followed patterns already known in the practice before 2001 and was further upheld by the Constitutional

35. Some data can give us an idea of the imbalance between the state and the regions before the Constitutional Court. In the period 2006-2010 when the national government went to court against a regional law, it won the case 235 times and lost 246 times, while, during the same period, when a region went to court against a national law, it won 113 times and lost 542 times. Therefore, if the relation between “victories” and “defeats” is balanced when the state goes to court against a regional law, when it is the region that goes to court against a national law the proportion of victories is just of 1 out of 5. For these data, see Issirfa, Analisi della giurisprudenza costituzionale 2006-2010, con riferimento all’andamento del contenzioso Stato-regioni e alla tipologia delle pronunce della Corte costituzionale, in www.issirfa.cnr.it.
Court after the reform. Yet the system appears sometimes to be cumbersome with slow procedures, too many actors, and too many veto players.

4.3. Financial autonomy

The system of financing of Italian regions and local governments has traditionally been based on the dominance (if not the monopoly) of central taxing power and on the transfer of the money collected through taxes to the autonomous bodies. Art. 119 of the Constitution in the 1947 text conferred the task of establishing and coordinating the “forms and limits” of the financial autonomy to national law. It actually authorized this system, which was implemented by Law No. 281/1970.36 In this framework, the Constitution recognized that regions were entitled to some forms of financial autonomy, but only on the spending side, while it did not regulate the fiscal condition of local government, which was to be entirely decided by ordinary law.

The new Art. 119 reformed in 2001 is much more ambitious as it recognizes financial autonomy in taxing and spending both for the regions and local governments. The national law still has the power to coordinate public finance and the tax system, but it now expressly lays down: a) that regions and the local government have an autonomous tax power; b) that they shall receive a quota of the taxes collected by the state; c) that they must be endowed with resources that should allow them to finance “entirely” the functions for which they are competent; d) that in favor of the regions and local governments with a lower fiscal capability, the state will intervene with a “compensation fund” and with “special interventions”; e) that regions and local governments may indebt themselves only for investing and that the state will not guarantee the debts contracted by them.37

Yet Art. 119 required implementation through a national law which was not adopted until 2009 (law no. 42/2009) and which took the form of a law of delegation which had to be

37. Constitutional Act no. 1/2012, revising art. 119 of the Constitution, has added to this system the principle of a balanced budget, which is expressly extended to regions and local governments and has further restricted the possibility of local government to contract debts.
implemented through legislative decrees. The purpose of this implementation is to rationalize the system of public finance, finding a system for measuring the cost of the services that the regions and local governments grant to citizens, standardizing their costs. But even though nine legislative decrees\(^{38}\) have been adopted to implement Law No. 42/2009, the new system is not yet in force and will be implemented only gradually. Therefore, the system today of the financing of regions and local governments is still largely based on legislative decree No. 56/2000, the last legislative reform adopted before the constitutional reform of 2001. That system is based on the transfer of state taxes’ quotas to regions and local governments by the state. A calculation of the costs that regions and local governments will have to face based on previous trends in spending (so-called “historical spending”).

4.4. The impact of the economic crisis on regions and local government

The economic crisis after 2010 has further reduced the sphere of autonomous action of regions and local authorities. The forms in which this limitation has taken place are manifold, and only some of them may be mentioned here. In general, the national government and the central legislature have

\(^{38}\) The government has adopted nine legislative decrees in execution of law no. 42/2009. 

- a) Legislative decree no. 85/2010 concerning the endowments of Regions and local government authorities and the transfer to the above-mentioned bodies of some public properties.
- b) Legislative decree no. 216/2010 concerning the fundamental functions of municipalities: it has established that a publicly-owned company (the Società studi di settore-Sose) will identify the standard needs which will be revised every 3 years.
- c) Legislative decree no. 156/2010 concerning the political organization of Rome as capital of Italy.
- d) Legislative decree no. 23/2011 concerning municipal taxes, which are essentially the taxes on buildings situated on the territory of municipalities and instituting a compensation fund for municipalities and provinces (this regulation was later modified by articles 13 and 14 of decree-law no. 201/2001).
- e) Legislative decree no. 68/2011 concerning regional financing, defining regional taxes and compensation mechanisms.
- f) Legislative decree no. 88/2011 concerning the forms for the devolution of additional resources for the Regions and local governments with a weaker fiscal capacity and the selection of special intervention to promote economic development.
- g) Legislative decree no. 118/2011 concerning the harmonization of budgets of Regions and local governments.
- h) Legislative decree no. 149/2011 concerning the forms of awards and penalties for the performances of Regions and local authorities: a situation of financial imbalance can be the reason for the dissolution of a regional parliament.
- i) Legislative decree no. 61/2012 concerning further provisions on Rome as capital city and transferring to it functions concerning cultural heritage, environment, fairs, tourism and civil protection.
reduced the amount of financial transfers to regions and local
governments and have also restricted their spending power.\textsuperscript{39} 
Through such limitations, the state has reduced not only
the financial administrative functions of regions and local
governments but also the regional legislative power, and this
in fields that sometimes have a very weak connection with the
coordination of public finance.

The legal basis for these limitations of regions and local
governments in terms of the financial autonomy can be found
in Art. 119, according to which the state has a concurrent
legislative power for the coordination of public financing.
Despite this, in the subject matters in which there is a
concurrent competence, the state has the power to establish
only the fundamental principles, while the regulation of the
matter belongs to the competence of the regions. After 2010,
the Constitutional Court has allowed the state to establish all
possible forms of limitations to regional spending, considering
such limitations as fundamental principles aimed at ensuring
the coordination of public finance. Conversely, many regional
laws have been invalidated by the Constitutional Court because
they have been regarded as infringing some limits to their
spending powers, considered as fundamental principles aimed
at coordinating public finance.\textsuperscript{40} The most extreme example
has been a provision of decree-law No. 138/2011 which
established the maximum number of members in regional
parliaments which, according to Art. 122.1 of the Constitution
(if compared with the original text of that provision) and to
the unanimous opinion of doctrine, was a matter of regional
competence.\textsuperscript{41}

In the context of the economic crisis and on the basis of the
Fiscal Compact, Constitutional Amendment No. 1/2012,
which introduced the principle of a balanced budget in the
Italian Constitution\textsuperscript{42}, includes some provisions relevant for

\textsuperscript{39} See for example decree-law no. 78/2010 and no. 138/2011.
\textsuperscript{40} See for ex. Const. Court dec. no. 148/2012 and no. 151/2012.
\textsuperscript{41} Maybe it is even more surprising that the Constitutional Court in its decision no. 198/2012
has justified such a provision.
\textsuperscript{42} See the new text of art. 81 of the Const. This reform is parallel to the reform of Art. 135 of
the Spanish Constitution.
the system of territorial autonomies. It has transferred the competence to “harmonize public budgets” from the list of concurrent competences to that of exclusive competences of the state. It has laid down the principle of a balanced budget also for regions and local governments, expressly establishing that they have to concur to ensure the respect of economic and financial obligations that follow from the EU legal order. The constitutional amendment has also empowered a special national law to regulate the forms in which regions, provinces and municipalities concur to the sustainability of the debt of the complex of public administrations and to restrict the possibility for such administrations to indebt themselves.

4.5. The reform that worked: the direct election of mayors, provincial presidents and regional presidents

Yet it must be said that there is an area in which the balance of the constitutional reforms is less negative. During the 1990s, Italy radically reformed its electoral system in order to foster government stability, enable the alternation of different parties and coalitions in the government, and provide political leadership with greater democratic legitimacy. This change in political paradigm was extended to local governments by Law No. 81/1993 which introduced the direct election of mayors and of provincial presidents.43 A light and informal system of (substantially) direct elections was introduced by Law No. 43/1995 for the regions and was entrenched at the constitutional level by the constitutional Act No. 1/1999.44 These reforms started with the assumption that a strong local and regional chief executive would strengthen the visibility and the democratic legitimacy of the regions and local government. Furthermore, these reforms would also strengthen – albeit politically and not legally – their position vis à vis the state.

43. The direct election of provincial presidents was derogated in 2011, in the process of reform of the provinces initiated by the Monti government and currently interrupted: see par. 5.3.

44. Constitutional Act no. 1/1999 was an anticipation of the 2001 Constitutional reform: the two reforms are integrated segments of a unitary design. This system allows some exceptions: each region has the power to adopt a parliamentary form of government, with an indirectly elected regional president, but no ‘ordinary’ region has used this power. Only two special regions (Valle d’Aosta and Trentino-Alto Adige) and an autonomous province (Bolzano) have a system of government in which the president is elected by the regional parliament.
This result was partially achieved, especially for local governments and namely municipalities.). The mayors of the big cities in the 1990s became national political figures like the regional prime ministers of Germany. In the case of Italy, the candidate for prime minister of the centre-left coalition was the mayor of Rome both in 2001 and in 2008 and will likely be the mayor of Florence in the next election.

At the same time, it is interesting to observe that this result was not achieved in the same way for the regions whose legitimacy, on the contrary, was recently weakened by a series of scandals concerning the financing of regional parliamentary caucuses. Last year this led to the resignation of the regional governments in two big regions, Lombardy and Lazio. The most recent “cuts” to regional resources after 2010 (section 4.4) have been easier for the national government also due to the weakness of regional politics after the recent scandals.

5. Some specific topics of the current debate on decentralization in Italy

However, the question of centralization and decentralization is relevant also from other specific points of view. I will examine briefly only some of them, mainly the “double-speed” regional system (and the role of special regions within it), the difference between North and South, the question of the abolition of the provinces, the problem of the dimension of municipalities, and the reform of the senate.

5.1. The special regions

One of the features of the Italian regional system is the existence of two types of regions: 5 special regions and 15 ‘ordinary’ regions. While the autonomy of the ‘ordinary’ regions is regulated by the Constitution, the five special regions are endowed with special forms and conditions of autonomy that are regulated in its own special “Statute”, a constitutional act adopted by the State (on the basis of Art. 116 Const.).

The special status of autonomy shared by these five regions have some common elements:
a) a special and much more advantageous system of financing which in general awards them 9/10 of the taxes collected on the regional territory;
b) specific (and in principle wider) legislative competences that vary from one region to the other (an example is the protection of minority languages in Valle d’Aosta, Trentino-Alto Adige and Friuli-Venezia Giulia);
c) special rules concerning the regulation of their autonomy (that is, their own Statute, which has the nature of a national constitutional law);
d) different rules concerning the political organization (in Valle d’Aosta, Bolzano and Trentino-Alto Adige the Chief executive is elected by the Legislature and not by the people);
e) different systems of relations with the State which are essentially based on direct bilateral negotiations.

Yet, even though all special regions share these common elements, each region has its own speciality (for example, the competences of each special region are different from those of the other special regions) with its own historical reasons. Almost 70 years after the creation of this two-speed regionalism, the situation of “privilege” of the special regions is currently being discussed and it is very frequent to find the following question: are the historical reasons for the “speciality” still justified?

5.1.1. Special regions still justified by the problem of linguistic minorities

The answer is generally positive for the special regions whose speciality is justified by the presence of substantial linguistic minorities. This is the case of the Valle d’Aosta which is a bilingual region where French and Italian are placed on an equal footing. Another case is the Trentino-Alto Adige, a union of two autonomous provinces both with its own autonomous legislative power\(^{45}\), is characterized by the presence of a German-speaking majority (and where a system of “linguistic separatism” is successfully practiced). The fact of the existence of linguistic minorities continues to justify the special status of these two autonomies (in the case of Bolzano, moreover, there status is also entrenched in international law).

\(^{45}\) It may be said that the two autonomous provinces of Trento and Bolzano are actually two separated regions in all but name.
5.1.2. Special regions and economic backwardness

Very different problems arise with the two other special regions of Sicilia and Sardinia, the two largest Mediterranean islands. The recognition of a special form of autonomy for these two regions was justified at the end of World War II with two sets of reasons: the presence of autonomist or even secessionist movements in both islands; the condition of economic backwardness of both (connected to the condition of islands that was supposed to create specific problems, different from those arising in continental territories).

Seventy years later, the autonomist political movements have disappeared while the economic backwardness remains (and obviously the condition of islands has not changed). But the economic and social conditions of Sicily and Sardinia are not that different from the conditions of the other regions of southern Italy which all share a lower level of welfare in comparison with the centre and north of Italy (see no. 13). Therefore, in this case, the question should be directed to answer what is required by the “double speed” of Italian society and economy and which policy is necessary for the “Mezzogiorno” not whether or not the special autonomy of Sicily and Sardinia is still justified.

5.1.3. The case of Friuli-Venezia Giulia

Also for the fifth special region (Friuli-Venezia Giulia), the question of the justification of special autonomy must be answered in a negative sense. In this case, indeed, even the original justification of its speciality could be questioned, given the fact that there was a presence of a Slovenian minority and that Friuli-Venezia Giulia was the border between the free world and the Communist countries. But the Slovenian minority is actually very small after the Italian loss of some other border provinces at the end of World War II and the condition of border region has now changed its meaning, given the fact that the border with Slovenia is now just the border with another member state of the European Union.

5.2. The Northern and the Southern Questions

It is important to underline a particular dimension of the territorial question in Italy which is behind every discussion concerning regions and regionalism. This dimension can be seen from the point of view of the backwardness of the southern part of the country or from the point of view of the dissatisfaction of its northern part because of the excessive fiscal burden placed on its population and on its economy.

On the one hand, it must be remembered that the “southern question” has been the great unresolved problem of the Italian state since its inception due to the lower level of economic and social development of the southern regions in comparison with the centre and with the north.

On the other hand, the last 20 years have been dominated by the demands of northern Italy – and especially of Lombardy and Veneto – for more advantageous financial conditions, given the fiscal imbalance that affects these regions, the richest and most economically competitive.47 All the debate on the federalization of Italy in between 1990-2012 has been driven by this demand and channelled by the regional party48 Northern League. Northern League was an important partner of the centre-right coalitions that governed Italy in 1994-95, 2001-06, and 2008-11.

The problem is that the difference in GDP between the richest and the poorest regions in Italy is extremely high. It could even be said that Italy includes the richest and the poorest regions of the European Union. In 2011 the five richest regions were Valle d’Aosta and the Province of Bolzano (a GDP per capita of more than 32,000 euros), Lombardy (30,342 euros), Emilia-Romagna (28,848 euros) and the Province of Trento (27,608 euros). The four poorest regions were Calabria (14,814 euros

48. It is may be more exact to speak of a non-state-wide-party, given the fact that the Northern League has its electoral base in all the main regions of Northern Italy. At the moment, the presidents of the three main regions of northern Italy (Piedmont, Lombardy and Veneto) belong to this party and are in coalition with the party of the centre-right.
per capita), Campania (14,834 euros), Sicily (15,140 euros) and Puglia (15,761 euros). The southern regions have a GDP that is 33 per cent lower than the national average and 42.8 per cent lower than the GDP per capita of the northern regions. In a social state in which social rights are guaranteed in principle at the same level for all citizens, an effective system of non-centralized financing is almost impossible in these conditions.

5.3. The debate on the abolition of the Provinces and on the reduction of their number

The Italian territory is currently divided into 109 Provinces\footnote{This number includes the provinces in which both the ordinary and the special regions are divided (and, in particular, it includes the nine provinces of Sicily and the eight provinces of Sardinia, whose abolition has recently been decided by the respective regional parliaments but is still not effective at the moment). On the other hand, the abovementioned number does not include Aosta, where the Region Valle d’Aosta exercises the functions of the region and of the province.}, while that number was only 69 in 1870 when Rome was annexed to the Kingdom of Italy, and after 1870 the Italian territory was only slightly modified at the end of the two world wars. These data show a tendency to increase the number of the provinces that is unparalleled in the states that have used the province as a local government entity, like Spain and France. The proliferation of the number of provinces is a consequence of the fact that in a country with a strong tendency of localism like Italy, every medium-size town would like to become a provincial capital. However, this is highly criticized, especially because of the increase in public spending that it brings with it. It is also seen by many as an instrument to increase the number of places available for elected politicians.

As a consequence of this debate, under the government led by Mario Monti (2011-2013) a series of decree-laws have been adopted with the objective of reforming the system of government of the provinces by substituting the popularly elected presidents and councils with a 10-member council elected by the municipalities existing in the province.\footnote{Art. 23.15-17, of decree-law no. 201/2011, converted in law no. 214/2011.} On the other hand also aim to reduce the number of provinces.\footnote{Art. 17 of decree-law no. 95/2012, converted in law no. 135/2012; decree-law no. 188/2012, not converted in law because of the dissolution of Parliament at the end of 2012.} Given the fact that in the special regions
the institution of the provinces depends on regional laws, the above-mentioned decree-laws reduced the number of the provinces in the 15 ‘ordinary’ regions from 85 to 51 (counting also the provinces that had been transformed into metropolitan cities). Almost all these decree-laws have been converted into laws by Parliament, but they have been invalidated by the Constitutional Court in Dec. No. 220/2013, arguing that the decree-law was not an appropriate normative instrument for regulating this kind of subject.

Therefore, the road map defined by the Monti government for the reducing the number of provinces is currently suspended.

At the same time a more radical proposal of an outright abolition of the provinces is being discussed. Of course, this can only be done with a constitutional amendment, given the fact that the province is expressly recognized as a “constitutive entity” of the Italian Republic by Art. 114 of the Constitution (and by some other constitutional provisions). The proposal of abolishing the provinces is not new as it was discussed already in the Constitutional Assembly of 1946-47, when it was seen by many as a consequence of the creation of the regions. The fact that the provinces in the past few decades have exercised very few functions of direct administration seems to justify this proposal, but an important part of the legal literature underlines the role that may be played by the provinces in the coordination of the activities of the municipalities, especially where the municipalities are small (in particular in the mountains) and the regions are big (see section 5.4). This is the case for both of the big northern regions (like Lombardy, Veneto and the Piedmont) and of the regions of the Appennine mountains, in central and southern Italy. For this reason, in the Constitutional Commission appointed in June by the current government (see section 6) a compromise proposal has been discussed and was widely supported. It proposed eliminating the constitutional guarantee included at the moment in the Constitution to the provinces that is and of establishing some general criteria according to which the larger regions can create provinces. The current government has also submitted a draft constitutional amendment to Parliament concerning the suppression of provinces.\(^{52}\)

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52. See bill of the Chamber of Deputies no. 1543 of the XVII Parliament, introduced by the Government on August 20th, 2013.
This problem is also connected with the other question of the size of the existing regions whose geographical and demographic dimension vary widely from the 9.5 million inhabitants of Lombardy to the 300,000 inhabitants of Molise and the 110,000 of Valle d’Aosta.

5.4. The problem of the dimensions of municipalities

The municipalities are the most ancient political institutions in Italy, dating back to the beginning of the second millennium of Christianity. The growth of municipalities was an important aspect to the rebirth of western civilization after the “dark ages.” They are also the level of government that is most respected and valued by the Italian citizens according to many opinion polls. At the same time, the municipalities number more than 8,000, and the large majority of them are small or extremely small, especially in the mountain areas. It is therefore very difficult for them to perform the functions that the law recognizes to the municipalities.

Three solutions are currently being discussed for this problem:

a) to stimulate or to make compulsory the merging of the municipalities below a minimal size (1,000 inhabitants);
b) to favor the exercise in an associated form of some service by municipalities that should preserve their autonomy;
c) to use the province as an instrument for coordinating municipalities, especially the smallest ones.

An opposite dimensional problem is posed by the big cities. The law on local government of 1990 and the constitutional reform of 2001 have created for this purpose a special category of local government authority: the metropolitan city. This authority should federate the municipalities of the big cities.

54. Art. 19 of decree-law no. 95/2012 (converted in law no. 135/2012) has fixed a minimum demographic size of 10,000 inhabitants for the municipalities, but has allowed the Regions to establish a lower minimum.
55. This is the solution adopted in the more recent legislation on this topic: according to Art. 16 of decree-law no. 138/2010 (converted into law no. 148/2010), the municipalities with fewer than 1000 inhabitants must create an association of municipalities to exercise in common all administrative function for which they are competent.
56. Law no. 142/1990.
with the smallest municipalities around them and should substitute the province in some aspects. The metropolitan cities, however, have never been practically implemented and exist only on paper at the moment. Due to the difficulty of defining relations between the different municipalities that should be included in it, the relations of the metropolitan city with the province of which it is part and the solution that should be found for the municipalities included in the province but not in the metropolitan city. Moreover, the structure of the urban areas of Rome and Turin and of Naples and Milan are very different in terms of the relation between the main city and the smaller municipalities around it.

5.5. The problem of Senate reform

The problem of the reform of the second Chamber has a long history in Italy and has recently been one of the main points of the Constitutional Commission appointed this year by the government. The problem has various dimensions that also concern the form of government and the legislative procedure at the national level, but it is also extremely relevant for the necessity of coordinating the regional system with the central decision-making procedure, especially in the adoption of national legislation. The proposal of transforming the Italian Senate into a Chamber of the Regions (or of the regions and local governments) is seen as a solution that would give the autonomies a voice in the legislative process, thus reducing constitutional conflicts between the state and the regions, which have characterized the last 12 years.

Yet, while – at least in the constitutional literature – there is a wide consensus to create a Chamber of the Regions, there is also a deep division between those who prefer a popularly elected second Chamber (which, according to some proposals, ...
should be elected at the same time as the election of the regional parliaments, in order to underline the relation between the regions and the Senate) and those who advocate an indirectly elected second Chamber. Between the latter, some prefer a second Chamber elected by the regional parliaments, while others propose to supplement it with a quota of senators chosen from the local governments, possibly through the Local Autonomies Councils that exist in each region with the task of representing local autonomies in the regional decision-making system (art. 123.4 Const.).

There is a strong current in the literature that admires the German Bundesrat, but nobody proposes to adopt that model wholesale. Some observers suggest giving the regional parliaments the power to elect the second Chamber, but to establish at the same time the obligation of each regional delegation to vote collectively, in order to stress the fact that they act as representatives of the region regarded as an institution and not as individual MPs. According to many proposals, the regional presidents should be members ex officio of the Senate.

6. The proposals of the Commission for constitutional reform appointed by the government in 2013

The pendulum swing between centralization and decentralization in Italian constitutional history may be seen as a confirmation also for a regional state of Carl Friedrich’s theory, according to which federalism is essentially a process. In the Italian case, this is confirmed also by the succession of constitutional and legislative drafts aiming at developing, adapting, or reforming the regional system. While in the two decades between 1990 and 2010 the adaptation and reform were oriented mainly in the direction of a federal system, today, in the context of the economic crisis, the main concern of a substantial part of the political, administrative and intellectual élite in Italy seems to be that of “simplification.” According to this view, our multilevel system, already complicated by the European Union context, is inefficient because of the existence of too many veto powers, whose aim is sometimes more that of being part of a
complex process of governance – if necessary in the negative form of blocking it – than that of working for the common good of the local community that they represent and for the appropriate working of the general community.

This mood – for which simplification means almost always centralization and reduction of all the autonomies to an executive and administrative role – has been very strongly present in the most recent public forum of discussion on regionalism and local government in Italy. The Commission for Constitutional Reform appointed by the Italian government on June 4th, 2013, which submitted its final report to the government on September 17th.

That Commission was composed of 35 experts, mainly university professors, of different cultural and political orientations, some of whom were former constitutional justices and former ministers. The Commission was clearly divided on the issue of regions and local government between a strong centralistic current and another group in favour of the preservation and of the strengthening of the system of territorial autonomies.

In its final report, the main proposals of the Commission may be summarized as follows:

a) a simplification and a flexibilization of the division of legislative competences between the state and the regions;

b) the transfer of some matters (major public works of transport and navigation; national production, distribution and transport of energy; regulation of communication) from the concurrent competence to the exclusive competence of the State;

c) a better definition of some of the “transversal” competences mentioned above (section 4.1.1);

d) the simplification of the constitutional rules concerning the division of administrative functions;

e) the elimination of the province from the list of the territorial autonomies with a constitutional status and at the same time the conferral to the concurrent
competence of national and regional law of the power to define the criteria for the creation of an intermediate level of government between municipalities and regions, where justified by the characteristics of a region;

f) the setting in the Constitution of a minimum demographic size for municipalities (1,000 inhabitants);

g) the introduction of the principle of fiscal solidarity of the special regions with the rest of the national community;

h) the transformation of the senate into a Chamber of the Regions and of local autonomies (see section 5.5).

Notwithstanding these proposals, the report of the Commission – of which the author of this paper was a member – seems to lack a clear policy on the problem of regions and local governments. This could be due to the fact that the Commission was internally divided and unable to articulate an overall view for the reform of regionalism and local government, as it was able to do on the system of government, on bicameralism, on electoral law, and on participatory democracy.\footnote{59. For the proposals of the Commission, see the third chapter of its report (http://riformecostituzionali.gov.it/documenti-della-commissione/relazione-finale.html).}

7. Some conclusions

On the whole, the Italian experience on regionalism and local government has contributed in many ways to the consolidation of democracy and constitutional government, strengthening of political participation, and allowance of the parties that were in opposition at the national level to lead important cities, provincial administrations, and regional governments. The system of the “special” regions has worked remarkably well as a device to accommodate some small linguistic minorities in border regions. At the same time, neither regionalism nor decentralization and autonomous local governments have contributed significantly to the reduction of the North-South divide which has remained the big unresolved question of the Italian state throughout its whole 150 years of history.
After the economic crisis of 2010, it is rather common to find the belief in public opinion and in the governing élite that the current system of the territorial autonomies is a “luxury” that Italy can no longer afford in a crisis. The reason behind this belief is that such a system creates a web of veto powers that makes it difficult to govern the country and that its costs are no longer affordable at a time when the Italian state must reduce its huge public debt (the second largest in the EU).

Yet this opinion is based on many undemonstrated assumptions: it is not yet proven that the central state in Italy is more efficient than regions and local government or that it provides better policies and better administration. It is also not proven that it is less expensive and less corrupt. And also the strongest veto power should be identified more in the system of civil and administrative justice – in its slowness, in its insensitivity to the needs of a modern market economy, in its abuse of precautionary measures – than in the regional and local government system. The latter, of course, is not without its responsibilities, but the problem of the desirable degree of centralization and decentralization for Italy should be verified field by field.

On the whole, the aspiration to govern the variety and the complexity of Italian society from the centre is simply unrealistic. This becomes obvious while considering Italian society in which differentiation plays an important territorial dimension, especially between north and south, but also between the Thyrrenic and the Adriatic coastal regions, between big cities and small municipalities, etc. Only a carefully crafted equilibrium between unity and differentiation, between the autonomy of each entity and its responsibility for the welfare and the unity of the whole country, between cooperation and competition may allow the Italian State to overcome the risks of internal fragmentation or even secession that have not disappeared from the spectrum of political prospects.

60. In Italy the Northern League proposed the secession of the northern regions to form a new state (the so-called Padania) in the second half of the 1990s, but later downgraded its demand to a devolution of powers to the existing regions and to a fiscal compensation (in the electoral campaign of 2013 the leader of the Northern League Roberto Maroni was elected president of Lombardy with a program that demanded that 75% of the taxes collected in that regions should be returned to the region and to its local governments). At the moment secession is not on the political agenda of any party, but the economic crisis is a powerful factor that strengthens the disaffection of the North towards the national state.
Centralization, Decentralization, Recentralization: Lessons from the Greek Experience
Nikolaos Hlepas

Abstract

Major national crises and encompassing reforms have usually favored centralization. This is a lesson from the Greek experience. In a country characterized by weak public institutions dealing with social fragmentation and political polarization, centralism seemed to be the only way to manage trends of disintegration. The post-war period marked the pinnacle of bureaucratic centralism combined with extensive state interventionism and protectionism.

After the fall of the military dictatorship (1967-1974), popular claims of “democratization in all fields of public life” perceived centralism as a core attribute of authoritarian practices. Decentralization would pave a path for democratization, bringing decision making closer to the citizen and enhancing participation. Europeanization (since 1981) strongly encouraged decentralization through funds, regulations, and institutional isomorphism.

The unprecedented economic crisis and especially rigid stabilization policies imposed by the EU, ECB and IMF (since 2010) seem to bring the long-lasting “rise of local government” to an end. The return of centralist patterns offers rapid and often successful implementation of austerity measures. It gradually becomes obvious, however, that top-down hierarchical reform policies are not sustainable in the long run.
Introduction

Major national crises and encompassing reforms have usually favored centralization. This is a lesson from the Greek experience. In a country characterized by weak public institutions dealing with social fragmentation and political polarization, rent seekers, and free riders, centralism seemed to be the only way to manage trends of disintegration. Post-war (and Civil War) Greece marked the pinnacle of bureaucratic centralism in public administration combined with extensive state interventionism and protectionism. At the same time, vertical clientelistic networks connected political decision makers with fragmented social interests. Since party structures were fragile and unstable, personal and particularistic linkages dominated the system of political patronage, thus undermining the integrating effects of centralism.

After the fall of the military dictatorship (1967-1974), popular claims for democratization in all fields of public life perceived centralism as a core attribute of post-war authoritarian state practices. Decentralization would be a tool of democratization in bringing decision making closer to the citizen and enhancing participation. Since membership in the EEC in 1981, Europeanization strongly encouraged decentralization through funds, regulations, and institutional isomorphism.

On the other hand, the Third Republic since 1975 has been characterized by the rise of strong and extensive party structures, a shift from traditional patronage to machine politics, where party cadres and trade unionists were the strong newcomers. Thousands of political offices were created, offering several career options and perspectives to political personnel. Local government became an attractive field for political careers and party influences. The delegation of competence from the bureaucratic state authorities to participatory local government (especially after the so-called “municipalization” of state prefectures in 1994) enhanced the politicization of public administration, offering new fields of action to political clientelism.
An unprecedented economic crisis since 2008 and especially rigid stabilization policies imposed by the EU, ECB, and IMF (since 2010) seem to bring the long-lasting “rise of local government” to an end. Rationalization prerogatives of structure and operation, staff lay-offs and ongoing fiscal controls, combined with removals of services (e.g. abolition of municipal police, school guardians etc) and recentralization of competence led to an unprecedented clash between local and national politicians. The question arising is whether the end of local government sustained by higher level (national and European) policies and resources, could possibly initiate a shift towards new local governance that would also use potential knowledge, networks, human resources etc...accumulated during the previous period.

This paper comprises of five parts. In the first part, the historical background of local government in the unitary Napoleonic Greek State is highlighted and strong path dependencies revealed under a perspective that is obviously utilizing historical institutionalism. In the second part, the confrontation of a young south European democracy (1974-now) with a legacy of centralism and the emerging of new actors are analyzed (actor-centered institutionalism). The role of new contexts and new actors confronted with inertia and path dependencies is analyzed into part three which refers to uncompleted modernization. Part four deals with the recent crisis and the corresponding re-centralization trends. Conclusions are drawn in the final part while the direction and outcome of current trends are assessed.

1. Historical Background: Local Government in a unitary “Napoleonic” state

The consolidation of the modern Greek state since 1833 has been connected to the imposition of centralism and the abandonment of an old autonomist tradition that characterized the kind of fragmented society typical of many countries under Ottoman rule (Koliopoulos and Veremis, 2002). In a country accustomed to numerous centers of power, a unitary rule by the national government would hardly be accepted. The iron hand of the Bavarian regents was the only ones who managed
to abolish thousands of historical communes (*koinotites*) and unify them in some 450 municipalities (*demoi*). Furthermore, the territory of the newly born state was divided, following the French model, into 10 prefectures (*nomoi*). The prefects were appointed by the king and were responsible in supervising the municipalities.

State supervision was rigid and extensive, and important municipal decisions were not valid prior to approval by the prefect (tutelle system). Although they were treated as local wheels of homogeneous state machinery, municipalities managed to defend a distinct political role, often opposing choices made by the central government. The local government could lean upon longstanding pre-modern autonomist traditions and obtain the privilege to be the sole institution based on the free vote of the people during absolute monarchy (1833-1843). Right after the victory of constitutionalism in 1844, the local self-government was recognized as an important arena for party competition and an indispensable source of democratic legitimacy. At the national level, a two-party-system was gradually established and bipolarity, with rotating actors, characterized Greek political life. The role of the two competing party leaders, each one gathering a complex alliance of influential political personalities, had been crucial for the political landscape of the country (Koliopoulos and Veremis: 2002). The ruling majority exercised power in a unilateral “winner takes all” way excluding opposition and dissidents. While central governments used “stick and carrot” methods in order to subordinate local governments, the opposition tried to attract frustrated local leaders and manipulate localism for its own purposes.

Greece followed the French Napoleonic state tradition according to Loughlin’s typology of state traditions (Loughlin and Peters 1997). Unlike the French model, however, the holding of multiple offices (*cumul des mandats*) was never accepted and a clear distinction between “national” and “local” politicians prevailed. Both categories were important for the kind of backstage localism that characterized Greek politics and balanced the majoritarian, polarized, and strictly representative political system of the country (Hlepas, 2003).
Directly elected mayors could further fortify their influence, especially after the introduction of universal suffrage in 1864. Using the techniques of clientelism, local politicians became so powerful that MP’s would hardly dare to confront mayors of their constituency.

In 1912, the innovative liberal statesman Eleftherios Venizelos, trying to oppose traditional patronage but also following a fashionable romantic ideology that demanded the return to the roots of Hellenism, ordered the revival of the communes (koinotites). In this manner, the MP’s were liberated from their dependency on mayors, but the local government was fragmentized into 70 municipalities (demoi: cities and towns of more than 10,000 inhabitants) and more than 5,000 communes (the smaller towns and villages) -the latter totally depending on state grants. In 1915, a dispute over participation in war triggered a furious clash between Venizelos and King Constantin, marking the beginning of a long period of instability, intolerance, war and, civil war. Furthermore, after a series of military adventures, politicians, and public servants faced the unprecedented challenge of integrating several new provinces and a large number of new citizens. Different parties and leaders implemented authoritarian practices and rigid centralism in order to oppress opponents and sustain state unity.

For the next decades, the municipalities constantly lost competence and discretion. On the other hand, the prefectures and several state quangos took over the main functions of local administration. The so-called deconcentration system was substantially strengthened. According to the legal understanding, such a system is established when the central state creates non-central administrative units and entitles them to decide about a considerable part of public affairs within their district. These deconcentrated units are to be distinguished from municipalities since their heads -opposite to the mayors- are appointed by the government. The central government was usually much more willing to hand over competence to the politically faithful decentralized prefects than to the mayors. In this way, the local government gradually became a provider of elementary services, still remaining a useful platform for protest for opposition parties. Furthermore, the single-tier-system of the local government was suffering from extreme
fragmentation. More than 80% of the 5,774 rural municipalities had less than 1,000 inhabitants (60% had less than 500) and represented less than 20% of the total population, while falling birth-rates and ongoing emigration was aggravating the situation. By the early seventies, nearly 300 of the so-called “single-purpose syndicates” (inter-municipal cooperation schemes) provided joint services such as refuse collection, sewerage, water and irrigation, without satisfactory results. This was due to localist and/or partisan disputes, but also to the supervising state authorities that failed to respond.

Some local problems in rural areas such as roads, schools, land reclamation, etc... could only be faced by field offices of the responsible ministries, which were gathered in each one of the country’s 54 prefectures (Nomarchies). The latter were deconcentrated peripheral units of state administration headed by the prefect (nomarch), who represented the central government within a territorial division (nomos). Important decisions were mostly taken, however, at the central level and mobilization of resources could only be stimulated through informal, clientelistic, localist, sectional, or personal networks (Spanou 2000: 602). Keeping in touch with these networks in favor of their villages and their citizens used to be a major task of rural mayors, while the local MP’s (whose constituencies coincide with the nomos), acted as the necessary link to the decision makers in the capital (Hlepas 2003). The vicious circle of economic plight and depopulation in rural areas could not be stopped, however, through this typical southern European clientelism. While this kind of clientelism could only offer occasional solutions, it could achieve generous tax-exemptions for farmers and provide jobs in the public sector.

The local government in the cities faced different problems as the urban infrastructure could not keep up with the rapid demographic and economic growth. After the war, all the significant local taxes had gradually been transferred to the central authorities, while state grants constantly increased in importance. They were often used as tools of influence by the government thus creating an uncertain environment. On the other hand, urban municipalities hesitated to increase charges imposed on their inhabitants for local services such as water supply, refuse collection etc... It would have not only been
an unpopular option but also tax-exemptions for farmers and
the notorious tax evasion of self-employed people had led to
over-taxation of employees. Anyhow, the municipalities were
limited to a few basic functions and delegated residual tasks,
while local initiatives were put down through rigid central
regulations. The latter was not only the outcome of a legalistic
tradition but could also be traced back to the elementary lack of
trust and social capital within Greek society (Rigos 1997: 27).

2. The legacy of paternalistic centralism: A challenge for
the young democracy

Similar to other southern European states, a stable democracy
was first established during the early seventies following long
periods of political instability, civil war, and dictatorship. After
the fall of the military dictatorship (1967-1974), however,
Greece was the only one out of the three young southern
European democracies where long-established political elite
were restored, even though the social structure had drastically
changed within a few years. The country had been further
urbanized as more than 20% of the total population had moved
to the big cities and industrialized, while tourism grew rapidly
in several formerly agricultural regions. An important part
of public opinion, especially the youth, had been radicalized
while authoritarian attitudes were widely discredited. It
became obvious that political parties could not simply lean
on traditional networks of patronage. Following the example
of the rising socialist party, even the liberal conservatives
have been forced to build up a strong party organization, and
political parties were transformed into mass parties with many
cadres. It was just a question of time, before the traditional
distinction between national and local political careers would
be put into question.

By the late seventies, two parties with competing charismatic
leaders, namely the Conservatives (Nea Dimokratia) and
the Socialists (PASOK), managed to establish a long-lasting
domination of the political scenery up until the crisis of 2010.
They further succeeded in building strong, wide-reaching,
and centralist party organizations that rapidly “colonized”
Greek society and institutions (Mavrogordatos: 1984). This unprecedented wave of partification disbanded civil society, and further seemed to challenge traditional backstage localism that characterized Greek politics from the very beginning of statehood.

Claims for democratization reforms pointed out the overcoming of centralism as a major challenge and necessity on the way to Europeanization and modernization of the state and politics. Moreover, public opinion connected centralism to the authoritarian and paternalistic attributes of the post-civil war Greek state (1950-1974) (Christofilopoulou: 1991). Furthermore, a widespread populist fiction blamed Athens-centric politics and bureaucracy for the plight of the province. Costly public efforts for regional development failed, while local businessmen and investors were jeopardized through centralist patterns. The state administration was notorious for ineffectiveness and instability, lack of cohesion, and absence of transparency. Although Greek statehood had been established by the early 19th century, the country lacked a stable and professionalized bureaucracy. Tenure of public servants had officially been declared by the beginning of the 20th century, but it has only been partly practiced since the 1950s and really respected since 1974. An overwhelming majority believed that public administration would become friendlier to the citizen if a great number of responsibilities were delegated to the municipalities. On the other hand, central governments had a vital interest in getting rid of public-intensive responsibilities. Furthermore, demand for welfare services was rapidly growing. Demographic changes, geographical mobility, and the mass entry of women into the labor market could only partially be sorted out by traditional networks of social solidarity -even the monolith of the Greek family seemed to crack. Everyday life in the cities suffered from acute environmental crisis and chaotic traffic. The central governments often tried to respond through further “quangoization.” But this was an option that increased complexity, impeded synergy, and diminished political accountability. Devolution of power and responsibilities to the municipalities seemed to be a more appropriate solution.

During the seventies, the rising socialist party adopted a populist rhetoric in favor of the non-privileged citizens and the neglected part of Greece, while it declared local government to
be one of the three pillars of democracy alongside parliament and syndicalism. After coming into power in 1981, PASOK undertook several reform efforts. New forms of participation were introduced, while local authorities were encouraged to provide social services, establish municipal enterprises, and endorse sporting and cultural activities. New institutions for inter-municipal cooperation such as syndicates, programmatic contracting, etc... were introduced, while the discretionary power of municipalities was enlarged through abolition of a priori state controls. Furthermore, a growing number of municipalities were becoming familiar with the opportunities offered by European funds, international networking, and public-private partnership. Nonetheless, municipalities strongly depended on state grants as their own revenues remained inadequate. Earmarked grants and national funds for local development projects continued to be essential tools of the central state, party and patron influence, traditionally used according to a “carrot and stick” method.

Although important decentralization reforms were implemented since the early eighties, it is obvious that Greek socialists were not really willing or able to do away with the dominant, historically-rooted centralist patterns of the state, party, and social hierarchies. The Spanish socialists managed to create the Comunidades Autonomas and transform centralist Spain into a quasi-federalist country. The French socialists created a strong regional self-government and endorsed wide-reaching decentralization. Unlike socialists in Spain and France, Greek socialists proved to be rather cautious, preferring incremental procedures and reform options that would not question the primacy of the central government. Unlike Spain and France, Greece was a small country and lacked a strong and independent state bureaucracy. While Greek regional identities were rather weak (with the exception of Crete) and Greek political parties were far from reaching western European standards, in terms of internal party democracy.

Greek socialists seemed hesitant in the face of territorial reforms that would change political geography and seriously affect party and power balances. No important changes in internal administration and staffing were introduced even in bigger municipalities. Instead of local taxation that would promote accountability, a new system of general state grants
comprising of percentages on income, real estate, and deposit tax revenues was introduced.

Nevertheless, the necessity of territorial reforms gradually became obvious. New duties and additional (especially European) funds and new modes of participation could not affect the overwhelming majority of local authorities that were too small and too weak (94% of municipalities had less than 2,000 inhabitants. By 1984, it was decided to deal with this problem in two ways. One way was by encouraging free-willing amalgamations of smaller municipalities through grants and other incentives on one hand. The other was by creating new, stronger types of municipal syndicates on the other hand. Some years later, 367 small municipalities (less than 10% of the target group) corresponded to state incentives and merged voluntarily into 108 new units, while the new types of syndicates did not live up to the expectations. Furthermore, state prefectures had been proven incapable of efficiently supporting smaller municipalities. Poor performance of prefectures became even more evident, when they failed to manage projects financed by the EC. New types of inter-municipal cooperation were also introduced, but this proved not to be enough either. It became obvious, that the absence of a higher tier of local government deprived the municipalities of an important supporting institution.

Efforts to municipalize the prefectures (nomarchies) and create a second tier of local government failed twice until finally in 1994 the 161-year-old state institution of the nomarchia was transformed into a local government authority. Thus, the so-called Prefectural Self-Governments (PSGs) were established. Prefectures were municipalized as a whole, prefects (nomarchs) and prefectural councils were directly elected in October 1994. Funds, personnel, and most of the responsibilities of the former state-prefectures were transferred to the 50 PSGs. Soon afterwards, the deconcentrated state administration was re-grouped at a higher level, where 13 regions (peripheries) were organized as units of peripheral state administration, also undertaking an important part of previously prefectural state tasks.

The new institution, however, faced a lot of difficulties. Most of the public servants in the former prefectures were not
willing to move to the PSGs and tried by all means to return to state administration. Corporate interests were afraid that their influence on locally elected politicians couldn't be as strong within the branch ministries. There were long lasting controversies and litigations, while in several cases the courts decided that core responsibilities of the state (i.e. physical planning, but also appointment of teachers in public schools, etc.) could not be transferred to the local government. The PSGs lost further competence in favor of state-controlled regions, which have been built up as the new basic units of the deconcentrated state administration. The concrete division of power across different levels of public administration often proved to be unclear, causing uncertainty and frustrating political accountability.

For prefectures, most of the workload had to do with supervising and permitting routine duties and a lot of red tape. While regions, ministries, and several state-controlled entities took policy decisions that defined priorities. Apart from protesting and litigating, directly elected prefects tried to claim their part in the political arena, not only by using the strong, historically-rooted symbolism of their office, but also through unscrupulous clientelistic practices, sometimes even by breaking the law. Evolution of the prefectural local government in Greece seems to be a good example of how much local political representation degenerates without funds and policy options of its own.

Disillusion about this second tier of local government quickly led to public debates about a repairing reform. Some argued that three levels of sub-national public administration are too many for a small country (Hlepas, 1999). A simpler system of two levels, consisting of municipalities and regions would be more appropriate.

3. Pursuing efficiency while increasing complexity: The "modernizing" era

The year 1996 marked important changes in the Greek party system in that both major parties implemented open competitive procedures for the first time for the election of their leaders through wider electoral bodies. In the past, party leaders had been elected by the MP’s of the respective party. In this way,
The election of party leaders had been the privilege of a close circle of strong party patrons. Now, a wider electorate offered broader and stronger legitimacy to new leaders that should respond to problems of public acceptance and legitimacy. The issue of renewal was combined with openness since both parties were accused of being closed systems ruled by selfish party elites and being unable to catch up European standards (especially concerning the monetary union) in order to modernize the country.

The new party political arrangements went along with corresponding developments in local government associations. New, open, and competitive procedures were introduced for the election chairmen and boards in the National Association of Municipalities (KEDKE) as well as in the National Association of Prefectural Self-Governments (ENAE). In this way, the local government obtained a broadly legitimized leadership as the Chairman of KEDKE was not the mayor of Athens, but a mayor from the province. This new leadership could enlarge and enrich spaces, channels, and methods of bargaining with the central government and national parties.

This new environment favored the emergence of a new reform agenda for local government. Up to the mid-nineties, local government reforms in Greece were rather focused on decentralization, political healing (Rigos: 1994) after a long period of authoritarian state rule, broadening legitimacy, and fostering political stability. There were gains in consensus through broadening participation as well as learning processes for societal and political actors. It was obvious, however, that efficiency would, sooner or later, become an important issue. The shift from legitimacy to efficiency during the late nineties was mainly due to Europeanization, fiscal stress (Maastricht criteria for monetary union), and pressures deriving from globalization. Furthermore, a relative failure of several participatory institutions and procedures could be stated, obviously due to socio-economic and political context: namely fragmentation into sectoral interests, clientelistic relations, weakness of civil society, political polarization, lack of transparent bargaining and negotiation mores, and an extremely individualistic political culture. Local societies were trapped in traditional vertical networks of interest intermediation connecting local actors with central decision making. In this way, bottom-up reformatory alliances proved hard to articulate and act even after 1996.
Finally, by the late nineties, the state tried to cope with low efficiency in the local government and promoted the most remarkable reform of this period, namely the Kapodistrias Plan of amalgamations. In fact, the mandatory unification of municipalities in 1998 gives us a unique example of a radical reform through amalgamations in southern Europe. In 1997, a government plan of amalgamations was approved by an extraordinary congress of KEDKE, although the strongest parties of the opposition resisted it. The Ministry of the Interior used the map of previous units of inter-municipal cooperation (some 500 units) as an official proposal to local associations of municipalities. After a controversial bargaining process, the number of new units climbed up to nearly 900 and was finally approved by law.

Throughout reform procedures, patterns of conflict reflected cleavage systems. Modernization-oriented forces, encouraged through processes of Europeanization, could overcome traditionalist resistance to territorial restructuring mainly formed within the lines of conservative and communist parties, but also existed inside the ruling socialist party. Furthermore, the center-periphery contrast has been expressed through the attitude of political personnel: while the strongest opposition parties were against the reform, the great majority of local authority leaders followed as they were directly affected by problems of weak efficiency. Furthermore, many local leaders had strong expectations for new political career paths within the local government and beyond. It is characteristic that the two major metropolitan areas of Athens and Thessaloniki have been excluded from territorial reform, since neither local politicians nor the country’s central political elite were willing to lose influence, despite visible efficiency deficits (Getimis/Hlepas 2007).

The Kapodistrias Plan was not just a plan to merge municipalities, but also a national and regional development and works program with a time scope of five years (1997-2001). The new local authorities would obtain financial resources and qualified staff necessary in order to set up so-called modern and effective units of local administration that would act as an instrument and a pole of development for its territory. In this way, the citizen would have more influence on local politics, since the new municipalities would develop a much wider range of activities (participatory effect of
amalgamations). At the same time, continued representation of the old rural municipalities would be provided through local, directly elected sub-municipal community councils.

The total number of municipalities had been cut down by 80%, a percentage that would be even higher if the metropolitan areas of Athens and Thessaloniki were taken into account, and included more than 160 municipalities and half the country’s total population. The average population of the municipalities climbed from about 1,600 to more than 11,000, while the average number of municipalities in each prefecture fell from about 120 to a little bit more than 20 units.

**Table 1: Distribution of municipalities by orders of magnitude before (1996) and after (1999) the implementation of the Kapodistrias Plan of amalgamations**

<table>
<thead>
<tr>
<th>Population</th>
<th>Municipalities 1996</th>
<th>%</th>
<th>Municipalities 1999</th>
<th>%</th>
</tr>
</thead>
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<td>Up to 300</td>
<td>2.043</td>
<td>35.1</td>
<td>33</td>
<td>3.2</td>
</tr>
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<td>1.180</td>
<td>20.2</td>
<td>14</td>
<td>1.3</td>
</tr>
<tr>
<td>Up to 1.000</td>
<td>1.357</td>
<td>23.3</td>
<td>46</td>
<td>4.5</td>
</tr>
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<td>Up to 2.000</td>
<td>672</td>
<td>11.5</td>
<td>93</td>
<td>9.0</td>
</tr>
<tr>
<td>Up to 5.000</td>
<td>337</td>
<td>5.8</td>
<td>380</td>
<td>36.8</td>
</tr>
<tr>
<td>Up to 10.000</td>
<td>102</td>
<td>1.8</td>
<td>281</td>
<td>27.2</td>
</tr>
<tr>
<td>Up to 20.000</td>
<td>48</td>
<td>0.9</td>
<td>95</td>
<td>9.2</td>
</tr>
<tr>
<td>Up to 50.000</td>
<td>54</td>
<td>0.9</td>
<td>56</td>
<td>5.4</td>
</tr>
<tr>
<td>Up to 100.000</td>
<td>24</td>
<td>0.4</td>
<td>27</td>
<td>2.6</td>
</tr>
<tr>
<td>Up to 200.000</td>
<td>6</td>
<td>0.1</td>
<td>6</td>
<td>0.6</td>
</tr>
<tr>
<td>Bigger</td>
<td>2</td>
<td>0.03</td>
<td>2</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>5,825</td>
<td>100</td>
<td>1,033</td>
<td>100</td>
</tr>
</tbody>
</table>

Quite a few of the new municipalities still seemed, however, to be too small to exercise several additional responsibilities (local police, minor harbors, etc.) which were later transferred to them. Furthermore, the new municipalities gradually lost a great part of the newly hired and trained special staff that attempted to be relocated to bigger cities. On the other hand, smaller villages (former municipalities) complained of being neglected by municipal leaders favoring major settlements, while they were unwilling to delegate tasks and resources to the village boards.

Despite many difficulties and quite a few failures, there is no doubt that the Kapodistrias reform changed the landscape of the local government in Greece. Within the new, larger municipalities, managerial mayors emerged that reflected deep changes in demography, economy, communication, and culture during the previous decades that tended to urbanize
styles and views of life in the Greek countryside. Local peculiarities seemed to fade; even the once popular so-called geographic differentiation of political and voting behavior was declining in this small, further homogenizing country. Local communities in rural areas would expect much more from public administration than in the past. Consequently, the amalgamations of the nineties were not simply the achievement of radical modernizers or the outcome of scale dogmatism, they also responded to an altering social environment. This could also offer an explanation for the fact that resistance against amalgamations with few exceptions has been not as tough as expected, although the strongest opposition parties rejected territorial reform and tried to mobilize resistance to change.

Europeanization and prerogatives for efficiency were the dominant reasons for invoking reforms during the modernizing era from 1996 to 2003. These were the driving forces for both territorial reforms and a shift towards a managerial approach (e.g. gradual downgrading of regional councils in favor of managing authorities at the regional level during the nineties). Furthermore, several responsibilities previously given to the second tier of local government in 1994 were overtaken by regional state authorities, since a spirit of re-concentration pointing out efficiency deficits in local government gradually emerged, while new articulations (aggregation) of entrepreneurial and sectoral interests seemed to favor up-scaling. The obligatory amalgamations of municipalities combined with state restructuring at the regional level since 1998 were expected to create economies of scale and offer new possibilities for modern policies and actions. However, the target of modernization has been technocratically perceived, thus undermining legitimacy and the mobilization of civil society. Furthermore, persistent sectoral fragmentation undermined efforts for territorial and participatory interest as well as policy articulation. In this way, reforms could not activate the existing socio-political capacities and, moreover, create the necessary critical mass of new abilities that would cause a paradigm shift. Traditional hierarchies could, therefore, undermine the emerging dynamisms that proved to be too weak to transform the main features of the existing socio-political landscape.

Soon after the beginning of the new millennium, it became obvious that the Greek Republic was far from reaching goals set by Kostas Simitis, the visionary leader of the socialist
modernizers some years ago. The citizenry was disappointed by extreme party politicization of nearly all institutions, unreasonable procedures that strained the public and discouraged private investors (bureaucratic burden reached 8% of GDP, the highest rate among OECD countries), poor ethics of public servants, and growing corruption. High posts in the civil service were still allocated according to political party affiliation and public administration remained subordinated to the government meaning no independent administrative elite could be developed. Trade union organizations within the public sector were very influential by using party politicization of public administration for their own sectoral ends or sometimes by even promoting a selfish culture and practices of impunity in favor of inefficient or corrupt public servants. A parochial legalist spirit remained dominant in administrative practice and framework thus creating a series of blockages and inefficiency (Spanou and Sotiropoulos: 2011).

Although explicit dissatisfaction of the state and administration remained extremely high, civil society failed in exercising systematic and efficient pressure for modernization and improvement of the public administration. Greek civil society has been characterized by weakness and fragmentation. Civil demands are traditionally expressed through channels of sectoral and political interests which operate behind the scenes while outwardly the paternalistic and extremely centralist Jacobin state officially stands for legal and national unity. In practice, it remains permeable to sectoral and different kinds of partial pressures and demands. Indeed, the fragmented practices of Jacobin patronage facilitate absorption and balancing of social conflicts, demands, and expectations.

Among the plethora of pressure groups there are, however, some particularly influential ones who can effectively intervene at all stages of the policy process (agenda setting, decision making, and implementation). These pressure groups powerfully interfere in law-making, distribution of information and financial resources, while they have been able to block, in several cases, reform procedures aiming at the opening of markets and professions, collective decision making, and deliberative policy formulation. The strongest of these groups prefer a strictly representative system in
comparison to open participatory systems, because they are afraid of losing privileges to access and non-transparent ad hoc negotiations with decision makers. Moreover, sectoral interests can better influence central posts of hierarchical top-down decision making than horizontal networking relations. Therefore, an ambiguity of relations and balances exists between the majoritarian and strictly representative model of democracy that prevails in Greece, on the one hand, and the fragmented society, on the other. Within this framework, strong tensions occasionally emerge and are expressed through long-lasting strikes, demonstrations, and several forms of lively protest that have often managed to cancel reform initiatives. Persistent uneven fragmentation, apart from frustrating several pending reforms, led to a kind of disintegration and lack of synergy among different sectoral policies which affected both social cohesion and political legitimacy. National unity and/or cohesive pluralism seem to be mainly symbolic, while hierarchical and authoritarian decision making is practiced and implemented through ad hoc repressive measures when the central power is at stake (Hlepas and Getimis: 2011).

The formulation and strength of corporate interests respond to the configuration of employment and economic activities. Indeed, self-employment characterizes more than 40 percent of the economically active population (which is only 60 percent of the total population), while employment in the public sector concentrates nearly half of salary-dependent employees. In this way, professional associations and public servant unions, both following sectoral corporate interests, have privileged access and gains through informal networks (Mavrogordatos: 2001). The national economy is dominated by small- and medium-sized enterprises, while several big enterprises (public or private) shape oligopolistic structures and remain non-competitive in international markets (low percentage of exports in GDP) thus depending on state procurement, public works, and self-restrained state regulators. Economic development was based mainly on the tertiary sector (tourism, banking, telecommunications etc.), globalized Greek shipping, and income transfers from Greek immigrants and the EU (Pagoulatos: 2002).

Many features of the Greek political and socio-economic system were not adequate to cope with the new demands imposed by European integration and trends in globalization. Adaptation
pressures through Europeanization especially through the structural and cohesion policy of the EU and the dominant objectives for efficiency and competitiveness influenced by the Lisbon strategy (entrepreneurship, innovation) required several changes within the state machinery. This caused the establishment of several new institutions and mechanisms (auditing, controlling, regulatory authorities etc.) that increased complexity (Sotiropoulos 2007). On the other hand, enhanced demands for a strategic and integrated policy framework did not match the existing fragmented and sectoral policy procedures. This kind of integrated framework would lay a hand on the strong sectoral interests that tended to isolate their spaces through non-transparent and informal modes of action.

4. And then, there was the crisis: From Decentralization to Recentralization Reforms?

After the impressive victory in the 2009 elections, a strong socialist government with an ambitious reform program had to face an unprecedented financial crisis (Rossini et al. 2011). The new ruling majority decided to use radical local government reform as a remedy against the crisis. A new, thoroughly prepared reform plan named Kallikratis was exposed to public consultation in January 2010, and a new law that radically changed the structure and operation of local governance was adopted in May 2010. The Kallikratis Plan promoted compulsory merging of local government units, reducing the number of municipalities (demos) from 1,034 to 325, while the second tier was moved up to the regional level (13 regional local authorities – “peripheria” instead of the former 50 PSGs). At the same time, the deconcentrated state administration was restructured at an even higher level, including 7 units (Apokentromeni Diikesi). This new structure of state and local government, with fewer and stronger entities, conforms more closely to the principles of the Lisbon Treaty.
Table 2: Number of deconcentrated administrations, regions, and municipalities (2011)

<table>
<thead>
<tr>
<th>DECONCENTRATED ADMINISTRATIONS</th>
<th>REGIONS “PERIPHERIA”</th>
<th>MUNICIPALITIES “Demos”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macedonia-Thrace</td>
<td>East Macedonia-Thrace</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Central Macedonia</td>
<td>38</td>
</tr>
<tr>
<td>West. Macedonia - Epirus</td>
<td>West. Macedonia</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Epirus</td>
<td>19</td>
</tr>
<tr>
<td>Thessaly-Central Greece</td>
<td>Thessaly</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Central Greece</td>
<td>25</td>
</tr>
<tr>
<td>Peloponnese-West.Greece-Ionian Islands</td>
<td>Ionian Islands</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>West. Greece</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Peloponnese</td>
<td>26</td>
</tr>
<tr>
<td>Attica</td>
<td>Attica</td>
<td>66</td>
</tr>
<tr>
<td>Aegean</td>
<td>North Aegean</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>South Aegean</td>
<td>34</td>
</tr>
<tr>
<td>Crete</td>
<td>Crete</td>
<td>24</td>
</tr>
<tr>
<td><strong>SUMS</strong></td>
<td><strong>13</strong></td>
<td><strong>325</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Interior (2008)

This reform was the first one that included both tiers of local government and deconcentrated state authorities. Furthermore, territorial consolidation was combined with the extensive decentralization of responsibilities and resources. Special emphasis was given to the targets of efficiency and economies of scale, modern management of human and financial resources, improvement of service and professional quality. Furthermore, this reform follows the basic principles and objectives of new public management, such as systematic control and overall supervision, accountability, and transparency. The simplification of structures (much less units at three levels of governance) is expected to increase multi-level and cross-departmental cooperation that will lead to better coordination and effective steering.
Table 3: Size and population per region, average size, and average population per municipality

<table>
<thead>
<tr>
<th>Region</th>
<th>Size (sq.km)</th>
<th>Average size (sq.km)</th>
<th>Population (number of inhabitants)</th>
<th>Average population (number of inhabitants)</th>
<th>Number of Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anatoliki Makedonia Thraki</td>
<td>14 157</td>
<td>643.53</td>
<td>611 067</td>
<td>27 775.77</td>
<td>22</td>
</tr>
<tr>
<td>(Eastern Macedonia--Thrace)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kentriki Makedonia</td>
<td>18 811</td>
<td>495.01</td>
<td>1 871 952</td>
<td>49 261.89</td>
<td>38</td>
</tr>
<tr>
<td>(Central Macedonia)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dytiki Makedonia</td>
<td>9 451</td>
<td>787.63</td>
<td>301 522</td>
<td>251 268.3</td>
<td>12</td>
</tr>
<tr>
<td>(Western Macedonia)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iperos</td>
<td>9 203</td>
<td>511.29</td>
<td>353 820</td>
<td>19 656.67</td>
<td>18</td>
</tr>
<tr>
<td>Thessalia</td>
<td>14 037</td>
<td>561.47</td>
<td>753 888</td>
<td>301 35.52</td>
<td>25</td>
</tr>
<tr>
<td>Ionia Nisia (Islands of Ionian Sea)</td>
<td>2 307</td>
<td>329.57</td>
<td>212 984</td>
<td>30 866.86</td>
<td>7</td>
</tr>
<tr>
<td>Dytiki Ellada (Western Greece)</td>
<td>11 350</td>
<td>597.38</td>
<td>740 506</td>
<td>38 974.00</td>
<td>19</td>
</tr>
<tr>
<td>Sterea Ellada (Mainland Greece)</td>
<td>15 549</td>
<td>621.97</td>
<td>605 329</td>
<td>24 213.16</td>
<td>25</td>
</tr>
<tr>
<td>Attiki (Attica)</td>
<td>3 808</td>
<td>57.70</td>
<td>3 761 810</td>
<td>56 997.12</td>
<td>66</td>
</tr>
<tr>
<td>Peloponnisos (Peloponnesus)</td>
<td>15 490</td>
<td>595.77</td>
<td>638 942</td>
<td>24 690.08</td>
<td>26</td>
</tr>
<tr>
<td>Voreio Aigaio (Northern Aegean Sea)</td>
<td>3 836</td>
<td>426.20</td>
<td>206 121</td>
<td>23 989.11</td>
<td>9</td>
</tr>
<tr>
<td>Notio Aigaio (Southern Aegean Sea)</td>
<td>5 286</td>
<td>155.56</td>
<td>302 686</td>
<td>8 902.53</td>
<td>34</td>
</tr>
<tr>
<td>Kriti (Crete)</td>
<td>8 336</td>
<td>347.33</td>
<td>601 131</td>
<td>25 024.63</td>
<td>24</td>
</tr>
<tr>
<td>Agion Oros (Mount Athos)</td>
<td>336</td>
<td></td>
<td></td>
<td></td>
<td>Self-governed</td>
</tr>
<tr>
<td>TOTAL</td>
<td>131 957</td>
<td>405.00</td>
<td>10 964 020</td>
<td>33 735.44</td>
<td>325</td>
</tr>
</tbody>
</table>


After the Kallikrates Reform, Greek municipalities reached one of the highest scores among European countries in terms of population (mean value of 34,000 inhabitants), joining a distinguished group of states including Ireland (45,000),
Lithuania (60,500), Holland (33,500), Portugal (36,000), U.K. (135,700), Sweden (31,000) and Denmark (19,500). It is worth mentioning that most of these countries (with the exception of Portugal) are characterized by strong local governments who are responsible for an important part of public responsibilities, especially concerning social welfare, and spend a significant percentage of GDP. In light of these facts, territorial rescaling of Greek municipalities becomes even more impressive:

Table 4: Distribution of municipalities by orders of magnitude before (2010) and after (2011) the implementation of the Kallikrates Reform

<table>
<thead>
<tr>
<th>Population</th>
<th>MUNICIPALITIES 2010</th>
<th>%</th>
<th>MUNICIPALITIES 2011</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 5,000</td>
<td>548</td>
<td>53</td>
<td>45</td>
<td>14</td>
</tr>
<tr>
<td>up to 10,000</td>
<td>259</td>
<td>25</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>up to 50,000</td>
<td>186</td>
<td>18</td>
<td>192</td>
<td>59</td>
</tr>
<tr>
<td>up to 100,000</td>
<td>31</td>
<td>3</td>
<td>49</td>
<td>15</td>
</tr>
<tr>
<td>bigger</td>
<td>10</td>
<td>1</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>totals</td>
<td>1034</td>
<td>100</td>
<td>325</td>
<td>100</td>
</tr>
</tbody>
</table>


The Kallikratis Reform is an ambitious and comprehensive project, including both tiers of local government and the regions. Simplification of these structures is expected to increase multi-level cooperation that can facilitate coordination across and within the new administrative units. Furthermore, territorial consolidation is combined with extensive decentralization of responsibilities and resources. In fact, municipalities are receiving many tasks (especially concerning permitting of enterprises and economic activities) previously assigned to the –nowadays abolished- prefectures. Second tier local governments (the new Regions) overtake important responsibilities concerning economic and regional development. In respect to a deconcentrated state administration, the Kallikratis Plan provides for a re-structuring at a supra-regional level, including seven units (so-called deconcentrated administrations), headed by a secretary general, who is appointed by the government. These seven deconcentrated state administrations are mainly responsible for environmental protection (forest administration, regional planning, water management etc.).
According to the Kallikratis Law (Act 3852/2010), additional responsibilities were going to be overtaken by island municipalities (especially concerning fishing, transport and small enterprises) and regions with metropolitan areas (especially concerning transport and environment in both Athens and Thessaloniki). Furthermore, the transfer of administrative assistance of bigger municipalities to smaller municipalities was originally to be provided during a two-year transition period, until all new municipalities would have the necessary human resources to fulfill their new additional tasks (e.g. building permits and controls). A new wave of decentralization was initially planned for 2013 but has been postponed (just as additional delegation to island municipalities and metropolitan regions) due to lack of resources caused by the crisis and the respective stabilization programs.

Horizontal power relations within the municipalities are characterized through the dominant role of directly elected mayors. The Kallikrates Reform introduced new elements that should bring more accountability, transparency, and stronger participation by the citizens in local issues that were expected to upgrade local government performance. To this end, Kallikrates stipulated that local authorities are obliged to make all their decisions public on the internet. The establishment of a local ombudsman (Sibarastatis) in every municipality to support citizens is an attempt to reduce mismanagement and eliminate sources of corruption as this institution will examine relevant allegations. Consultation committee – consisting of several representatives of local stakeholders, e.g. local businesses, trade unions, chambers, NGOs – should be created in municipalities with more than 10,000 residents and should facilitate a more efficient allocation of municipal resources according to local needs. Among the new institutions created by the Kallikratis Law are 1.) the executive board, which is a kind of city cabinet that monitors and coordinates the implementation of municipal policies, 2.) the economic committee, which is responsible for financial planning and control as well as for public procurement, and 3.) the quality of life committee (in municipalities with more than 10,000 residents) which is responsible for environmental, city planning, and certain permitting matters. The establishment of different new institutions
should also create checks and balances that would probably restrain the traditional dominance of mayors in Greek municipalities.

The mayor and the members of the municipal council are elected directly by the registered residents and by citizens of the European Union for a five-year term. Every candidate for the post of mayor leads a list of candidates for all the seats on the municipal council. The law explicitly prohibits candidates who are not on such a list from standing, as well as the use of party, religious, or ethnic symbols in the emblems of the municipal lists. Although symbolic and/or formal affiliation to parties is officially forbidden by law, political parties announce in public the names of the candidates who obtain their support (*chrisma*).

The chief objective of the electoral system is to ensure governmental stability within the municipalities. The successful list occupies three-fifths of the seats on the municipal council, while the runners-up are restricted to a slender two-fifths minority. Only the list obtaining the absolute majority of all valid ballot-papers achieves victory, even at a second run-off between the two lists that reached the two highest numbers of votes the first time. In this way, lists that are supported by more parties (so called “cooperation lists”) are encouraged to stand in municipal elections; however, last-minute deals between the first and second round are not uncommon. It is worth noting that this electoral system, taken in conjunction with the fact that the mayor, elected for a five-year term, does not need the declared confidence of the majority of the municipal council (a quasi presidential, non parliamentarian system at the local level), gives rise to the conditions for a monocracy of the mayor in the municipality, particularly in cases where he/she has a strong personality. It is should be noted that also within the regions (peripheries) that were newly established, as second tier local governments, horizontal power relations follow exactly these patterns, that have been overtaken from first tier local governments (municipalities).

The Kallikratis Reform seemed to culminate a long period of decentralization reforms. However, strong and positive ex-
pectations that local government and decentralization would lead to democratization and better public services at the local level have not been fulfilled. Democratization at the local level has partly been endorsed through the creation of new participatory institutions, devolution of power and responsibilities, and especially the establishment of a second tier. New institutions and new arenas of power have been, however, colonized by centralistic and hierarchical political parties, discouraging wider participation and controlling most of selection procedures for candidates at the local level. Considering local public services, the final outcome was really frustrating. While access to decision makers and services became easier for the citizen, the public is strongly disappointed regarding maladministration, corruption, and partisanship of local authorities. Indeed, several opinion polls show that local government is considered as the closest public institution to the citizen, but also an institution bearing characteristics of corruption and discriminating practices (Hlepas: 2011).

Annual reports of Greek Ombudsman and other controlling institutions seem to confirm citizens’ criticisms of local government. Indeed, local authorities have some of the highest scores of maladministration, while they often restrain from cooperation with controlling institutions. This is due to several factors: the lack of specialized, well trained personnel or the fact that too many frontline services belong to local government, thus easier exposed to citizens’ complaints. Furthermore, it should be pointed out that many elected officials in local government seem to misunderstand their democratic election as a free pass for selfish, partisan, clientelistic, or even illegal practices. There are even cases where local leaders try to justify their unscrupulous behavior as a kind of local resistance against state bureaucrats and the Athens-centric governments. In fact, however, these leaders are dependent on the national, also Athens-centric political parties, although formal party candidates are not allowed in local government elections. Political parties select their favorite candidates, following various nomination processes controlled by central party organs.

Elections for the second tier explicitly reflect party competition and influence, while municipality elections have discrete local characteristics. If we calculate the first round votes for can-
candidates explicitly supported by the national parties, formally independent candidates seem to attract impressive percentages in municipal elections (44.4% in 2002, 50% in 2006, 60% in 2010). Almost one out of two citizens seem to vote for an “independent” candidate for mayor. However, if implicit party support or affiliations are taken into account, the picture becomes quite different and the percentage of really independent mayors falls down to ca. 5% (Hlepas: 2011).

It should be pointed out that party support in local government elections does not necessarily mean exclusive party lists. The head of the list reflects a dominant political affiliation without necessarily characterizing the list as a whole. Concerning the model of party electoral mechanism, municipal lists are usually formed in a multi-party sense. Therefore, many councilors, in between elections period, can act free of party obligations. In some cases of - particularly smaller- municipalities, municipal lists take the form of a local cartel claiming municipal assets.

However, the dominant role of parties in local politics has not been put under question, while the Greek party system remained hierarchical and centralized. Given the fact that party internal democracy is still an unsatisfied demand, local democracy cannot be realized. Central party organs do control political procedures at the second tier and in major cities, while smaller municipalities are left to local party patrons. Legal and party arrangements disable accountability of party hierarchies for attitude and action of locally elected party members and nominees. This lack of party accountability reflects wider deficiencies in accountability characterizing the Greek political system.

Furthermore, despite the numerous efforts of decentralization reforms, centralist traditions still seems to prevail in Greece. Not only major, but also sometimes even minor decisions tend to be taken at the highest administrative or political level. Some of the most important public service delivery systems, such as public education, public health services, and social protection are still subject to direct and comprehensive control by the central government. In addition, legislation and regulation often go into great detail. Standards laid down a long time ago remain in force, being partially amended several times be-
cause circumstances have made them obsolete, thus increasing the complexity of legislation and creating heavy procedures. This situation hinders the application of formal regulations and dealings, especially by lower levels and smaller entities and authorities, which tend to use several tools of improvisation and develop informal practices and networks of coordination in order to fulfill their duties.

In April 2010, the Greek prime minister George Papandreou officially announced the urgent need for bailouts in order to prevent state bankruptcy. It proved to be the worse situation the country has experienced since the last war. A series of bailout and stabilization agreements (“memoranda of understanding”) imposed unprecedented austerity measures that caused a melting down of the economy (between 2009 and 2013 the GDP fell by more than 25%) with the highest unemployment rate (30% in 2013) in modern Greek history. Although rationalization and austerity measures had already been part of the Kallikratis Reform (municipal enterprises and other municipal legal persons had been reduced by 80%, new accounting and controlling systems introduced, “over debt” municipalities forced to adopt stabilization programs etc.), local government became the addressee of several austerity measures. Simultaneously, general state grants were gradually reduced by nearly 60% and local government personnel formed an important share of the public sector employees that were going to lose their job. New laws ordered internal re-organization of Local Authorities: in 2011 new and “lean” organizational charts were adopted, in 2012 municipalities and regions had to abolish existing vacancies (posts without staff), in 2013 internal units (directorates, departments, offices etc.) had to be reduced by 30%.

Employees on contract basis (without civil servant status) have been fired (ca. 30,000, 1/5 of local government employees in total in 2011). Employment contracts should be reduced, in 2012 only 4,477 contracts were approved, in 2013 the number was reduced to 3,582, further reducing is foreseen for 2014 (-20%) and 2015-2016 (-10%). Even employees with civil servant status (3,500 municipal policemen and 2,200 school guardians) were removed from their offices in 2013. The institution of the Observatory of Municipal Finance was introduced that checks in on a three-month basis whether budgetary goals and cost saving rates are reached. If not, state grants are respectively reduced.
Rationalization prerogatives of structure and operation, staff lay-offs, and ongoing fiscal controls combined with the abolition of services and recentralization of competence led to an unprecedented clash between local and national politicians. Party control over local politics has never been weaker. Already in the municipal and regional elections of November 2010, turnout has been the lowest ever registered (less than 50% in the Attica Region). In many municipalities, cohesion of majority lists has broken and quite a few cities face problems of “governability.” On the other hand, state and supervision authorities adopt rigid practices towards local government, a series of extensive new rules further restricting local and regional autonomies have been introduced. The whole public administration is under extreme pressure to catch up with the requirements imposed by the memorandum of understanding (and stabilization program). A tripartite (EU, ECB, IMF) Troika is scrutinizing implementation of bail out agreements and assessing stabilization performance step by step prior to each installment (conditionality principle).

Under these conditions, the party system has been turned upside down meaning it has been fragmented into a big number of smaller parties, while left and right wing extremism are on the rise. These “many and smaller” parties are less tolerant inwards and outwards, internal party democracy and local diversity are perceived as “luxury” in times of extreme crisis. Extreme centralism is back both within party and within state administration structures.

However, the creation of a new “bipolarity” between the traditional center-right party Nea Dimokratia and the rising leftist party Syriza does not seem to be able to prevail. According to opinion polls the popularity of these two parties in total hardly reaches 50% of the electorate, although polarization within the society among opponents and supporters of stabilization and structural reforms is obvious. It seems that coalition governments that had been very seldom in post-dictatorship Greece will be necessary in the long run and traditional majoritarian model of democracy in Greece is seriously being challenged in a longer run by the configuration of a new, fragmented party system.

For this reason (but also in order to discourage voting for right- and left-wing extremists during local and regional elections of June 2014), the government will probably reform elec-
toral system in local government (however, there is no coalition agreement on a draft law yet). According to these plans, mayors and heads of regions will still be directly elected by a majority of votes, while proportionality system will be implemented for council elections and citizens will be able to vote for councilors across different lists. In this way personalities would become more important than party loyalties and public frustration against traditional parties could be canalized in different ways. On the other hand, the next generation of elected local politicians will obviously have stronger acceptance and legitimacy than central political personnel. This could undermine traditional dominance of centralist patterns within political parties. This perspective combined with extremely positive experiences with local government bottom-up initiatives and social activities during the crisis (successfully supporting poor and unemployed, organizing cheap markets, medical services for everyone etc.) could possibly strengthen the position of local government within the political system.

It should be further on noted, that a key player of traditional centralism, namely the central state bureaucracy that was traditionally subordinated to one party governments, nowadays acts disoriented, often failing even to mechanically catch up on priorities imposed by the Troika and the coalition government. The central state bureaucracy does not seem to have the capacity and it certainly does not have the public acceptance and authority needed in order to configure agendas and priorities. The country lacks a strong and independent administrative elite that could claim a distinct role in times of crisis. The outcome of the pendulum between recentralization and decentralization is still an open game.

Conclusions

In Greece, local government has seen a significant number of reforms enhancing decentralization during the previous decades. The unprecedented economic crisis since 2008 and especially rigid stabilization policies imposed by the EU, ECB and IMF since 2010 combined with top-down approaches seem, however, to bring the long-lasting rise of local government to an end. A series of laws and policy measures have drastically restricted the space of discretion and initiative given to local authorities during the previous years, especially concerning financial and human resources management. Furthermore, the delegation of
additional tasks to local authorities has been suspended and a wave of recentralization seems to emerge.

In times of crisis, reforms constitute strategies of survival and adaptation of political and administrative systems, under extreme circumstances of financial pressure and intense social challenges. Such reforms try to balance two different concerns: On the one hand, to adapt rapidly to new circumstances and ameliorate the efficiency of the political and administrative system, and on the other hand, to revitalize democratic legitimacy and social acceptance. Local government, a vital institution of the political and administrative system for democratic legitimacy and the provision of services to citizens, has been proven to be quite vulnerable to financial crisis.

The traditional constellation of interests has been fundamentally shaken by the economic and financial crisis, while political stability is at stake, since the backbone of Jacobin patronage, an extremely broad middle class, is being existentially threatened. To a big part, implementation of reforms was reduced into austerity measures, while deep-reaching structural reforms have been avoided in order to further circumvent confrontation with vested interests. The comeback of centralist patterns offers rapid and often successful implementation of austerity measures, it gradually becomes obvious, however, that top-down hierarchical reform policies are not sustainable on the long run.

Disintegration across and within political parties, shows that different patterns of decision making that would include open, consensus-oriented, and bottom-up practices cannot be further avoided. Apart from electoral reform (that will certainly offer more options to citizens and reduce centralist party influence), current debate on radical reform of municipal revenue (abolition of general grants and transfer of all real estate taxes to municipalities) that would visibly broaden local financial autonomy and foster accountability, as well as tendencies to accept social initiatives and increase responsibility of local government in social issues, show that current recentralization will probably prove to be a temporary trend.
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A Pendulum in Full Swing
The Decentralization - Centralization Shifts in Sweden
Tomas Bergström

Abstract

For years, the trend of reforms in Western public administration has been along the lines of decentralization, networking, and public-private partnerships. This development is challenged by recent changes whereby hierarchies are resurrected, centralization leading to uniformity once again as a main concern and questions of how services are produced made more central. The aim of this paper is to discuss how decentralization and centralization have replaced each other as ideals in the Swedish public sector during the period since World War II. It is a case study based on secondary sources.

A long period of decentralization seems now to have been replaced by a movement back to increased central control in many policy areas. The pendulum swings back but the development is not uniform and the pendulum could never go back to the original position because society has changed profoundly since the last round of comprehensive reforms.

Introduction

The broad trend in many countries, industrialized and developing alike, towards decentralization has ended up stalling or even reversing course (Smoke 2013:180). There is talk about the pressing need to, once again, think big. Coordination, uniformity, equal treatment and levelling of differences have a renaissance as central values. The aim of this paper is then to discuss how decentralization and centralization have replaced each other as ideals in the Swedish public sector during the period since World War II.
Research questions to answer are consequently *when* changes towards decentralization or centralization have occurred, *how* the changes have been initiated and implemented, *why* changes have taken place, and finally what parts of the public service provision have been affected by changes?

Methodologically, it is a case study based on secondary sources. Case studies always have a comparative element. This paper therefore has some implicit outlooks into other countries but to a limited extent. It is mostly to put the Swedish case into a broader European context. The case study method allows for interpretations rather than statistical generalizations. These advantages are admittedly combined with a list of problems like “loose formalization, necessarily small number of cases, and deference to case idiosyncrasy” (Zartman 2005:12). The Scandinavian countries are often used as examples of countries with strong local government systems. A discussion of the developments in Sweden along with illustrations of current events might therefore be of a more general interest.

Theoretically a basic point of departure for the paper is neo-institutional theories (March & Olsen 1989). In this perspective, organizational change is in itself a mix of different ideas, ideals, perceived problems, sources of inspiration, etc. Authorities are simultaneously permeated by a number of different, and sometimes contradictory, changes that meet the history of previous changes in the organization. There could be trends that make certain solutions popular at a particular time to a certain degree. Often changes try to remedy problems in the existing organization by moving in the direction of other solutions that actually were abandoned earlier.

“For instance, centralized organizations tend to generate complaints about insufficient consideration of local knowledge and local needs for adaptation, while decentralized organizations will discover that they are not paying enough attention to the benefits of coordination and standardization” (Brunsson 2009:94).

A professional society of consultants also makes their living through convincing managers and politicians that change is necessary and that changing the organizational form (or
Centralization Decentralization Debate Revisited

managers) will make all problems disappear. Change is therefore one of the most used terms in discussing organizations, while at the same time often used in a somewhat elusive and vague manner.

**Sweden: 150 years of local autonomy**

Sweden is a small, unitary state. Scandinavian countries are noted both for the strength of their unitary states and for possessing strong local governments (Loughlin 2009:54). A “modern” sub-national government system in Sweden was created by ordinance in 1862, establishing municipalities/cities and county councils respectively. The welfare state that grew, especially after World War II, materialized at the local and regional level. In Sweden most public services are thus provided by county councils (health care) or municipalities (schools, social welfare and leisure activities). The state establishes frameworks, provides some grants, inspects and controls, but is otherwise mostly occupied with transfer systems like social insurance. The sub-national level in Sweden is provided with independent powers of taxation (approximately two-thirds of the income) and consequently has a comparatively low dependence on state grants for activities. State grants are mostly general per inhabitant/pupil, etc. The state’s share of public expenditure when it comes to consumption is only twenty-five percent. Therefore, the role of the state at the local and regional level is relatively small (see Lidström 2010 for a longer description of the Swedish subnational government system).

Amalgamations of local governments took place in two big rounds: the 1950s and early 1970s. Amalgamations were regarded by many as centralization necessary for decentralization of public schools etc. At the moment, there are 290 municipalities and 20 county councils in Sweden, and the right to local self-government is part of the Basic Law. There is no system of “ultra vires,” local government has general powers. But there is no definition of local self-government in the law or limits to state “interference”.

The internal organization of municipalities and county councils has some peculiar traits but also follows international trends. As
Sweden has adopted a number of the elements of New Public Management (NPM), some elements work in a decentralist direction while some in the opposite direction.

*From centralization to decentralization and back again*

The period after World War II was a time of economic growth, the “banner years,” with increasing prosperity and expansion of the welfare state. People moved from the countryside into cities and plans for new urban areas with modern housing and public transport systems were able to be implemented. With a much bigger tax base from growth and increased taxes, the public sector expanded rapidly, more so than in most comparable countries.

In Sweden, a period of strong belief in planning and central control was replaced by ideas about decentralization in the early 1980s. Municipalities that had been amalgamated a decade previously were now big enough to handle service production in a number of fields. A certain amount of social engineering was necessary to decide the minimal size of municipalities. The basic criterion used was the ability to accommodate the final stage of e basic school (years 7 to 9). The option to decentralize was increasingly used. Detailed government grants were replaced with general grants giving local governments some leeway. The number of laws and government ordinances was reduced. The freedom to decide the internal organization of municipalities was almost completely. By centralizing at the local level, an opportunity was created to devolve decisions from national to local level.

Previously, the organization of municipalities/cities very much depended on their size. Now a great variation was created in the number of committees, number of political representatives, the role of the city executive committee, etc. With inspiration from NPM, during the 1990’s the number of municipal companies expanded drastically, tendering was introduced in service production, and purchaser-provider models became popular. Steering by goals and results became popular. Decentralization, networking, and public-private partnerships, all indicating a
transformation towards less hierarchical public organisations, were now buzzwords.

Schools, that used to have both the state and the municipality as principals, were decentralized and the responsibility fully transferred to municipalities. Independent schools saw a boom when pupils could choose freely, and the municipality guaranteed finances. The idea was to introduce customer choice. Sweden actually had more of a market solution for schools than most other countries. Paradoxically though, the NPM reforms towards decentralization have lead to concentration and centralization of power (see Diefenbach 2009:898). This is especially the case when it comes to questions of strategy, planning, formulation of goals, standards, and performance evaluations.

To describe a “typical” municipality became increasingly difficult. Interestingly enough the introduction of elements of NPM did not follow any preconceived ideological patterns. Many municipalities ruled by the Social Democratic Party became heavily influenced by market ideas concerning schools, childcare, and care of the elderly.

Irrespective of the color of the government, since the 1980s, the trend was decentralization (cf. Dahlström et.al 2011). A dominant view was that the state was “hollowed out.” Development has moved in the opposite direction since the late 1990s. Ideas about promoting development in the whole country that were strong at least in official speeches were then being downplayed. The Swedish economy had a severe crisis in the early 1990s, and the expansion of sub-national government came to an end. Control over spending was increased. Arguments for centralization were efficiency, uniformity, and improved steering possibilities. A confusing number of actors at different levels were seen as involved in the decision-making processes and in the execution of decisions. Deregulation and the introduction of market solutions had loosened up notions of hierarchy and control. The boundaries between public and private were blurred. The result was disaggregation and competition. This supposedly led to a loss of central authority
and political steering (Olsen 2005:13). There was accordingly a perceived need for coordination, uniformity, audit, equal treatment and levelling of differences. The development could be described as going from government to governance to government again. Since not everything was changed but many parts remain as they were, the result is a mix of overlapping, supplementary, and competing forms. The picture of change is disjointed.

Autonomy could be measured in different ways (see Fleurke and Willemse 2006). Aside from traditional legal and financial autonomy, we could include freedom to determine the agenda, freedom to make policy choices, and the level of dependence on other authorities. Centralization lately is characterized not so much by legal and financial changes as by organizational reforms, increased control over spending and results, and restrictions in available policy choices. Monitoring and evaluation is not as evident a means of centralization but in many respects very efficient to achieve uniformity in actions.

There are a number of examples of “successful” centralization. A unification of agencies by removing regional levels has taken place. The only remaining agency with a fairly independent regional organization, the Police Authority, will be turned into a single agency in 2014.

As an example the Swedish Social Insurance Agency, which has been a centrepiece of the welfare state and an agency handling large sums of money, has been thoroughly reformed (see Andersson 2012). Twenty-one “independent” regional social insurance offices and a separate national agency giving guidance and supervising social security were transformed into a single agency. On top of this came a new auditing agency. To secure uniformity, standard procedures are introduced that regulate how the administrators should handle matters in detail. There are ideal processes prescribed and the outcome is measured down to the level of the individual for different categories of activities. The focus has shifted from the need to make individual solutions to the need for similar treatment of similar cases in all parts of the country. The standard procedures
are decided at the top (but with feedback from the administrators to a certain extent). The importance of the regional connection is more or less lost. This includes first removing the politically appointed representatives at the regional level, and later on abolishing the agency board and replacing it with a powerless committee of external observers.

National plans have been established. The Swedish Transport Administration has produced a National Plan for the Transport System 2014-2025 to be decided by the government in the spring of 2014. The National Board of Health and Welfare has produced national guidelines for, among others, cardiac care. The best practice could then be decided nationally instead of the regional level. National guidelines reduce the ability of regional decision-makers to define “good health care” for themselves (Fredriksson et al 2012). The national agency has also for instance developed a “national model for systematic work and structural documentation within care for the elderly” (Socialstyrelsen 2012).

Also, the Swedish Procurement Act (LOU) is limiting the autonomy of local and regional governments in processes of procuring goods and services. This is not a purely national matter as it is based on EU regulations.

There are also a number of centralization failures. An official report from the Swedish government (SOU 2007:10) stated that the government system had to be “reassembled.” The report stated that it is necessary to create between seven to nine regional governments covering the whole country that are bigger and more powerful than the present city councils. However, the process of setting up regional governments has been very slow. A tradition of consensus in decision-making processes slows down the pace. All attempts to create such regions have failed even if government authorities with regional representation had been centralized, regional offices abolished, and political representation in state authorities at the regional level had come to an end. The only outcome is making experiments permanent in already existing “regions.” There are some real difficulties in redrawing the map.
A proposal to amalgamate county administrative boards into fewer units specializing in certain areas was quickly abandoned. Resistance was mobilized: Do not touch our county administration; it has been there since the 17th century!

There are also some centralization proposals in the pipeline. There are many proponents for a return to state control of schools since the Swedish school system is generally described as a failure (at least in comparison with Finland). Differences between schools are seen as unacceptable. The idea to make hospital care a state responsibility has been presented by the Christian Democratic party leader, a partner in the present government coalition of Sweden. With reference to Denmark and Finland there are also calls for amalgamating municipalities into bigger units especially in the northern parts of Sweden. Forecasts about the ability to provide vital services in sparsely populated areas are gloomy. Employment rates are diminishing and the age pyramid is becoming increasingly unfavorable with large groups of retired people demanding health care and other services. Amalgamations are, for the time being, only drafts and the responsible government minister has indicated that he does not intend to undertake any central initiatives. Amalgamations have to grow from below.

The organizational structure of the public sector shows continuity but fewer state offices. Also, in this sense, the public sector shows signs of centralization.

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1990</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counties</td>
<td>24</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>Local governments</td>
<td>275</td>
<td>286</td>
<td>290</td>
</tr>
<tr>
<td>Police authorities</td>
<td>119</td>
<td>118</td>
<td>21</td>
</tr>
<tr>
<td>Offices of the Tax Agency</td>
<td>122</td>
<td>120</td>
<td>45</td>
</tr>
</tbody>
</table>

Pros and cons of decentralization/centralization are fundamentally the same over time. The difference is the weight that is put on them from time to time. What was excessive bureaucracy in the 1980s could be interpreted as valuable for the rule of law at another time in history. Flexibility could be viewed in
high esteem or denounced as arbitrariness. Local adaptation is good for creativity and innovations or gives power to political amateurs. Consequently ideas discarded in the 1980s suddenly appear as the salvation and the only natural way to organize public services. Planning, central control, reduced autonomy, standardization, and uniformity become axiomatic goals to strive for. Stressing efficiency/effectiveness rather than local democratic processes tends to reinforce processes of centralization (cf. Copus 2013). Local autonomy, adaptation, closeness to decisionmaking, diversity in organization and outcomes are reinterpreted as negative phenomena. This is especially evident in education and welfare (cf. Montin and Granberg 2013:16). But fighting crime and terrorism has also meant increased state powers (Goetz 2008:275).

A swinging pendulum

The development in Sweden, and elsewhere, is often described using a pendulum metaphor (for instance Berggren 2013:116). Organizations are moving away from current problems to end up in old problems that they moved away from 30 years ago. The swinging movement in a way seems path dependent. At the same time, the pendulum could not return to the original point of departure. What has happened in the meantime makes a return to the original position difficult (cf. Christensen & Lægreid 2009:17). It moves back in a certain direction but some changes are irreversible and a return to a previous situation could only be partial. Since the last time centralistic ideas were popular, many things have been added to organizational life, including a set of NPM tools. Also there might be different movements at the same time within different policy areas and within different countries.

The timing of reforms differs between countries. Sweden was decentralized early and on a bigger scale than most countries. Municipalities and county councils produce the lion share of public service. This implies that Sweden might be in the forefront also in a tendency to reconsider the merits of decentralization. Now Sweden is recentralizing without being forced to do this by financial pressures, something which is the
case in many (Southern) European countries. Sweden might thus be somewhat out of pace with other countries to a certain degree. In some cases, autonomy is centuries old in Sweden. Independent agencies have a constitutional right to decide for themselves regarding the exercise of official authority and the application of law. The difference towards recently autonomous agencies in other countries is the justifications for the independence where Sweden traditionally stressed the neutrality and independent expertise of civil servants rather than efficiency through being immune towards political ‘interference.’

The balance between autonomy and control has always been under debate. Every freedom to act locally could be followed by demands for control of that freedom (Carrington 2005). The role of the state in Sweden was historically proactive. Two large sets of amalgamations occurred in the 1950s and the 1970s. A number of planning systems for house building and land use put limits municipalities’ freedom of action. This period was replaced by a period of a more reactive stance from the state. Following the traditionally strong position of local and regional government in Sweden, it seems difficult though to deviate from a way of thinking where initiatives for change must come from below. The present government also seems divided. It includes a dominating fairly centralistic conservative party but also smaller parties that are heavily in favour of decentralization. The other big party in Sweden, the Social Democratic Party, is also traditionally in favour of central control. Irrespective of the outcome of the elections of 2014, we might foresee that the pendulum will continue to move in the centralist direction.

At the moment a number of independent schools are closing down due to financial problems. This means there will be a reduction in the number of pupils attending this kind of school, however it doesn’t necessarily mean that the idea of independent schools as such will be abandoned. The critical point in the discussion about independent schools is not choice itself or local influence in schools but the question of reinvesting profits in the schools. Among others, the Social Democratic Party would like to stop multinational companies from moving profits out of the country through advanced financial transactions.
Was the emergence of governance exaggerated?

In the era of decentralization there was a devolvement of powers to the local/regional level. But there was also a displacement of powers. Contracts in municipalities and cities were offered to multinational companies not to small local enterprises. We should also remember that if power was devolved, power was given from the state (cf. Dahlkvist and Strandberg 1999:290). Ultimately, the state decides how much autonomy local government should have (Stjernquist and Magnusson 1988).

It is not likely that we will ever have a perfect match between functional and political territories (cf. Koch 2013:399). For some time now, however, the idea of governance has reached a paradigmatic status as a new formula for the relation between the state and local government (and of course a number of other actors). Hierarchy has been portrayed as a both outdated and impossible mode of governing (Börzel and Panke 2007:156). But, governance “has multiple meanings and is notoriously difficult to operationalise.” (Keating 2008:75).

We could question if governance really has been dominating in the last decades (Koch 2013; Klausen 2013). Hierarchy could be found in network organizations and in hybrid organizations based on teams and projects as well (Diefenbach & Sillince 2011).

“Viewed historically, governance does not so much indicate a shift from government as towards government, as the core institutions of the state build up capacity to deal authoritatively and hierarchically with new governing challenges” (Goetz 2008:258).

Some of the swing of the pendulum therefore could be interpreted as a more sober look at the survival of the nation state, the limits of the network society, and the inherent hierarchy in most organizations.
Conclusions

Central – local relations are not fixed as they change over time in a pattern that has been compared to a pendulum. A rather centralistic vision of the welfare state has been replaced with some decades of pronounced decentralization, giving sub-national government a vital role in producing services in a rather independent way. Legislation, financial arrangements and trust in local solutions made municipalities and regions the important players. Theoretically the development was described as governance, the network society, or other terms defining a new world of self-organizing, non-hierarchical modes of governing. But recently this brave new world has been, once again, challenged by a perceived need for control from the top, uniformity, standardization of processes and demands for equality. The timing of swings are the result of an interplay between different forces but mostly initiated from above. Governance is therefore not the end of history.

Changes are motivated by failings and faults that were actually the result of reforms to overcome previous failings and faults.. Therefore, we keep cruising between the Scylla of rigid centralism and the Charybdis of local disparity in Sweden as well as in other countries.
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The recent reform of German federalism - towards more heterogeneity and competition between the Länder?

Hellmut Wollmann

Introduction

In this article, definitions on the variants of decentralization will be analyzed in the first section. Then in the following section, structural data on Germany’s federal system will be presented. Subsequently, the four key dimensions of vertical division of powers will be sketched which characterize the status of the Länder in Germany’s federal system. In the main chapters of the article, the distribution of the legislative powers in the federal setting is discussed in the fourth section followed by the shifts that have been brought about by the federalism reform of 2006 in the fifth section. In the last section, conclusions will be made.

1. Variants of decentralization

First, this paper will attempt to clarify definitions important to the centralization decentralization debate. In the pertinent discussion, the distinction is often made between decentralization and deconcentration (for an overview, see Kuhlmann/Wollmann 2014).

Decentralization is an essentially political concept meaning that the devolution of legislative and/or administrative functions addresses a sub-national level which autonomously performs the assigned functions through democratically elected and politically accountable bodies. By contrast, deconcentration is an intrinsically administrative concept which signifies the transfer of administrative functions from one administrative level to another.
Decentralization has different variants depending on the (constitutional, institutional etc.) intensity of the devolution. The most pronounced variant is the “federalization” in which the functions are devolved to the regional/meso level whose powers are anchored in the country’s constitution and whose interests are represented and involved in national level decision-making. In the German case, the decentralized powers are laid down in the Federal Constitution (Grundgesetz, Basic Law) of 1949 while the Länder are involved in legislation and decision making at the national level through the Federal Council (Bundesrat).

One speaks of “quasi-federalization” if the devolution of powers of the regional/meso level is fixed in the country’s constitution while a constitutional arrangement for a collective representation of the regions does not exist. Spain since 1978 and Italy since 2001 can be qualify as “quasi-federal” states. The United Kingdom makes for a particular case. While Scotland and Wales have a “quasi-federal” status, England (where almost 90 percent of the UK population live) continues to be run as a highly unitary and centralized part of the U.K.; thus one speaks of an “asymmetrical quasi-federal” structure.

The devolution of functions may be termed regionalization if the regions are recognized as such in the country’s constitution and their functions are regulated by ordinary legislation. This may take the form of a weak regionalization if the regions have not been assigned norm-setting competences of their own and have largely the function to implement national legislation and policies. This applies to France’s regions which have, besides, been constitutionally classified as local governments (collectivités territoriales), thus placing them legally on an equal footing with départements and communes. Insofar as in such variant of weak regionalization the devolution of administrative functions prevail, it comes close to “administrative deconcentration” rather than constituting decentralization.

It has been sometimes proposed to see a variant of decentralization also in the privatization of public functions or public assets in their transfer to the private sector. In a nominalist understanding of definition one might, at first sight, accept such notion of privatization. However, in a more reflected view,
such a definition would appear to run counter to the cognitive and epistemological purpose of what defining is meant to be, to wit, to help to analytically structure and decipher the complexities of the “real world” in a way that is conducive to meaningful analyses. Under this regard, a definition which combines decentralization and privatization appears to be ambiguous and misleading rather than clarifying. From a “sociology of knowledge” perspective, it seems plausible that such a blurred definition has originated in the Anglo-Saxon context following from the common law tradition in which a legal distinction between public and private law is unknown and consequently the public and the private sectors seem hard to discern. While, it may make sense in the Anglo-Saxon context, it seems not to be applicable in the continental European environment rooted in the Roman Law tradition that the legal distinction between public and private law has since long been established and where it is conceptually, cognitively, and epistemologically accepted to perceive the public sector as the realm of political power, political decision making and political accountability, while the private sector revolves around the rationale of market competition.

2. **Number, population and territorial size of the Länder**

Germany’s federal system is made of two tiers: the federal level (federation, Bund) and the federal/regional states (Länder). The two local government layers that consist of the counties, (Kreis) and the municipalities (Gemeinden, Städte) constitute an integral part of the Länder according to constitutional law.  

Following the defeat of Hitler in May 1945 and the occupation of Germany by the four allied powers, the reconstruction of democratic institutions took place from the bottom up. Whereas the local authorities were the only institutional structure that survived the collapse of the Nazi State, the Länder had been re-established in the occupational zones of the three western Allies before the Federal Republic of Germany was finally founded in 1949. The borders of the newly established Länder largely followed the arbitrarily drawn territorial boundaries of three western occupational zones rather than regional traditions – with the noticeable exception of Bavaria which continued largely within its historical borders.
As a result, 11 new Länder came into existence, three of them as so-called city-states (Berlin, Hamburg and Bremen). After the German Unification in 1990, another five East German Länder joined the old Federal Republic.

The Länder have an average population size of 5.2 million inhabitants, ranging from 18 million in Land of Nordrhein-Westfalen to 660,000 in the city-state of Bremen. (see Table 1).

Table 1: Population of some of the 16 Länder (in 2009)

<table>
<thead>
<tr>
<th>Länder</th>
<th>Population 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Republic (in total)</td>
<td>81.8 million</td>
</tr>
<tr>
<td>Nordrhein-Westfalen</td>
<td>17.8 million (21.9% of entire population)</td>
</tr>
<tr>
<td>Bayern</td>
<td>12.5 million (15.3%)</td>
</tr>
<tr>
<td>Baden-Württemberg</td>
<td>10.7 million (13.1%)</td>
</tr>
<tr>
<td>Thüringen</td>
<td>2.5 million (2.7%)</td>
</tr>
<tr>
<td>Hamburg</td>
<td>1.7 million (2%)</td>
</tr>
<tr>
<td>Mecklenburg-Vorpommern</td>
<td>1.6 million (2.02%)</td>
</tr>
<tr>
<td>Saarland</td>
<td>1 million (1.25%)</td>
</tr>
<tr>
<td>Bremen</td>
<td>660,000 (0.81%)</td>
</tr>
</tbody>
</table>

Data from Fischer-Weltalmanach 2011

Over the years, there have been repeated discussions about redrawing and rescaling the Länder, particularly the smaller ones. Yet, so far only once, in the early 1950s such rescaling was effected when the Land of Baden-Württemberg was created resulting from the merger of three post-war Länder in the south-west. Following German Unification in 1995 another attempt was made to merge the city-state of Berlin and the East German Land of Brandenburg. In the referendum that was held in May 1996, a majority of the population of Berlin approved the merger, but the people of the Land of Brandenburg rejected it by a broad majority (see McKay 1996).

The debate about rescaling the Länder suggests that even though the borders of most Länder were artificially drawn after 1945 in neglect of regional tradition, and although there was an influx of millions of refugees and expellees from former Eastern provinces, a significant percentage of the then regional population were not “natives” (in the case of the Land of Schleswig Holstein up to 40 percent!), the respective regional populations have surprisingly quickly developed a sense of regional iden-
tity. The recent case of the Land of Brandenburg demonstrated the resentment of territorial rescaling and changes.

3. The devolution of functions to the Länder – four dimensions of vertical division of power

The distribution of functions in the relation to the federal level (Federation) and the Länder reveals a vertical division of power of which particularly four pillars can be discerned.

3.1. The “federal” status of the Länder

In a constitutional tradition which dates back to the Bismarckian Reich founded in 1871 as a union of hitherto independent states (and statelets) the Länder, when newly established in the course of the late 1940s, fell in line with the traditional self-image of and claim to some “quasi-Statehood” (Eigenstaatlichkeit). Besides the classical (horizontal division of powers-type) triad of legislative, executive/administrative, and judiciary institutions (Land parliament Land government, lower echelons of the court system) each of the Länder disposes of a Land constitutional court, Land court of audits, etc. as well as an embassy-type representation in the federal capital of Berlin and partly also with the European Union in Brussels, in some cases even (symbolizing its Eigenstaatlichkeit)Land flag and Land anthem of its own.

3.2. Pivotal role of the Federal Council (Bundesrat)

According to Article 50 of the Federal Constitution “the Länder shall participate through the Bundesrat (Federal Council) in the legislation and administration of the Federation and in matters concerning the European Union.” The Federal Council in its status and function as the Second (Upper) Chamber, besides the Federal Parliament (Bundestag), in federal decision making and federal legislation (see Benz 1999, Gunlicks 2003, Wollmann/Bouckaert 2006) constitutes a cornerstone in the vertical division of power.

It is enigmatic of German federalism that the votes in the Federal Council are controlled by the Länder governments (and not by the Länder parliaments!). Organizationally reminiscent of the Reich Council (Reichsrat) of the principle
of the federal council (Bundesratsprinzip) that hinges on the representation of the Land governments contrasts starkly with the principle of the senate. The latter is characteristic of the US constitution where two senators from each state are directly elected by the respective regional population to form the Senate that, along with the House of Representatives, make up the US Congress. The Federal Council has 69 votes which range from 3 to 6 per Land according to population size but disproportionately favouring the small Länder (in allotting, for instance, three votes to the City State of Bremen with only 330,000 inhabitants) over the demographically larger ones (in assigning, e.g. only 6 votes to the Land of Nordrhein-Westfalen with 18 million people).

In the federal legislative procedure, a crucial distinction is constitutionally made between objection bills (Einspruchsgesetze) and consent-requiring bills (Zustimmungsgesetze) (art 77 Basic Law).

If in the case of the former an objection (Einspruch) is adopted by the majority of the votes of the Federal Council, it can be rejected and overruled by the Federal Parliament with the majority of its members. If the Federal Council passes its objection with a majority of at least two thirds of its votes, its rejection by the Federal Parliament requires a two-thirds majority of the votes including at least a majority of its members. Thus, an objection of the Federal Council can be overruled by the Federal Parliament with a differently qualified majority.

By contrast, regarding the legislative bills which require the consent of the Federal Council (Zustimmungsgesetze), the decision by the Federal Council not to approve a bill adopted by the Federal Parliament cannot be overruled by the latter. In this case the Federal Council possesses an (absolute) veto power in the federal legislative process.

As enumerated in the Basic Law particularly those legislative matters which affect the Länder interests, such as taxation and financial matters, require the consent of the Federal Council. In addition, under the version of Article 84 Basic Law (as in force until the constitutional reform of 2006), the consent of the Fed-
eral Council was also required for federal legislative bills that were meant to regulate the implementation of federal law by a Land authority and its related administrative procedure. In a decision which the Federal Constitutional Court handed down in 1958 it ruled that if the federal legislator intended to regulate both the substantive contents as well as the administrative procedure in a given legislative matter, it was held to do this in one and the same legislative bill. Hence, as the Federation continues to be keen in regulating the administrative procedure for implementing federal legislation, the share of federal legislative bills which required the consent of the Federal Council kept rising to some 70 percent. The veto power-clad involvement of the Federal Council expanded accordingly (see Wollmann/Bouckaert 2006: 28 ff.).

The risk that in the consent-requiring legislative matters the Federal Parliament and the Federal Council would block each other has become acute especially in periods in which the majority of votes in the Federal Parliament and that in the Federal Council were commanded by different parties or different party coalitions, by the government majority in the Federal Parliament, on the one hand, and by an opposition majority in the Federal Council, on the other. In such a cohabitation-type constellation the two chambers of federal legislation tended to be turned into party political arenas and strife between the federal government majority and the political opposition parties.

3.3. Distribution of the legislative powers in the federal setting

In the distribution of the legislative powers the Basic Law of 1949 has, on the one hand, assigned the majority of legislation to the federal level (Federation). On the other hand, in another element of “vertical division of power,” the Länder have allotted a set of exclusive legislative powers as well. This will be discussed in more detail later (under 4).

3.4. Decentralization of the administrative functions

It is another peculiarity of the German federal system and its vertical division of power that, while the federal level has been given the preponderance in the exercise of legislative powers, the Länder have been constitutionally assigned a “quasi-mo-
nopoly” in the implementation of the federal legislation and policies. They have also been assigned a “quasi-monopoly” of Land legislation as well as the norm-setting programs of the European Union in the wake of European integration. Thus, in the German variant of federalism, the exercise of legislative and the administrative/executive functions are vertically separated and, at the same time, vertically interrelated in what has been called vertical interwoveness of policies and functions (Politikverflechtung, Scharpf et al. 1975). In the face of this, the mutual vertical functional penetration and overlap of Germany’s German federal system has been figuratively likened to a “marble cake” format. This contrasts starkly with the “layer cake” scheme of the US federal system where the federal government level may enact federal legislation for a given policy and it create federal administrative units (“field offices”) in regional and/or local levels for implementation.

In organizational terms the devolution of the administrative functions to the Länder can be classified as political decentralization. For one, according to Article 83 Basic Law, the Länder, as a rule can “execute federal law in their own right (insofar as this Basic Law not otherwise provides).” Moreover, although the Basic Law recognizing the right of the federal level to exercise some “oversight to ensure that the Länder execute federal law in accordance with the law” (article 84 paragraph 3 Basic), the procedure which is constitutionally prescribed for wielding such “legal review” (Rechtsaufsicht), is fairly cumbersome. Its procedural clumsiness reveals to which degree the realm of Land administration is all but impenetrable (undurchdringlich) for the Federation even when it comes to carrying out such legal review. Needless to add that the federal level has no right to wield any supervision on the merits and adequacy of the implementation of federal legislation by Land authorities on which they have operational discretion.

Within the Länder, the implementation of federal legislation and policies as well as of EU norms and programs has been, to a large extent, transferred to the local authorities, as a rule, by way of “delegating” these tasks to them. In the administra-

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1. See article 84 para 3 Basic Law: “The Federal Government shall exercise oversight to ensure that the Länder execute federal laws in accordance with the law. For this the Federal Government may send commissioners to the highest Land authorities and, with their consent or, where such consent is refused, with the consent of the Bundesrat, also to subordinate authorities”.
tive practice of the Länder the institutional mode of “delegation” implies that, in carrying out the “delegated” functions, the local authorities are subject not only to the legal review (Rechtsaufsicht) by the Land authorities but also to their supervision on the merits and adequacy (Fachaufsicht) of their activities. It has been plausibly argued that, being exposed to such intensive “merits control,” the local authorities are being integrated into Land administration to the point to the point of appearing to be state-listed (verstaatlicht). At any rate, such mode of transferring administrative tasks from the Land to the local level resembles administrative deconcentration rather than decentralization (see Wollmann 2008, Kuhlmann/Wollmann 2014).

The profile of the vertical allocation of administrative functions is evidenced by the distribution of public sector personnel between the levels of government (see Kuhlmann/ Röber 2006, Wollmann/Bouckaert 2006: 18)

- Only 12 percent of the entire public sector workforce are federal personnel
- Almost 90 percent are employed by the sub-national levels
- Fifty-three percent are employed by the Länder
- Thirty-five percent are employed by the local authorities

Besides the federal ministries and federal agencies (Oberbehörden), the federal level is allowed to have subnational field offices only in constitutionally enumerated areas such as national border police, customs offices and the Federal Labour Office (with regional and local offices).

The personnel employed by the Länder which amounts to about half the public sector personnel is made up of the education sector and the police.
Finally the personnel employed by the local government level, which is about one third of the entire public sector personnel, points to the wide scope of local tasks within their local government responsibilities proper, and “delegated” to them by the Land.

4. Vertical distribution of the legislative powers

Since its foundation in May 1949, the Federal Constitution (Basic Law) has been marked by the tension typically inherent in a federal system between a centralist “unitarian” and equality-committed mandate and logic, on the one hand, and a decentralist pluralist/regionalist and disparity/inequality-prone one.

The commitment to equality and to social justice has been solemnly laid down in the introductory fundamental rights chapter of the Basic Law, particularly in article 3 which stipulates that “all persons shall be equal before the law” and in article 20 which proclaims that “the Federal Republic of Germany is a democratic and social federal state.” Moreover, such an obligation can be also derived from article 72 which stipulating “the Federation shall have the right to legislate … if and to the extent that the establishment of the uniformity of living conditions (Einheitlichkeit) (since 1994: equivalent living conditions, Gleichwertigkeit der Lebensverhältnisse) throughout the federal territory or the maintenance of legal or economic unity renders federal regulation necessary in the national interest.” Similarly it is said in Article 106 par. 2 Basic Law that “the financial requirements of the Federation and of the Länder shall be coordinated in such a way as to establish a fair balance, avoid excessive burdens on taxpayers, and ensure uniformity of living standards throughout the federal territory (italics mine, H.W.). Thus, the Basic Law appears deeply imbued with the idea equality and socio-economic equity. On other hand, insofar also typical of a federal state, the Basic Law also opens the path for the emergence of regional disparities and inequalities by assigning to each Land exclusive legislative powers to adopt legal provisions of its own. In fact, in a early leading decision of February 25, 1960, the Federal Constitutional Court
recognized that “the legislator (of each Land) is not prevented by Article 3 of the Basic Law (“all persons shall be equal before the law”) from adopting (Land) specific legislative provisions (Sondergesetze) if specific conditions require or warrant this.” In a later decision, in confirming its earlier dictum jurisprudence, the Federal Constitutional Court spelt out “that legal provisions that differ from Land to Land are not only admissible, but are intended (beabsichtigt). The promotion of plurality is an essential element of the principle of the federal state. The principle of equality is thus not applicable in the case of an inequality which follows from legal provisions that are passed by different legitimized authorities (verschiedene Kompetenzträger) (for further references see Mellinghof/Palm 2008: 73-76 and Wollmann 2013: 102).

In the following, at first (4.1.) the vertical distribution of legislation powers will be sketched that existed prior to the Federalism Reform of 2006. Subsequently (4.2) the changes that have been effected by the reform will be outlined.

4.1. Vertical distribution of legislative powers prior to 2006

Four relevant types of legislative competences were discerned.

- Exclusive legislative powers of the Federation,
- “Frame-setting” legislative power (Rahmengesetzgebung) of the Federation,
- Concurring (konkurrierende) legislative powers,
- Exclusive legislative powers of each Land

4.1.1. Exclusive legislative powers of the Federation

Under Article 73 Basic Law, exclusive legislative powers of the Federation pertained particularly to foreign affairs and defence, including protection of the civilian population; (national) citizenship; passports, immigration, emigration, and extradition; currency, money and coinage, weights and measures etc.,

4.1.2. Frame-setting legislative powers (Rahmengesetzgebung) of the Federation

Under the frame setting legislative scheme (Article 75 Basic Law) the federal legislator was given the power to define the
legislative frames (*Rahmengesetzgebung*) while it left to each of the *Länder* to fill in the details by way of *Land* legislation of its own. Legislative matters that fell under the frame-setting scheme were:

- regulating the legal relations of the public personnel/civil servants employed by the *Länder* and the local authorities,
- regulating the general principles of the “system of higher education” (*Hochschulwesen*)

When inserting the frame setting legislative provision in the Basic Law of 1949 it was expected that the federal legislator would restrict itself to just setting the legal frames, while leaving it to the individual *Länder* to legislate on the details. Over the years, however, in its legislative practice the federal legislator tended to make ample use of its frame setting legislative powers so that the space for the individual *Land* legislator to adopt *Land*-specific provisions, in fact, became mince.

### 4.1.3. Concurrent (*konkurrierend*) legislative powers

Under the concurrent (*konkurrierend*) legislative scheme (article 72 Basic Law), in principle, both the Federation and each of the *Länder* have the legislative power to adopt legislation of their own, but as soon as the federal legislator decides to make use of its concurrent (federal) legislative power, federal legislation prevails and abrogates possibly already existing *Land* legislation. When this legislative scheme was introduced in the Basic Law of 1949 it was expected that that adoption of federal legislation by the federal legislator would be the exception rather than the rule. To this effect the afore-mentioned constitutional provision of article 72 paragraph 2 Basic Law (“The Federation shall have the right to legislate on these matters if and to the extent that … renders federal regulation necessary in the national interest”, italics mine, H.W.)\(^2\) was meant and designed as a restraint and restriction on the federal legislator. However, in an early landmark decision in 1953, the Federal Constitutional Court ruled that it was left “reasonable discre-

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2. As already mentioned, the full text of article 72 Basic Law reads: “The Federation shall have the right to legislate on these matters if and to the extent that the establishment of uniform (*einheitliche*) (since 1994 equivalent, *gleichwertige* living conditions throughout the federal territory or the maintenance of legal or economic unity renders federal regulation necessary in the national interest)”
tion” (pflichtgemäßes Ermessen) of the federal legislator to decide as whether the constitutional requirement that a “federal regulation... was necessary in the national interest” was actually met. On the top of this, the Court laid down that the exercise of the reasonable discretion by the federal legislator was not judiciable, meaning not being judicially reviewed by the Court. Thus, the Court took a noticeably unitarian-centralist, Federation-friendly rather than pluralist-decentralist Länder-friendly stand. Subsequently, probably interpreting this Court decision as a kind of legislative carte blanche, the federal legislator has make extensive use of the “concurrent” legislative power which left hardly any space for the Länder for legislation of their own.

As over the years the constitutional catalogue of legislative matters that fall under the concurrent legislative power (article 72 Basic Law) clause kept being extended by numerous constitutional amendments federal legislation and hence country-wide uniform legal provisions have come to prevail in the country’s “law of the land” in moving Germany’s legal world to what has been labelled as, with a critical connotation, “unitarian Federal State” (unitarischer Bundesstaat, Hesse 1962).

4.1.4. Exclusive legislative powers of the Länder

While federal legislation has come to prevail in Germany’s “law of the land,” it should not be overlooked that the Basic Law of 1949 has assigned a significant set of exclusive legislative powers to the Länder on the basis of which a significant body of Land-specific legislation has come into existence.

Some of these areas of Land legislation shall be briefly highlighted in the following.

- Each of the Länder has the exclusive legislative power to enact local government constitutions/municipal charters of its own. It should be highlighted that, save article 28 paragraph 2 Basic Law which stipulates an “institutional guarantee” of local self-government (kommunale Selbstverwaltung), there is not further federal regulation in this regard.
- Education, including (primary and secondary) schools as well as higher education (universities) is traditionally an exclusive policy and legislative responsibility
of the Länder and is seen by them as being part and parcel of their politically cherished and jealously defended “Sovereignty in Cultural Matters” (Kulturhoheit). Accordingly, all public schools and universities are run and financed by the Länder. Hence, on the basis of their pertinent exclusive legislative power each of the Länder has adopted legislation on schools called the Land School Act and on universities called the Land University Act, the latter within the legal parameters set (until 2006) by the pertinent federal frame legislation.

- In line with their traditional responsibility for the police each of the Länder has a police law of its own.
- Within the responsibility which the Länder have for the maintenance and protection of public order (öffentliche Ordnung) each of them enacted legal provisions on related policy fields, such as building regulations (including the issuance of building permits etc.), emission control, noise control, health hazard control.

In order to coordinate and possible harmonize among themselves the exercise of this legislative powers the Länder have a great number of (be it permanent or adhoc) joint bodies in the pursuit of what has been called “cooperative federalism” (kooperativer Föderalismus) over the years.

Thus, for example, a periodically convening conference of the sectorially responsible Land ministers has the task to harmonise the different Land building regulations by elaborating and agreeing on a model building regulation (Musterbauordnung).

In the field of education sundry such joint bodies and commissions have come into existence, for instance, the “permanent conference of Land ministers for cultural matters” (Ständige Kultusministerkonferenz) which as a permanent office and staff of its own or the Conference of University Presidents (Rektorenkonferenz).
5. The federalism reform of 2006

5.1. Political background and context

In recent years the federal legislative system and process has come to be increasingly criticized particularly for two reasons.

For one, as already mentioned (see above 3.2.), the federal legislative process was seen to be hampered and fettered particularly by the expanding share of consent-requiring legislative bills (Zustimmungsgesetze) which enhanced the veto power-clad involvement of the Federal Council in federal legislation and resulted, especially in “cohabitations-type” political constellations in the Federal Parliament and the Federal Council blocking each other. So, primarily the federal level was keen to reduce the percentage of consent-requiring legislative and thus to facilitate and unfetter the federal legislative process.

Secondly, the mounting preponderance of federal, somewhat centralized and unitarian legislation and the corresponding shrinkage of decentralized Land legislation came to be increasingly attacked for eroding the political weight of the Länder and particularly for dwarfing the Land parliaments.

Against this background, the federal government and the Länder governments agreed in mid-October 2003 to set up a Reform Commission composed of 16 representatives from the Federal Parliament and the Federal Council each and was mandated to ‘modernise the federal system” (see Gunlicks 2005, Wollmann/Bouckaert 2006: 29, Wollmann 2010). It took two rounds of conflictual discussions and give-and-take negotiations before a compromise was reached. The ensuing constitutional amendment went in force on September 1, 2006 (for details see Gunlicks 2005, 2007, Wollmann 2010: 84 ff.).

5.2. Changes in the involvement of the Federal Council in the federal legislative procedure

It was replaced with the amended article 84 Basic Law according to which the Länder was given the power “to provide for
the establishment of the requisite authorities and regulate their administrative procedures … where (they) execute federal legislation in their own right.” Hence a major driver of consent-requiring legislation and of veto power-gladd involvement of the Federal Council has been removed.

5.3. Reform of the distribution of legislative powers in the intergovernmental setting

5.3.1. Abolition of the “frame setting” legislative power of the Federation

The frame setting legislative power of the Federation has been abolished altogether. The cancellation of the frame setting scheme on the system of higher education (Hochschulwesen) (Art 75 Basic Law – old –) marked the all but complete retreat of the education sector. This was accompanied by quashing the Joint Task of University Construction and Education Planning (Art 91b of the old Basic Law – old -). It epitomized in what has been labelled called a ban of cooperation (Kooperationsverbot) between the Federation and the Länder, including financial matters (article 91 b Basic Law – new - 3). Hence, the far-reaching responsibility of the Länder over the education sector now seemed to be complete politically, legally as well as financially.

The abolition of the frame-setting scheme on the “legal relations of the public personnel/civil servants employed by the Länder and local authorities” had far-reaching repercussions as well since each of Länder can now pass its own pertinent legislation, including the sensitive regulation of salary schemes.

5.3.2 Concurrent (konkurrierende) legislative powers

In order to counteract and scale back the expansion of federal legislation that had resulted from the old version of Article 72 Basic Law, among others, a remarkable institutional innovation has been made by introducing the legislative mechanism of the “deviation from” or “variance with federal legislation”

3. Article 91b Basic Law (new) “the Federation and the Länder may mutually agree to cooperate in cases of supranational importance in the promotion of research facilities and projects apart from institutions of higher education” (sic!).
This new legislative provision pertains to a fairly broad gamut of legislative matters such as protection of nature and landscape management, land distribution, regional, management of water resources. It means that if the federal legislator decides to make use of this concurrent legislative power by enacting pertinent federal law provision, each Land may decide adopt a piece of Land legislation in deviation from that federal law provision (“at variance with”, in the wording of Article 72 paragraph 3 Basic Law – new). The conspicuous legislative novelty is that such piece of Land legislation would have the effect of abrogating the respective federal law provision whereby the otherwise stringent constitutional principle that “federal law overrides Land law” (Article 31 Basic Law) would be suspended and reversed. Indeed the “deviation from/at variance with” clause has the potential of opening the constitutional avenue for the emergence of diversified Land legislation which could possibly exist side by side, depending on the individual Land, with federal legislation. Up to date, however, on the basis of available information, hardly any noticeable use has been made of the deviation scheme.

5.3.3. **Exclusive legislative powers of the Länder**

The hitherto already-existing scope of exclusive legislative powers of the Länder (see above 4.1.4) has been noticeably enlarged by the Constitutional Reform of 2006, pertaining particularly to:

- Regulating the penal system,
- law concerning assemblies and processions,
- law on restaurants, and
- shop closing hours.

5.3.4. **Some observations on the impact of the federalism reform of 2006**

In the meantime most Länder, in making use of their newly gained legislative power on public personnel have turned to individually regulate employment conditions and the payment scheme of their personnel and that of the local authorities. As a

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4. In such a case the federal legislator may, in turn, decide to adopt a new piece of federal legislation and thus abrogate the respective Land law – in what in the subsequent legal debates has been depicted as a possible “ping-pong” sequence of legislative activities.
result, the salary and pension plans of civil servants have begun to vary considerably from one *Land* to the other. So particularly the financially and economically “potent” *Länder* (such as the *Land* of Baden-Württemberg) have been ready and able to offer better employment and salary conditions moreso than their “financially needy” counterparts (for instance the City State of Berlin). The different employment conditions and payment level between the *Länder* has proven to attract or deter qualified personnel in their search for employment in one *Land* or the other. There have been examples that a *Land* has explicitly set on advertising its better employment and salary conditions in order to lure qualified personnel from other *Länder*.

The education sector is probably the most noticeable and most controversial policy field where the traces and impacts of earlier and recent political and legislative decentralization can be observed. As education is the policy field in which the *Länder*, have been assigned since the establishment of the Federal Republic in 1949, far-reaching political and legislative powers which are seen to are key in their highly valued “Sovereignty in Cultural Matters” (*Kulturhoheit*). Thus the discussion about the pros and cons, about light and shadow of the decentralization of powers to the *Länder* has accompanied the development of this policy field from the outset. By the advocates of such far-reaching decentralization a major asset has been seen in giving the *Länder* the power to tailor the regulation and operation of the institutions of schools as well as of universities to the regional givens, demands, and interests. Furthermore the competitive and experimenting potential of such decentralization has been highlighted by its sympathizers. In fact, during the late 1960s and 1970s the *Länder* conducted large-scale “social experiments” in “testing” different systems of (primary and secondary) education (see Wollmann 2013b for references). The sundry rounds of PISA Evaluations and the related “benchmarking” have further accentuated this “competitive” dimensions and its dynamics between the *Länder*.

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5. To illustrate the socio-economic disparities between the Länder: the GDP per gainfully employed person ranges (as of 2008) between 71,000 Euro in the (West German) Land of Hesse and 48,000 Euro in the (East German) Land Mecklenburg-Vorpommern; similarly the unemployment rate stands (as of 2010) at 4.2 percent in the (West German) Land of Bavaria and at 12.2 percent in the (East German) Land of Sachen-Anhalt.
The critics of the far-going decentralization of school and university policy have, from early on, highlighted not only the ensuing institutional fragmentation, but also the inequalities in the education opportunities for young people that result from such interregional parochialism (Partikularismus, Kleinstaaterei).

The Federalism Reform of 2006 has been widely criticized not only for having remedied some shortcomings of the education system but also for having aggravated them. There is all but general agreement that the federalism reform of 2006 has gone too far in vertically disentangling the legislative and political powers and responsibilities in the education sector. The epitome of this “failed” reform is seen in the aforementioned ban of cooperation (Kooperationsverbot) (Article 92b Basic Law – new) by which the cooperation, between the Federation and the Länder has been practically ruled out.

In the meantime almost everybody (including the new federal “grand coalition” government currently being formed) agrees that a “reform of the reform” is mandatory, including the Kooperationsverbot. So the reform pendulum appears to swing back.

6. Concluding remarks

Since its foundation in 1949, Germany’s (originally West Germany’s) federal system has been marked by the inherent tension that can be captured in the conceptual pairs of unitarian versus regional, country-wide equality versus inter-regional disparity and inequality-prone, homogeneity versus heterogeneity, and solidarity versus competition.

On the one hand, since its origin in 1949, the country’s federal system has been normatively and politically guided by the principles of equality and social equity as laid down in Article 3 Basic Law (“all persons shall be equal before the law” and in the Constitutional Proclamation (in Article 20 Basic Law) commitment to the Federal Republic being a “social federal
State” as well as highlighted in the constitutional reference (in article 72 Basic Law). The commitment to national solidarity became rooted in the country’s political values (even in its “political DNA”) by the unprecedented social and economic catastrophe that was caused and left by Hitler Germany’s war and defeat, when millions of destitute and homeless Germans from eastern provinces poured into the old Reich calling for solidarity and collective action.

On the other hand, from its outset, the country’s federal system has, due its political decentralization and vertical division of power, has been conducive to generate regional differentiation and legal as well as socio-economic disparities. It’s noteworthy to recall that the Federal Constitutional Court has acknowledged that interregional inequality by way of Länd-specific legislation may be not only normatively acceptable, but may also be regarded as a constitutionally intended (beabsichtigt) feature of the very fabric of federalism.

In the further development, not least, during the 1950s well into the 1960s, in order to cope with the unprecedented tasks of post-war physical, economic and social reconstruction, the legislative powers of the federal level kept being expanded, while those of the Länder correspondingly shrank, thus ushering in what has been (critically) labelled a “unitarian federal State” (Hesse 1962).

It was one of the main leitmotifs of the federalism reform of 2006 to halt and revert this unitarian trend by decentralizing another set of legislative powers to the Länder and their parliaments. As a result, the legislative powers of the Länder have been significantly extended.

For one, a merit and asset of such widened legislative powers of the Länder can seen in the enlarged capacity of each of the Länder to tailor the legal provisions to the givens, needs, and interests of the regional population. At the same time, however, the risk of the emergence of further (normatively problematic) legal and socio-economic disparities and inequalities
has grown which is evidenced, as was hinted at earlier, by the difference in the salary schemes from Land to Land or by further disparities in the education sector. Yet, first the dictum of the Federal Constitutional Court should be called to mind that interregional inequalities are constitutionally acceptable as being part and parcel of what federalism is all about. Furthermore, the counterbalancing mechanisms and principles which have been characteristic of the German federal system, including the joint bodies of “cooperative federalism,” the financial equalization between the Länder (as prescribed by article 107 Basic Law), the constitutional maxim of “federal loyalty” (Bundestreue) as well as a politico-culturally shared commitment to “solidarity.”

Second, the constitutional reform of 2006 has, no doubt, also reinforced the competitive element in Germany’s federal system. On the one hand, as past experience shows, such competition between the Länder has borne positive fruits. For one, the aforementioned school experiments conducted by the individual Länder in the 1960s are a case in point. Furthermore, the field of local government constitutions/municipal charters for which the Länder have the sole legislative responsibility is exemplary. Between the 1950s and the early 1990s a plurality of local government constitutions were in place in the individual Länder which proved a kind of “laboratory” for the operation and performance of different local government charters. In the early 1990s in a remarkable sequence of individual legislative acts all Länder finally adopted one model (see Wollmann 2005, 2008: 86 ff.) in what can be interpreted as a process of (intra-federal) mutual learning. By contrast, the aforementioned example of Länder luring qualified personnel from each other by way of different payment schemes may point at negative fallouts of interregional competition signalling some “intra-federal Darwinism” of making the stronger even fitter. However, also at this point, the existing institutional and cultural mechanisms of the federal system, not least the imperatives of “federal loyalty” and politico-cultural “solidarity” can be called upon and expected to institutionally hem in and culturally discipline such (excessive) processes.
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Decentralization of Education in Turkey: A Magic Formula to Instill Quality into the System?
Üstün Ergüder and Emre Üçkardeşler

Turkey has set ambitious goals for 2023, the centennial year of the founding of the Republic. On many occasions Turkish policy makers stated that Turkey aims to be among the top 10 economically developed countries of the world. Many analysts agree that to achieve that goal Turkey has to break out of the vicious circle of the middle income trap that the country currently finds itself in. Furthermore, it is often argued, as one of the authors of this paper has done elsewhere, that Turkey has to significantly improve the quality of human capital that will in turn, hopefully, lead to an economy in which technology, innovation, and higher added value investments are the order of the day. The realization of these goals, however, require not only increasing public and private funds devoted to education but also restructuring the way the education system is managed as well as how education is delivered and connected to varying needs of the population.

This paper will focus on K-12 education. The authors agree that investment in and reform of the K-12 system is of top priority to improve the know-how and the quality the students feeding into the higher education system, which in turn has the potential of upgrading education and research in the universities. The challenges that the Turkish K-12 education system will be facing in the next decade are of a tall order. They may be summarized as followed:

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- Increase enrollment rate in pre-school, primary, and secondary education to 100%.
- Improve the quality of vocational education.
- Implement a national policy of foreign language education.
- Digitalize the whole education infrastructure and materials and come up with innovative software geared to the needs of teachers and students.
- Decrease gender disparities in education.
- Decrease student-teacher ratio to 20-to-1.
- Increase the quality of teaching by reforming in service teaching training programs while at the same time upgrading the faculties of education in the universities to make them attractive to talented students.
- Improve education management by implementing national standards and quality framework.
- Prepare students to university in a more flexible education system.

In order to cope with the above-mentioned challenges and realize ambitious goals set for education, Turkey needs to restructure its education governance which is extremely centralized. It leaves no room for self-governance, innovation, and initiatives by local institutions and schools. The resource allocation (funding) mechanism is also highly inefficient in that (or meaning) schools have almost no power. This paper does not necessarily argue that decentralization is the magic solution to automatically instill quality in the education system. Yet, in the light of the conceptual and empirical literature on education governance, we argue that there is a lot to be gained from a certain scale of decentralization and governance reforms, especially if the education outcomes (school and student performance) are kept at the center of the reforms.

What is Education Decentralization? Topography of Education Governance

Public policy literature is very rich with definitions of “decentralization.” Within the context of this paper, we define decentralization as a process of delegating or devolving educational authority and responsibility from the central government to regions, provinces, districts, schools, and school communities.
Education has always been one of the issues at the center of decentralization debates due to two reasons. First, education is a multi-layered field of public administration. Some elements of this multi-layered structure include planning, developing, implementing, and monitoring of educational policies; financing of the education system; the division of labor and accountability frameworks within the education ministry and its central and local directorates. Second, education is a very particular—and highly contentious—field of state-society relations. The length and content of compulsory education, compulsory and elective courses provided to students, the cultural and social-engineering goals the education system is expected to fulfill, the relation between education and social mobility, the relation between education and human capital formation, socioeconomic inequalities in access to quality education are primary instances of the contentious aspect of education. In other words, education governance is always political as well as technical.

Table 1 summarizes the OECD framework for education governance on the basis of functional areas of decision-making. Decisions on education systems are organized across four general domains of decision making: organization of instruction, personnel management, planning and structures, and resource management. It is clearly observed that decentralization in education governance is multi-dimensional and would involve, according to the context in which it is operational, different mixes and formulas. Differences in where decisions are made depend on the domain. Decisions in the organization of instruction are predominantly made at the school level whereas decisions in planning and structures are usually to be made at the central or state levels. Schools could be simultaneously experiencing greater autonomy in some areas and sub-areas (such as financing, personnel management, teaching methods) and less autonomy in others (compulsory curriculum, student assessment). On the other hand, decentralization-recentralization across fields of education policy does often occur mostly concurrently.
Table 1: OECD Education Governance Framework

| Organization of Introduction | • Select Schools  
|                             | • Set instruction time  
|                             | • Define curriculum  
|                             | • Determine content  
|                             | • Teaching methods  
| Personnel Management         | • Recruitment of teachers and managers  
|                             | • Set teacher pay scale  
|                             | • Assessing teacher responsibilities  
|                             | • Determine provision of in-service training  
| Planning and Structures      | • Create/close schools  
|                             | • Selection of programs offered in schools  
|                             | • Definition of course content  
|                             | • Set examinations to monitor student and school performance  
|                             | • Set long-term targets of education policy  
| Resources                    | • Allocate education personnel budget  
|                             | • Allocate non-education personnel budget  
|                             | • Allocate resourced for in-service teacher training  
|                             | • Allocate resources for target interventions  

As Figure 1 indicates, there are differences in the distribution of decision-making powers across the fields of education governance among OECD countries.

Figure 1: A Graphic Illustration of Differences of Decision Making Powers across OECD Countries (OECD Average)

What is expected from Education Decentralization?
Table 2 below summarizes expectations from decentralization according to four criteria.

Table 2: Four Dimensions of Expectations from Decentralization

<table>
<thead>
<tr>
<th>Political/Cultural</th>
<th>Administrative</th>
<th>Economic</th>
<th>Educational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition of cultural differences and local demands.</td>
<td>Effective response to needs at school regions.</td>
<td>Resources Allocated to Education (Taxes, Private Contributions).</td>
<td>More teacher autonomy, and, initiative and possibly innovative interventions tailored to special student groups.</td>
</tr>
<tr>
<td>Better embrace and internalization of education policy by local population.</td>
<td>Efficiency in resource allocation.</td>
<td>Synergies of local cooperation.</td>
<td>More efficient measurement of learning Outcomes</td>
</tr>
</tbody>
</table>

Political expectations are perhaps more difficult ones to meet in national contexts where education policy is highly politicized. Turkey may be cited as a case where education has played a very important role in nation building since the founding of the Republic in 1923. A central goal for the founders of the Republic was how to instill national identity, Turkishness, in a society highly heterogeneous with respect to ethnicity and religion. Furthermore, education has traditionally been an important vehicle of upward social mobility in the society. Sam Kaplan in his book *The Pedagogical State* points out: “Education, childhood, and child development have become tropes with which whole variety of social and political imaginaries are woven in Turkey.”¹ A vast and centralized bureaucracy was constructed under the Ministry of National Education (MONE) imbued with the goal of building a society and a political culture where citizens share the same language, culture, ideals and a reverence for the central role of the state. The principles of the Atatürk revolution of 1923, among which a secular order figured prominently, were instrumental in defining what political and social values will be passed on to the children of the Turkish Republic. This in turn made education an important political axis of contention between secularists and those who opposed the implementation of secularist policies in Turkey.²

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2. Consider the current debate in Turkey revolving around religious schools and insertion of courses on religion into the school curricula.
The other three dimensions summarized on Table 2 have less to do with ideology and are more technical and related to performance. What are some of the comparative findings with respect to these three dimensions that might help shed light on Turkish attempts at decentralization? According to OECD’s Programme for International Student Assessment (PISA) results, prevalence of school autonomy in defining and elaborating curricula and assessment relates positively to the performance of the school systems. Yet, the relation between school autonomy in resource allocation and personnel management and school performance differ by country. On the other hand, within countries where schools are held accountable for their results through posting achievement data publicly, schools that enjoy greater autonomy in resource allocation tend to do better than those with less autonomy.

One must also keep in mind that some forms of decentralization may increase inequality between provinces, districts, and schools. This may especially be true if decentralization leaves provinces and regions to their own financially and are completely dependent on the local tax base and arrangements. Lawrence Katz aptly puts that in the U.S “decentralization was wonderful for the initial diffusion of high schools; but it created geographic inequality.”

In Turkey, centralization was useful in increasing access to basic education, enrolment, and aiding nation building. Current criticisms directed at the system include the failure to meet the contemporary demands of the knowledge society centered on human capital development, technological breakthrough, political participation, and democratic recognition of local needs. Certain aspects of the Turkish education system runs counter to what we expect from a decentralized system that brings education policy and implementation closer to localities, schools, and stakeholders.

Amanda Ripley makes an interesting observation about Finnish education reforms in the 1980s. Finland set out to improve teacher education and training by raising academic standards and upgrading faculties of education to the most prestigious universities in the country. Teacher salaries were also increased making teaching a vaunted profession in the country attracting talent to schools of education. Dismantling central regulations and giving more autonomy to teachers and schools regarding the organization of instruction, textbook setting, and exams were an important part of the reforms. Furthermore, other reforms measures undertaken include abolishing conventional school inspections and replacing them with outcome-oriented accountability measures as well as monitoring school performance by selected sample instead of massive exams for all students. Ripley argues that these measures improved the performance of schools and students putting Finland at top in terms of international performance measurements such as PISA and Trends in International Mathematics and Science Study (TIMMS). Figure 2 outlines the trends in school autonomy among OECD countries.

Figure 2: Comparative Picture and Trends in School Autonomy: Share of Decisions Taken at the School Level


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6. Ripley (2013), see Chapter 5 and 8.
It is probably safe to say that that there is not one magic formula for decentralization. There are a variety of outcomes of decentralization and school autonomy reforms. The relation between education governance and education outcomes is not uniform. Mixed results are to be expected in any reform. Each national context has its own peculiarities. It may be difficult to clarify roles, responsibilities, and accountability among the central and local agencies, including schools. There may be differences with respect to the resources and capacity of local agencies to perform new tasks. There may be ownership problems among local agents and the central government within a decentralized system of sharing responsibilities. Failure to adapt the central agency (ministry) to new tasks such as monitoring and long-term planning in the new decentralized framework may lead to confusion.

**Turkish Education Governance Structure and Decentralization**

It is possible to state there is a consensus among several stakeholders that the Turkish education system needs to be less centralized. Under the Basic Law of National Education of 1973, the MoNE is governing the education system. MoNE’s general directorates and their sub units are responsible for all aspects of the education policy. Provincial and District National Education Directorates across 81 provinces support the implementation of education policy, i.e. they locally put into practice the decisions taken centrally at the MoNE’s general directorates.

Among the OECD countries, Turkey has the most centralized and top-heavy system, leaving no room for self-governance, local innovation, and initiatives for local institutions and

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schools. Resource allocation (funding) mechanisms are quite inefficient, as they leave no room for input from schools and local stakeholders. Politically, the system is geared to impart an ideology that emphasizes a reverence for the state versus the individual, and learning by rote memorization at the expense of critical thinking. In the current structure, more than 60 percent of education decisions are taken in Ankara by MoNE’s core bureaucracy. The directorates of the MoNE in provinces and districts (which cannot be called truly local institutions) take 20 percent of all education decisions, and schools are responsible for the remaining 20 percent. In contrast to the OECD average in which 35 percent of education decisions are taken by central administrations (ministries of education). Schools are responsible for 40 percent of decisions, and provincial/regional bodies take the remaining 25 percent of all education decisions. To summarize, the share of non-central agencies in all education decisions is 65 percent at the OECD, whereas the share is only 20 percent in Turkey (Figure 3).

**Figure 3: Distribution of All Education Decisions by Decision-Making Location Turkey, OECD Average, and EU21 Average**

As one can see in Figure 4, the level of autonomy schools exercise in decisions is very low in Turkey. We must also note that even school level decisions are taken within a strict framework of regulations set by MoNE.
Education Governance Area 1: Organization of Instruction

The level of authority of Turkish schools in the organization of instruction is below the OECD average, although the difference between Turkey and OECD in this area is smaller than in some other areas of instruction (Figure 5). Since school is the site at which the education takes place, across OECD schools have higher – and converging - levels of authority in the organization of instruction and schools predominantly take decisions on the organization of instruction. On the other hand, schools in Turkey have practical difficulties in fully exercising their authority/autonomy in the organization of instruction. For example, in theory, schools can choose compulsory and supplementary textbooks as well as education materials to be used in classes. Yet, the MoNE’s policy on the free distribution of textbooks makes it difficult for teachers to require the books that are not distributed by the MoNE since in most cases parents are reluctant – or cannot afford- to pay extra for textbooks. Unless the portfolio of books purchased and distributed by the MONE is expanded or the price of any textbook required by schools is reimbursed to the families, the ability of schools to use their preferred textbooks will be limited. Turkey’s FATIH project, which aims to digitalize the entire education infrastructure, may help to increase school autonomy in the organization of
instruction if a sufficient reservoir of digital education material is produced and made available to all. Another obstacle for the autonomy of schools in the organization of instruction is the recently introduced central exams for transition to upper secondary education. All 6-8th grade students will be required to take these centrally-administered exams that will be given in six subjects every semester. It remains to be seen whether this new exam scheme will seriously diminish teacher initiative and autonomy in the organization of instruction, especially in the content and timing of the curriculum.

**Figure 5: Distribution of Decisions in Organization of Instruction OECD Average and Turkey**

![Figure 5: Distribution of Decisions in Organization of Instruction OECD Average and Turkey](image)


**Education Governance Area 2: Personnel Management**

Personnel management is an area in which schools in Turkey have no power. As Figure 6 indicates, schools in OECD countries do not have enormous authority in personnel management either. Personnel management decisions are largely shared between central administrations, federal state administrations, local administration (municipalities), and schools. In other words, most decisions on personnel management are taken at the local or school level. In Turkey, however, the power is concentrated in the central administration (MoNE) and in the “local” directorates of the central administration. The limited authority schools in Turkey have in personnel management is mostly about the management of non-education personnel (support and custodial services, contracts for transportation of students etc) and only to an extent about the hiring of temporary (contract) teachers. Thus, the management of education personnel widely takes place outside the school.
Education Governance Area 3: Planning and Structures

Across OECD countries, schools are least likely to make autonomous decisions related to planning and structures. Such a situation is not surprising since this area is about the medium to long-term planning of national education goals and policy and their relation to other public policy issues such as skills, social capital formation, demographic trends, school-to-work transitions, tertiary education goals etc. In planning and structures, Turkey does not differ significantly from countries in the OECD.

Education Governance Area 4: Resource Management (Allocation of Funds)

In Turkey, the main education expenses and salaries of teachers and some non-education personnel are financed by the central government. Turkey is among the few countries in which schools have no spending autonomy (Figure 8).

Figure 8: Distribution of Decisions in Resource Management (Fund Allocation) OECD Average and Turkey


In pre-primary, primary, and secondary education, the central government allocates public funding from the national budget for operational and personnel costs, such as staff and teaching material. Public primary and lower secondary schools in Turkey are not designed as units that can receive and allocate public funds. Upper secondary schools (lycee) can receive funds directly from the MoNE, yet only for current expenditures. Current expenditures at primary and secondary schools are financed in two ways. (1) MoNE’s Provincial Directories and Ministry of Interior’s Province Special Administrations send funds (from the MoNE budget) to schools for current expenditures.Province Special Administrations also allocate 20 percent of their funds to schools. This is an extremely bureaucratic and inefficient mechanism. (2) School-Family Associations (composed of parents and teachers) at each school create funds for current expenditures by collecting donations and
support fees from parents and by leasing school facilities such as the cafeteria, parking lots, etc. In theory, it is forbidden for schools to demand such donations yet it is done at almost every public school. With these self-created funds, schools can buy equipment, but no real property; can employ personnel but no teaching staff. School-Family Associations have turned into a money-generating institutional arrangement, rather than a participatory mechanism for education governance at the local level. It is widely noted that many public schools have become highly dependent on private sources to run the schools. It is not possible to calculate the size and distribution of private contributions to public schools at the national level but research at various localities demonstrate that private contributions to public schools are the norm not exception.

Private schools in Turkey are financed by tuition fees paid by households. The price of private school fees is determined in the market and the prices vary greatly. Private schools are much more autonomous than public schools in their education decisions. Approximately 3 percent of all students attend private schools; hence the share of private schools in primary and secondary education is very low.

Municipalities in Turkey do not have a role in financing primary and secondary schools but provide ad-hoc support (in repairs, infrastructure, construction, cleaning, landscaping) to schools upon the request from the principals of the school. There is an urgent need in Turkey to simplify and optimize the way schools are financed for their current education expenses.

**Recent Policy Developments in Education Governance and Decentralization in Turkey**

In a number of Five Year Development Plans and government programs since the mid 1990s, decentralization of the education system has been mentioned as one of the priority areas of public policy reform. Yet, most of these documents remained

short of providing any roadmap. A more thorough roadmap emerged with the MEBGEP Project and its main product, Green Paper. The MEBGEP Project was a comprehensive analysis of the MoNE’s administrative structure and the Green Paper suggested a policy reform to decentralize education governance and to increase both participation and accountability. The reform plan was largely informed by the notion of democratic governance and inspired by the accession strategy of the European Union. The Green Paper’s policy proposals have not been translated into practice. Instead, the government, through decree issued in 2011, chose to dramatically reshape MoNE’s central administrative structure. The structure of MoNE’s central administration has been scaled down, the number of personnel was decreased, and several directorates were closed and/or merged with others. A new cadre of education specialists was also created along with a new path for education specialists to become career bureaucrats. Strong decision-making powers once held by the Board of Education (Talim Terbiye Kurulu) were curtailed in regards to the organization of instruction. The decree itself, however, did not envisage the decentralization of the whole education system. It simply aimed at creating an efficient central administration. It is difficult to argue that this new restructuring of MoNE was based on the democratic governance and participation principles that were largely central to the Green Paper. In other words, the restructuring of the MoNE by decree prioritized quick and non-bureaucratic decision making by the Minister and the Undersecretary but did not spread decision-making power across MoNE’s central administration, its directorates in provinces, districts, and schools.


5. MEBGEP stands for Milli Eğitim Bakanlığı Geliştirme Projesi (Capacity Building Support Project for the MONE), MONE and EU.


7. Decree No: 652, 2011, Resmi Gazete (Official Gazette), No: 28054
MoNE’s 2010-2014 Strategic Plan and the recently passed 2014-2018 Development Plan include some indications of decentralization of the education system. Both plans aim to improve the budget making and implementing capacity of schools, and propose to increase collaboration of MoNE with local stakeholders, municipalities, and civil society in the development of education programs. It is anticipated that MoNE’s 2015-2019 Strategic Plan (which is currently being prepared) will include similar goals. Nevertheless, the extent to which education governance reform ideas in policy documents will be put into practice is yet to be seen.

An important recent change that affects the way in which primary and lower secondary schools are financed for their current expenditures came with the Metropolitan Municipalities Law in 2012. The law abolishes Province Special Administrations (process is still ongoing) in 30 provinces. Since the current expenditures of primary and lower secondary schools have been financed via Special Province Administrations, a new way to finance schools has to be devised. As an interim solution, in the 2013-2014 academic year, the Provincial and District Directorates of MONE are authorized to allocate current expenditure funds to schools. However, because the resource allocation is being done very unsystematically and inefficiently, schools report problems such as failing to pay bills or finishing repairs due to delays in receiving funds.

During the 2000s, two legislative attempts that would have increased the role of local administrations (municipalities) failed. First, in 2004 the government passed a Public Administration Reform Law increasing the power of Special Province Administrations in education governance, giving clearer roles to municipalities in supporting the infrastructural needs of the primary and secondary schools, and allowing municipalities to open and manage early childhood education centers. The president of the Republic, however, vetoed this legislation. Secondly, in 2007, the Constitutional Court cancelled certain articles of the Municipalities Law, which had made it possible for municipalities to provide early childhood education.
Concluding Remarks: Potential Areas of Improvement/Reform in Education Governance and Decentralization in Turkey

Constitution and Democratization Processes
Since the delegation of power to local authorities has been deemed as a challenge to the unitary structure of the Turkish state, an important factor shaping the form and content of decentralization in public administration and education in Turkey will be developments regarding democratization and the new constitution. The future of bilingual education and/or education in the mother tongue in public schools in Turkey is strongly related to such political developments. Education in mother tongue is, thus, both a technical (governance) issue related to the area of the organization of instruction and a political issue that requires social consensus and legislation. In 2013, education in mother tongue enjoyed a central place in the public debate on democratization. The final outcome, however, has been a regulation allowing education in other than Turkish at private schools. Since the final legislation is not drafted, it is not clear whether education in a language other than Turkish will be allowed across the whole private K-12 education or merely in upper secondary schools. Similarly, the outcomes of democratization and constitution processes would possibly help re-defining the role of municipalities in education. More on this is in the following section.

Municipalities
As stated in above pages, municipalities in Turkey do not have formal and substantial roles in education other than providing ad-hoc support for infrastructure, maintenance, and repairs. Two attempts at giving more roles in early childhood education were also turned down by the president and Constitutional Court, as mentioned above. On the other hand, there is an increasing presence of municipalities in providing childcare and early childhood education by developing collaborations with the MoNE, local civil society, and international organizations such as UNICEF. The MoNE officials also state that they consider municipalities as a significant stakeholder in increasing

enrollment in early childhood education.9 It can be said that the attempt at preventing municipalities from being active in early childhood education is practically bypassed in several ways. Also, some municipalities, in collaboration with educational institutions, offer vocational programs to those who want to be support staff in early childhood education centers. There has not yet been an inventory on the scope municipalities in early childhood education across the country. Such a study is urgently needed. It can be safely argued that it is essential for Turkey to develop a clear legislative regulation defining roles and responsibilities of municipalities in early childhood education and giving them proper space for action. Similarly, against the backdrop of the abolishing of Provincial Administrations in 30 provinces, it is becoming urgent to discuss the potential role of municipalities in financing schools and taking part in the local governance of education.

Regional Development Agencies
There are 26 Regional Development Agencies in Turkey with increasing engagement in and contribution to local development projects. Since social development and employment creation is among their main preoccupations, Regional Development Agencies are naturally interested in vocational education. Several Regional Development Agencies are pursuing programs concerning vocational education in their regions. For example, the Istanbul Development Agency, in collaboration with the Istanbul Union of the Chambers of Artists and Artisans, started implementing the Vocational Education Career Development Consultation Centres Project. This project not only provided support in career development to students but also sought to diagnose areas of needs and accordingly develop special education programs at schools.10 Similarly, the South Marmara Development Agency has been engaged in fostering coordination and collaboration between industrial firms and vocational schools in the region. Thanks to its programs, a number of special courses were given to students and new equipment has been provided to schools.11 Furthermore, the

11. Çağdaş Teknik ve Yöntemler ile Meslekli Eğitimin Kalitesi’nin Arttırılması Projesi (Project for Improving Vocational Education with Contemporary Techics and Methods), Güney Mar-
South Marmara Development Agency is becoming increasingly interested in the development of new labor market skills and new vocational education models relevant to renewable energy (solar and wind) projects that could bring economic returns to its region.\textsuperscript{12} The İzmir Development Agency recently devoted a 20 million TL worth budget to support projects developing innovative models in vocational education and early childhood education.\textsuperscript{13}

In Turkey, the role of public-private partnerships in several fields of education, and especially in vocational education, is likely to increase. Under the Private Teaching Institutions Law, the government provides public funds to a small number of private vocational and technical schools in organized industrial zones. There are also already some examples of cooperation between industrial firms and public vocational schools.\textsuperscript{14} It is estimated that along with the increasing engagement of Regional Development Agencies in vocational education, more public-private partnerships at the local level could be realized with better coordination and commitment of local stakeholders.

Schools
As can be expected from the several points made in this article, schools are the principal entities that should be at the center of education governance reforms. There are two main dimensions of school empowerment in Turkey. First, the schools should be more able to determine the organization of instruction, choosing the education materials, textbooks, setting the timing and content of classes in regard to particular needs/abilities

\textsuperscript{12} Yeni ve Yenilenebilir Enerjiyle Yeni Bir Mesleki Eğitim (A New Vocational Education with New and Renewable Energy), Güney Marmara Kalkınma Ajansı (South Marmara Development Agency), http://www.yenerji.org/  
of their students. The second area is that schools should be more able to control their own budgets and allocate resources. It might be too early to ask schools to set salaries and be responsible for paying their permanent education personnel, but primary and lower secondary schools in Turkey do need to have their own funds and budgets for both current expenditures and local education intervention programs they would develop in response to local needs. Recent research demonstrates that schools in Turkey are more talented in governing their education programs and finances than the centralist perspectives assume. For instance, with the School Development Program, financed by the World Bank, a sum of 24 million Euros was provided to selected 3500 schools in 25 provinces. Schools, in collaboration with MoNE directorates in provinces and districts, developed spending plans for the funds. An analysis of the Program showed that funds were used highly efficiently in improving school infrastructure and purchasing new technologies. They were also found useful in decreasing schools’ dependency on fees from the parents.15 Similarly, the Catch Up Education Program, funded by the European Union and jointly operated by UNICEF and MoNE, owes its success to adept coordination of schools and MoNE directorates.16

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Public Participation as a Depoliticisation Process: The Case of Environmental Policy
Gökhan Orhan

Abstract
This paper aims to discuss centralisation versus decentralisation debates with reference to recent centralisation tendencies both in Europe and Turkey. In fact, transfer of competences from central government to local and regional governments has been a common feature of countries in Europe. Although concepts of public participation and stakeholder involvement have been in circulation in parallel to the governance paradigm, there is a reversal of a number of practices and a certain tendency towards centralisation of a number of administrative competencies. This paper aims to discuss centralisation versus decentralisation debates with reference to the governance paradigm and participatory mechanisms advocated by a number of scholars in the field of environmental policy and politics. It will be argued that already existing mechanisms of participation do not really let stakeholders participate in the policy process and rather serve as a depoliticisation mechanism and contributes to unsustainability. In other words, the recent trend of centralisation is not a novel phenomenon; it was already in operation for some time and has been recently become more visible. Yet again, governments’ tendency towards centralisation faces significant challenges in a number of contexts, from Istanbul to Athens and the US to Brazil.

“In fact, historical faith has changed camps. Today’s faith seems to be the prerogative of governors and their experts. … Proclaiming themselves to be simply administering the local consequences of global historical necessity, our governments take great care to banish the democratic supplement. Through the invention of supra-state institutions which are not states, which are not accountable to any people, they realize the im-
manent ends of their vary practice: depoliticize political matters, reserve them for places that are non-places, places that do not leave any space for the democratic invention of polemic. So the State and their experts can quietly agree among themselves” (Rancière 2006: 81-82, cited in Swyngedouw, 2008, p.1).

**Introduction**

Governance and environmental sustainability have been popular concepts for the past three decades. Principles of governance influenced the reorganisation of bureaucracies in a number of countries. Methods envisaged by the governance paradigm, like participation and inclusion of stakeholders are often proposed as a solution to mounting environmental problems too. There is a well-developed literature on the merits of more decentralised and participatory forms of environmental policy (Paehlke, 1989; Doherty and de Geus, 1996; Paehlke and Torgerson, 1990) and environmental movements, ranging from eco-socialists to deep ecologists and greens to bio-regionalists have also developed a critique of centralised institutions of modern societies from the outset (Dobson, 1991). Besides, the earlier and more radical accounts of ecological critique paid attention to the emancipatory dimensions of participation and decentralisation.

Since the 1980s, the sustainable development paradigm has incorporated public participation to its repertoire of policy instruments. The transition to a sustainable society and achieving sustainability objectives requires a number of reforms including public participation in environment related policy-making and implementation. Public participation is proposed both as a policy principle and as a method to solve existing environment and development problems, along with environmental policy integration and co-ordination of actors from various levels of government. Participation of stakeholders proposed as an effective tool to hear voices of disadvantaged, disregarded, sidelined, suppressed groups, and make their involvement in policy making and implementation.
This issue is well-illustrated in the Brundtland Report and Agenda 21. Agenda 21 even took the participation of stakeholders to the centre stage of its analysis and recommendations in parallel to the promises of the governance paradigm. In parallel to this paradigmatic change, states and central governments are taken as a problem and involvement of civil society and more decentralised modes of governance were proposed to solve mounting environment and development problems. Theoretical support came from a number of avenues, the likes of Ostrom, Dryzek and Torgerson, all pointed to the limitations of a centralised mode of government in dealing with the complex problems of modern societies. Since environmental problems have largely been generated or magnified by centralised hierarchies, it was questionable whether environmental problems can be identified and resolved through an extension of this organisational form (Torgerson, 1990: 22). A participatory and deliberative policy analysis was also proposed to deliver a number of desired societal objectives.

However, there is a worsening picture on both sides. Sustainability objectives are difficult to attain due to the increasing levels of pollution and efforts to incorporate stakeholders in developing effective devices to solve environmental problems both at the national and international sphere have failed. In opposition to promises of the governance paradigm, policy making and implementation is further centralised, and from a post-politics perspective, this is a feature of modern politics. Although it is not limited to environmental politics and policy as such, there is an ever-increasing centralisation and de-politicisation at almost all levels of environmental policy making.

Governance is inevitable given the complexity of contemporary societies; yet again it is not necessarily a democratic process (Torfing and Sorensen, 2009: 235). The real challenge lies in democratisation of the governance process. From a post-politics perspective, politics proper - politics as a process of opening issues to conflict, disagreement, and alternative framings of socio-political relations - is increasingly foreclosed by managerial, technocratic, expert-led, and consensus-seeking approaches and procedures. In this way, public participation
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is seen as one such procedure in this discourse and interpreted as a strategy of de-politicization (Tsouvalis and Waterton). The major actors of this new governmentality are politicians, experts, and stakeholders that are licensed to participate. For other commentators on environmental policy, this period corresponds to a “post-democratic turn” that leads to a “politics of unsustainability.” According to Blühdorn, “democratic values and the innovative modes of decentralised, participatory government which are widely hailed by social movement’s eco-democratic project as the key towards a genuinely legitimate, effective and efficient environmental policy are metamorphosing into tools for managing, legitimising and stabilising the condition of sustained ecological and social unsustainability” (2013).

In this context, one can argue that all those discussions on centralisation vs. decentralisation are not logical, because we cannot speak of genuine participation of stakeholders anyway. It will be argued in the paper that already existing mechanisms of participation do not really let stakeholders in the policy process and rather serves as a depoliticisation mechanism and contributes to unsustainability at the end. In other words, the recent trend of centralisation is not a novel phenomenon; it was already in operation for some time and has been recently become more visible and faces a major challenge in a number of contexts, from İstanbul to Athens and the US to Brazil.

The paper will start with theoretical debates on decentralised and participatory forms of environmental policy. A group of policy positions that criticizes centralised and top-down environmental policy will be outlined, and then contributions of a sustainable development paradigm will be discussed with reference to similarities with a governance approach. The subsequent section will discuss post-politics and politics of unsustainability theses and establish the link between participatory mechanisms and their contribution to un-sustainability and depoliticisation processes. In the final section, these issues will be discussed with reference to the Turkish environmental policy, and it will be argued that the recent return of centralisation has not been a novel issue; it has been with us for some
time but reached new heights recently. In fact, there have been a number of challenges to authorities’ decisions concerning environmentally risky development projects all around Turkey. In this sense, although authorities try hard to depoliticise matters related to public policy decisions, Gezi protests and a number of similar movements indicate the highly political and politicised dimension of environmental policy and politics in Turkey and demonstrate that a genuine involvement of stakeholders has the potential of making a real difference.

1. Historical Backdrop: Critiques of Traditional Hierarchies in Environmental Policy

One argument in favour of decentralised environmental policies is that “we need institutional change to solve the problems created by the current institutions.” There is widespread support and backing for a de-centralised environmental policy and participation of the most interested and affected parties in the decision making process. Proponents of such arguments come from a wide range of groups ranging from eco-socialists to deep ecologists, eco-anarchists to the Greens. Ranging from eco-socialists to greens and bio-regionalists, there is substantial literature on the merits of participatory and democratic participation in solving environmental problems (Dobson, 1991). For instance A Blueprint for Survival, written by Edward Goldsmith and the editorial board of The Ecologist magazine, proposed a new social order based on the principle of decentralisation. They argue that social control can never be as subtle or effective as internal control. They called for a decentralised industrial and agricultural production system based on small scale production units, which meets demands in an effective manner without waste. Furthermore, they proposed to deploy people in small towns and cities to reduce and minimise their impact on the environment (Goldsmith, 1972: 50-53).

In this respect, bioregionalism has similar proposals for the organisation of human societies. A bioregion is a part of the earth’s surface whose rough boundaries are determined by natural rather than human dictates, distinguishable from
other areas by attributes of flora, fauna, water, climate soils and land forms that have given rise to human settlements and cultures. Bioregionalist approaches respect laws of nature, and especially underline the conservation, preservation, and sustenance of a natural resource base as well as the self sufficiency of communities and keeping a harmonious relationship with nature. Principles on the political realm are also based on the dictates of nature, like decentralisation, division, and diversity instead of gigantism, centralisation, hierarchy, and monolithicity. People in small communities live in harmony with the nature and display qualities of balance and adjustment, cooperation among communities, integration into environment, variety, complexity, and flexibility. According to bioregionalism, environmental problems stem from centralised institutions which are not in harmony with nature. Instead they defend decentralisation, respect to limits of nature, local production and consumption, small scales and self control of human communities as the solution of environmental problems (Sale, 1984). In parallel, the social ecology approach pioneered by Murray Bookchin is critical of centralised hierarchies and domination, not only domination of nature by humans but also domination of humans by humans. For Bookchin, the persistence of hierarchy and domination will lead the planet to ecological extinction (Dobson, 1991: 59-63).

However a serious stream of participatory environmental policy proposals stem from the critique of Weberian and Hobbesian positions on politics and policy that extended to environmental policies (Torgerson, 1990; Paehlke 1990; Dryzek 1990a, 1990b, 1996; Ostrom 1990). This stream rejects the traditional understanding of administrative rationality and top down, centralised environmental policies. They tend to cite centralised environmental policies as the main reason behind current environmental problems. Environmental problems were generated by current institutions and their associated administrative rationality, which promotes order and control imposed from above, as well as specialisation and division of the tasks among the smaller units. These institutions serve the interests of the most powerful groups, disregarding local knowledge and the most importantly miss the interdependencies among several
factors leading to environmental problems. They argue for the rejection of the regulation of the public sphere by a central authority (or Leviathan), which cannot anticipate the complex nature of problems, interdependencies, side effects, and they propose a decentralised environmental policy with participation of the most interested and affected parties. Decentralised and participatory forms of policy-making and implementation are supposed to bring better outcomes in problem solving and to be more democratic than the centralised forms of administration, policy making, and implementation.

For instance, Douglas Torgerson (1990) criticises the administrative mechanisms of contemporary societies and the current understanding of the centralised administration. At the end he proposes a more participatory and democratic environmental policy incorporating the views of those who have not been taken into account in current policy making. Torgerson starts his analysis with a critique of present administrative structures. According to Torgerson, “centralisation” seem to be almost a natural reflex of administration and portrayed as part of the natural order and in some recent accounts of environmental policy there is a reference to the “tragic necessity of Leviathan” (Torgerson, 1990: 18-9). Fear of the implications of environmental crisis provides a motive to reassert this order by resurrecting Leviathan. According to defenders of the Hobbesian position, the source of the crisis is possessive individualism, which Hobbes attributed to human nature and which has emerged as a distinguishing feature of human beings in the modern age. Reliance upon Hobbes takes possessive individualism as given and tends to reinforce the unquestioned obedience to a superior authority. This option rules out the possibility of criticising, participating, and shaping the authority. Although possessive individualism has a frightening potential, this assertion of authority over individuals misses the role of Leviathan itself. A largely centralised mode of administration in state, economy, and society has performed key functions both in advancing industrialisation and in generating these very problems that have elicited a perception of environmental crisis. If Leviathan, in this sense, has been a key tool in shaping the modern world, then the problems of that world
lead us to ask whether this tool is not now obsolescent. For the very source of order now appears as a source of impeding disorder (Torgerson, 1990: 21). Because environmental problems have largely been generated or magnified by centralised hierarchies, it is questionable whether environmental problems can be identified and resolved through an extension of this organisational form (Torgerson, 1990: 22).

Torgerson describes the situation of the present administrative order mainly drawing on ideas from Thomas Hobbes and Max Weber. The main motive behind the rise of the administrative state has been the rationalisation of the modern world, the essence of which can be summarised as follows: “there are no mysterious, incalculable forces...that one can, in principle, master all things by calculation.” Central to these developments was the advent of bureaucratisation that is the rising significance of formal organisation in both state and economy. In both public and private organisations, the administrative apparatus was designed for calculability and efficiency through formal hierarchies of personnel with strictly delimited functions (Torgerson, 1990: 23). Again for both Hobbes and Weber, order was a precondition for predictability. Human affairs were not necessarily calculable. Indeed, they are potentially chaotic, but they could be made calculable through the enforcement of order. One of the main rules of administration has been that problems must be cut down to a manageable size. Those within the administrative structure remain narrowly focused on what is directly relevant to their own particular function. However, argues Torgerson, order generates disorder and here presuppositions of hierarchy, centralisation and calculability are drawn into question (Torgerson, 1990: 25).

These approaches to administration created massive, narrowly focused bureaucracies of “experts” both public and private, which exhibit “an incompetence to deal with the key holistic features of reality.” There is, in other words, a mismatch between the prevailing form of human organisation and the systemic properties of the natural environment. As a result, with each organisation oriented to the efficient performance of specific functions, the ensemble of public and private bureaucra-
cies persistently generates a vast, complex array of unintended, unanticipated consequences, which often eludes effective monitoring and control (Torgerson, 1990: 27).

Narrowly conceived organisational goals combine with highly restricted problems of information flow obscure the connection between a particular organisational apparatus and the relevant totality of direct and indirect outcomes. Effective monitoring and control of environmental problems would then require the information flows and “complex feedback patterns” which are obtainable only by matching the internal arrangements of organisational relationships to “the external system structure.” “Meaningful public control” it is concluded “calls for decentralisation and democratisation.” The exigencies of the administrative task themselves thus call for a radical decentralisation of institutions, a change that is, of course, political as well as administrative (Torgerson, 1990: 27). That is why we should focus on the political character of the issue as well. Because prevailing administrative forms not maintained simply because of some supposed “administrative necessity,” the administrative sphere resists even the serious considerations of alternatives because of the conjunction of ideological presuppositions, particular interests, and shared purposes which constitute that domain. A radically decentralised and democratic alternative would necessarily open up the administrative world to the influence of interests, which have generally been excluded or marginalized (Torgerson, 1990: 28).

Torgerson’s position is mainly a critique of the current understanding of rationality and centralised and hierarchical forms of administration that created environmental problems. However, his prescriptions are not only related to environmental problem solving alone, but also to the problems of democracy in modern societies; and he links his radically decentralised alternative to democracy and considers decentralisation as a mean of democracy.

John S. Dryzek (1990a) has a similar stance in terms of his critique of the notion of administrative rationality, and he proposes a new form of environmental policy making and implementation. Dryzek refers to three main problems of the administrative state in tackling environmental problems. The
first problem relates to the diminishing marginal returns of efforts in environmental policy. At the beginning, administrative regulation credited with some fairly obvious improvements in environmental quality. However, in the last decade or so, the question of whether further policy efforts do or would produce benefits sufficient to justify their costs has become controversial. Second, any achievements in the field of environmental policy, which can be credited to the administrative state, may have been purchased at the cost of advancing bureaucratisation and the instrumental rationalisation or control of society more generally. Third, the state as a whole has priorities, which have little to do with environmental quality, which may be overridden when it clashes with these other priorities (Dryzek, 1990a: 97-8).

According to Dryzek the roots of these three problems lie in epistemology. The epistemology of administration - its implicit theory of knowledge - is an instrumental analytical one. That is, administration implicitly regards rationality as the capacity to devise, select, and affect good means to clarified and consistent ends. In the context of complex problems, this capacity also requires breaking down such problems into simpler components. However, argues Dryzek, it is now abundantly must be intelligent rather than arbitrary. And intelligent decomposition in turn requires that the sets and subsets into which a complex problem is divided should be relatively autonomous with minimum interaction between the borders. When problems are more complex, the number and variety of such interactions will increase and the analytical intelligence at the centre of the decision system will be overwhelmed. The result is that time produces not a convergence on less problematical conditions, but endless displacement across the boundaries of sets and subjects. If ecological systems are indeed highly complex and the first law of ecology is that “everything is connected to everything else,” one consequence is that attempts to resolve one problem often simply create or exacerbate another kind of problem (Dryzek, 1990a: 99-100).

Another important feature of environmental policy for Dryzek has been the constraints put on the administrative state by the market. If there is a decreasing return to state efforts on the environment, then it becomes increasingly likely that potentially
effective environmental policies will in the future be vetoed by the anticipation of market punishment. Polluters and despoilers can exert influence in policy making especially when the stakes are high and the costs of effective policy concentrated. Besides, business starts from a privileged position in interest group politics. Business has more (financially) at stake, it has more to spend on lobbying, litigation, and campaign contributions, and it has more with which to threaten administrators and politicians including withdrawal of the co-operation necessary to implement many public policies and probably capital flight (Dryzek, 1990a: 100-1; Lindblom, 1977: pp. 170-188).

Dryzek argues that institutions can be expected to resolve complex problems to the extent they embody principles of free discourse among equals. Drawing from Jürgen Habermas, Dryzek uses the idea of communicative rationality. According to Habermas, an interaction is communicatively rational to the extent that it proceeds among equally competent individuals under conditions free from domination, deception, self-deception, and strategising. All that remains is the forceless force of the better argument that can relate to both normative judgements and empirical conditions and relationships (Dryzek, 1990a: 102).

According to Dryzek, communicative rationality is conducive to problem solving in as much as it enables the individuals concerned with different facets of a complex problem to pool their understandings and harmonise their actions in the light of reciprocal understanding of the various normative issues at stake. This process proceeds in non-hierarchical fashion and no cognitive burden is imposed on any centre. The interaction between different facets of a problem that constitute complexity is matched by communicative interaction among the individuals who care about each facet. So principle of free discourse/discursive designs may solve complex problems, including environmental problems (Dryzek, 1990a: 103).

In practice, Dryzek argues, new social movements are committed to communicatively rational interaction in both their internal workings and the larger political relationships, which they enter. Discursively designed public inquiries may be effective
in the solution of complex problems, in which concerned and affected individuals could state, create, and develop their positions, especially through their participation in community hearings. Another category of discursive exercises is more clearly tied to the state and the capital. This category consists of procedures such as regulatory negotiation and alternative dispute resolution. These procedures are consistent with the idea that parties can reason through their differences in pursuit of an action-oriented consensus under the auspices of a neutral third party (Dryzek, 1990a: 103-4).

Overall, the proponents of decentralised environmental policy argue that environmental problems are the results of current institutions and especially state bureaucracies, which are (inter alia) narrowly focused on their own concerns and do not consider the side effects of their activities. Such bureaucracies are also centralised and non-participatory, so do not let interested and affected parties into the decision-making process. They also have priorities other than environmental protection, like economic growth, that make them very much dependent on capital and gives capital (as polluters) substantial powers concerning environmental regulation; which are unable to control the complex environmental problems because of their centralised nature.

Proponents of decentralised environmental policy locate the problem in the current understanding of administration and rationality. They argue that an extension and empowering of current administrative institutions, which already gave way to current environmental problems cannot be proposed as a solution, because these institutions are a part of the problem. Rather they call for a radical decentralisation for environmental policy-making and the participation of local, interested, and most affected people in the decision-making process. They also call for an integrated environmental policy or an integration of environmental issues with the other dimensions of the policy. Besides, participation in environmental policy making is supposed to bring a democratic opening up, a real democracy free of the domination of technocratic concerns (Paehlke, 1989 and 1990; Fischer, 1993).
In this context, state and central governments are taken as a problem as such and involvement of civil society and more decentralised modes of governance were proposed to solve mounting environment and development problems. Since environmental problems have largely been generated or magnified by centralised hierarchies, it was questionable whether environmental problems can be identified and resolved through an extension of this organisational form (Torgerson, 1990: 22).

Public participation is proposed both as a policy principle and as a method to solve existing environment and development problems. It is seen as an effective tool to hear voices of disadvantaged, disregarded, sidelined, suppressed groups hitherto not taken into account. The message was simple and neat “no problem can be solved at a level that contributed the problem.”

This framework offered an effective framework for the author in designing his earlier work on Turkish environmental policy. In this context, centralisation and the top-down manner of politics and policy in Turkey was taken as a major problem. It was assumed that problems stem from centralisation, and participation could contribute to problem solving. It was also argued elsewhere that participation is a panacea for problems, and democratisation is a necessary condition for better environmental policy outcomes. Yet again certain cases like industrial air pollution caused by Yağatan proved just the opposite which require a cautious approach to the problem. In the following section, the main pillars of the governance paradigm will be summarised and then they will be assessed with reference to their performance in the context of participation.

2. Sustainable Development and Governance Paradigm

As it was outlined above, there is a well-developed literature on the merits of decentralised and participatory environmental policies. The sustainable development paradigm and Agenda 21 pay attention to the involvement and participation of stakeholders in environmental policy. Sustainable development has been the dominant paradigm of environmental policy in post-1980 period, and the transition to sustainability requires a seri-
ous institutional reform. Among others, like policy integration and sustainable resource use, public participation is proposed as a policy tool in order to attain sustainability objectives. The Brundtland Report and Agenda 21 are documents that propose public participation both as a policy principle and as a method to solve existing environment and development problems and as an effective tool to hear voices of disadvantaged, disregarded, sidelined, suppressed groups hitherto not taken into account. It has been suggested in the Brundtland Report that;

“[t]he law alone cannot enforce the common interest. It principally needs community knowledge and support, which entails greater public participation in the decisions that affect the environment. This is best secured by decentralising the management of the resources upon which local communities depend, and giving these communities an effective say over the use of these resources. It will also require promoting citizen’s initiatives, empowering people’s organisations, and strengthening local democracy.

Some large-scale projects, however, require participation on a different basis. Public inquiries and hearings on the development and environment impacts can help greatly in drawing attention to different points of view. Free access to relevant information and the availability of alternative sources of technical expertise can provide an informed basis for public discussion. When the environmental impact of a proposed project is particularly high, public scrutiny of the case should be mandatory and, whenever feasible, the decision should be subject to prior approval, perhaps by referendum” (WCED, 1987: 63-4).

The issue of participation was further emphasised in Agenda 21 (UN, 1992: 217-45). As stated in Agenda 21 there is a need for new forms of participation, like participation of individuals, groups, and organisations in environmental impact assessment procedures, and to know about and participate in decisions that potentially affect the communities in which they live and work. Individuals, groups, and organisations should have access to information relevant to environment and development held by national authorities, including information on products and ac-
Activities that have or are likely to have a significant impact on the environment as well as information measures for environmental protection. Agenda 21 addresses the means for moving towards real social partnership in support of common efforts for sustainable development (UN, 1992: 219). In short, it is argued in the Agenda 21 (UN, 1992: 219) that:

“Critical to effective implementation of the objectives, policies, and mechanisms agreed to by Governments in all programme areas of Agenda 21 will be the commitment and genuine involvement of all social groups... One of the fundamental pre-requisites for the achievement of sustainable development is broad public participation in decision-making. Furthermore, in the more specific context of environment and development, the need for new forms of participation has emerged. This includes the need of individuals, groups and organisations to participate in environmental impact assessment procedures and to know about and participate in decisions, particularly those which potentially affect the communities in which they live and work. Individuals, groups and organisations should have access to information relevant to environment and development held by national authorities, including information on products and activities that have a significant impact on the environment, and information on environmental protection measures... Any policies, definitions or rules affecting access to and participation by non-governmental organisations in the work of United Nations institutions or agencies associated with the implementation of Agenda 21 must apply equally to all major groups.”

In fact, this emphasis on participation and involvement has quite in common with the governance paradigm. Governance can be defined as a method and mechanism for dealing with a broad range of problems and conflicts in which actors coming from diverse domains regularly arrive at mutually satisfactory and binding decisions by negotiating with each other and cooperating in the implementation of these decisions (Schmitter, 2001, p.3). In this context, the governance paradigm has a certain impact on environmental governance.

As it was summarised above, there is a strong current in environmental policy studies that favour decentralised and participatory forms of policy making and implementation. Sus-
tainable development and Agenda 21 have a number of policy proposals for the participation of stakeholders in environmental policy process. Those policy proposals have a number of parallels with the governance paradigm. The governance paradigm has been an influential current in political science and public administration and represents a departure from traditional forms of government. According to Schmitter;

Governance is a method/mechanism for dealing with a broad range of problems/conflicts in which actors—coming from diverse domains private, public, civic—regularly arrive at mutually satisfactory and binding decisions by negotiating with each other and co-operating in the implementation of these decisions (Schmitter, 2001, p. 3).

Schmitter also identifies a number of implications beyond this definition, which are;

- Governance rests on horizontal forms of interaction between actors who have conflicting objectives but who are sufficiently independent of each other so that neither can impose a solution on the other yet sufficiently interdependent so that both would lose if no solution were found.

- In both modern and modernizing societies the actors involved in governance are usually not individual persons, as such, but spokespersons for non-profit, semi-public and, at least, semi-voluntary organizations.

- It is the embeddedness of these organizations into something approximating a civil society that is crucial for the successful legitimisation of governance arrangements. Therefore, they share a common set of norms and experiences that antedate their participation in any specific arrangement. Under these conditions, they do not have to be equal in their size, wealth or capability, but they have to be capable of hurting or helping each other.
The participating organizations interact not just once to solve a single common problem, but regularly, repeatedly, and predictably over a period of time so that they learn more about each other’s preferences, exchange favours, experience successive compromises, widen the range of their mutual concerns, and develop a commitment to the process of governance itself.

Governance is not just about making decisions via negotiation and persuasion but also about implementing policies. Indeed, the longer and more extensively it is practiced, the more the participating organizations develop an on-going interest in this implementation process since they come to derive a good deal of their legitimacy (and material resources) from the administration of mutually rewarding programs (Schimitter, 2001, pp. 3-4).

Swyngedouw summarises Schimitter’s account in a condensed way and argues that governance arrangements are based on a common and distinctive set of features like:

- Horizontal interaction among presumptive equal participants without distinction between their public or private status.
- Regular, iterative exchanges among a fixed set of independent but interdependent actors.
- Guaranteed (but possibly selective) access, preferably as early as possible in the decision-making cycle.
- Organized participants that represent categories of actors not individuals (Swyngedouw, 2005, 1994)

Overall, governance is a necessity to solve complex problems of contemporary societies, but democratic governance does not automatically follow. In other words, the idealised world of governance arrangements rarely corresponds to real life circumstances. Generally speaking, the post-1990 period has not been able to deliver its promises and failed both in letting disadvantaged stakeholders take part in the policy process and delivering desired environmental policy results. In opposition to promises of the governance paradigm, policy making and the
implementation process is further centralised and, from a post-politics perspective, this is a feature of modern politics. In the following section, the issue of centralisation versus decentralisation issues will be discussed with reference to post-politics, post-democracy, and politics of unsustainability.

3. Post-politics and Post-democratic Turn Arguments:

In this section, issues of decentralisation versus centralisation will be discussed with reference to post-politics, post-democracy, and politics of unsustainability. As was mentioned above, there is an ever increasing process of environmental degradation despite increasing regulations in the field of environmental policy. Indeed there is a problem of effectiveness concerning environmental policy making and implementation. This is also reflected in problems concerning environmental policy integration. Part of the problem relates to participatory mechanisms and associated politics of sustainability, because use of those methods failed in both delivering environmental goods and letting disadvantaged stakeholders take part in the policy process.

According to post-politics accounts politics proper - politics as a process of opening issues to conflict, disagreement, and alternative framings of socio-political relations - is increasingly foreclosed by managerial, technocratic, expert-led, and consensus-seeking approaches and procedures. Public participation is seen as one such procedure in this discourse and interpreted as a strategy of depoliticisation. According to Žižek, public participation is an impotent effort to effect change in a dominant system of social relations and helps keep such relations in place. In the post-politics era we could speak of a disappearance of democratic agonistic struggles over the content and direction of socio-ecological life; consensual governing and policy-making; a rejection of ideological divisions; the universalisation of particular political demands in a non-committal, conflict-avoiding, consensus-seeking way; technocratic, expert-led, managerial problem-solving and the replacement of political struggle with cultural struggle (Tsouvalis and Waterton).
The same period is also labelled as post-democratic in which innovative modes of decentralised, non-hierarchical, participatory, engagement-seeking forms of governance arrangements, which are widely hailed by social movements as ecodemocratic projects as the key towards a genuinely legitimate, effective, and efficient environmental policy are metamorphosing into tools for managing, legitimising, and stabilising the condition of sustained ecological and social unsustainability and facilitating the pursuit of socially exclusive and ecologically destructive agendas (Blühdorn, 2013).

In this process, because there are no codified and transparent rules, accredited stakeholders are allowed to participate through dispersing political responsibility and obscuring chains of responsibility. Public disagreement is permitted, with respect to the choice of technologies, the mix of organizational fixes, the detail of the managerial adjustments, and the urgency of their timing and implementation. Stakeholders are known in advance, which effectively reduces disruption and dissent and thus forecloses politics. Public participation becomes nothing more than a depoliticising strategy to uphold the dominant hegemonic order (Swyngedouw, 2005).

The most important or distinctive sign of politics of unsustainability lies in the worsening of environmental indicators in a number of problem areas across countries. What it entails about the politics of unsustainability is there are problems out there, there are experts that will take care of it, and we took place in our ceremonies yet again problems sustain despite all those efforts under way. This process of depoliticisation and unsustainability reproduce environmental problems and other policy problems, players sustain their business as usual, and at the end of the day problems persist despite all the rhetoric, rituals, and bureaucracies organised to solve those problems.

4. Public Participation in Turkish Environmental Policy

Turkish environmental policy is a policy area where top-down policy making and implementation predominates over other decentralised and participatory forms of policy making and implementation. The centralised and top-down character of Turkish environmental policy has been identified as the major problem behind the environmental policy failure, and a de-
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centralised, participatory, and bottom-up environmental policy was proposed as an alternative (Orhan, 1999; 2003a; 2003b; 2004). In this context, speaking of participation as a mechanism for depoliticisation might seem like a contradiction. Because we speak of limited participation in a centralised political system and then take it as a reason behind environmental policy failure. Thus speaking of recentralisation in Turkish environmental policy may look somehow futile, because policy making and implementation was already centralised to a great extent. Yet again, the recent administrative reorganisation provides a rationale for discussions on recentralisation.

There are few channels for the participation of stakeholders in environmental policy making and implementation in Turkey. What’s more, there are serious problems in environmental policy integration and this makes environmental concerns even more marginalised compared to other priorities, like power plants for energy supply, road construction and urban development projects which all fuel economic growth machine.

One of few avenues for participation in environmental policy in Turkey is public hearings during the process of assessing environmental impact. There is symbolic importance of public participation in this process in Turkey as there is no significant effect on decision making. For some commentators, city councils are taken as an example of participatory mechanisms as they either do not function or function with no substantial effects. Participation through taking legal action has also been hampered in recent years. There are further limitations on participation through taking legal action via increased fees and a limited time frame for applications. In this context, participation has been an exception in Turkish environmental policy. Top-down policy making and implementation has characterised the policy process in environmental policy and other policy areas with substantial effects on environmental quality. That’s why participation in environmental policy has always been reactive character and taken the form of politics of protests.

To summarise the whole story, one cannot speak of a decentralised and participatory forms of environmental policy in Turkey. There has been a rather centralised environmental policy-making process, and environmental policy integration has been a long awaited dream for environmentally sensitive actors in
Turkey. Rather, sectoral ministries have pursued their objectives and continued their business as usual. Local governments were responsible for the implementation of environmental policies at the local level, and, in some cases, local governments and local environmental campaigns managed to be successful in solving environmental problems or preventing environmentally risky projects through a combination of methods ranging from protests to legal action. However, those incidences were rather limited given the predominance of the developmentalist paradigm in Turkey. At the end of the day, “problems were recognised, experts were employed” and even a number of efforts were under way in the form of treatment plants to clean air policies. Despite all those efforts, one cannot speak of improvements in the quality of the environment in Turkey.

Although there are already very limited avenues for participation, we can speak of a further centralisation of policy making and implementation both in environmental policy and environment-related policy areas. This tendency has taken a new turn in the past couple of years, where we could speak of a new wave of centralisation efforts in the name of democratisation, meaning effectiveness and efficiency in service delivery. This is especially evident in changes concerning planning mandates at several levels and administrative reorganisation efforts.

Although there are a number of developments and milestones in this process that all contribute to further centralisation of the policy process, this paper will focus on three clusters of events which have common characteristics and develop the main pillars of the line of argument concerning centralisation versus decentralisation debates in Turkey. These milestones are bureaucratic reorganisation of central ministries through governmental decrees in 2011, introduction of a new legal framework on disasters and urban regeneration projects, and the new Metropolitan Municipalities Law.

5. Bureaucratic reorganisation of central ministries through governmental decrees in 2011

In the post-2011 era, the Turkish administrative system has been reorganised. It was a deliberate move towards centralisation in the name of effectiveness and efficiency through governmental decrees where the central government reclaimed substantial planning authorities. Plans for the bureaucratic reorganisation
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of bureaucracy came out just before the 2011 general elections. The Ministry of Environment and Forestry (MoEF) has been split into two ministries. Functions concerning water management and forestry were allocated to the Ministry of Forestry and Water Affairs. Environment-related functions of the MoEF were regulated under the jurisdiction of the Ministry of Environment and Urbanisation. The Ministry of Environment and Urbanisation reclaimed most of the planning authorities which were delegated to local governments in the post-1980 period. Furthermore, the Environmental Protection Agency for Special Areas was abolished, and its authorities were transferred to a newly established branch of environmental bureaucracy, the General Directorate for Protection of Natural Assets.

6. New legal framework on disasters and urban regeneration projects

In the post-2003 period, the Prime Ministry and the Mass Housing Development Administration (hereafter will be named TOKİ with its acronym) have been powerful players in the Turkish bureaucracy with substantial planning authorities. The authorities of TOKİ were incrementally increased in recent years, and TOKİ was made responsible of urban regeneration projects. The Van earthquake accelerated this process, and a new legal framework on urban transformation was introduced. The issue of building safety was effectively brought to the forefront by using discourses on earthquake and insecure buildings in order to legitimise policy change, which likely to create a number of winners and losers.

7. The new Metropolitan Municipalities Law

The new Metropolitan Municipalities Law, even though it has a very stylish introduction detailing the benefits of a participatory, democratic, and transparent administration, established a form of local centralisation through shutting down smaller municipalities and village administrations via transferring authorities to metropolitan municipalities even in the rural areas. The Investment Coordination Boards established under the Governors’ Authority also functions as the long arm of central government on investment decisions, with extensive powers on elected actors.
The relationship between these efforts for restructuring and the environmental policy has a rather indirect character. Reorganisation efforts in Turkey serve to further centralisation of policy making and implementation, and planning powers of small local government units have really eroded. Turkey’s experience resembles to conditions of post-politics, and the sphere of political debates is getting foreclosed by managerial, technocratic, expert-led, and consensus-seeking approaches and procedures that manifest themselves out of historical necessities and introduced to cope with various forms of crises. This is also evident in environmental policies where economic necessities make others’ voices unheard. Taking your opinion in Environmental Impact Analysis process it is up to authorities. The Istanbul Metropolitan Municipality allows casting of public vote on the colour or models of boats or buses but no say on more crucial matters that affect daily life or livelihood as in the case of urban transformation or Gezi Park incidents. The Turkish government recognises environmental problems, address them seriously with virtuous and committed experts, but technical necessities and lifestyle choices have always have the final word. Public participation has so far contributed to depoliticisation and created the conditions of this unsustainability.

The use of new policy discourses derived from the governance paradigm, like policy integration, participation of stakeholders, reorganisation and empowerment of environmental bureaucracy, introduction of independent regulatory boards, and sometimes discourses on sustainability have been used as instruments of sidelining environmental concerns in Turkey. There is a certain mismatch between the words and deeds of authorities in Turkey. As Dryzek argued “perhaps more often than simply resisting environmental values, recalcitrant actors will try to cloak themselves in the language of environmentalism …and can sponsor other discourses of environmental concern more conducive to their own interests” (Dryzek, 1997). In our case, authorities employed the language of environmentalism in a selective manner, on the one hand, and the governance paradigm on the other to further their agenda in a much more
centralised and coordinated manner for economic expansion with detrimental effects on the quality of the environment and sustainability. Here one can speak about the performative dimension of politics and policy making. Indeed, Turkish authorities have crossed the boundaries and employed their opponents’ discourse in enhancing their own position.

A distinctive feature of all those debates has been the emphasis on the “effectiveness in service delivery” and “extraordinary circumstances.” This is related to what Blühdorn calls post-ecologist paradox. Although Turkish society cannot be compared to developed western societies, there is an appetite for economic growth with an increasing demand on all sorts of consumer goods and expectancy of higher standards of life. Centralised, technocratic, expert-led, and a managerial problem-solving attitude is further legitimised with reference to effectiveness and effective delivery of services. Extraordinary circumstances like crisis and natural or manmade disasters are also employed to strengthen technocratic policy making and implementation. In this context, the already existing ideas on developmentalism have been instrumental in the realization of developmental objectives and stimulate environmental unsustainability in Turkey.

Although the political system looks to be open to the participation of stakeholders, it is open to only licensed and approved stakeholders. As in the case of new Metropolitan Municipality Law, authorities only consulted actors leaning to their position, and a very small, closed group of technocrats at the Prime Ministry and the Ministry of Interior prepared the bill. The bill was then passed without much deliberation in the parliament, even though this reorganisation fundamentally alters the livelihood and life chances of a substantial number of people living in rural areas in Turkey.

Findings of a recent study on environmental organisations in Turkey confirm those tendencies that lead us to a politics of unsustainability (Paker et al, 2013). According to Paker et al, environmental organisations in Turkey experience a number of problems in their relationship with the state. For instance, the
state is accessible and easy to cooperate with provided the priorities of the state are not being contradicted. Participation is mainly on paper, and state barely listens to them. Furthermore, being invited to collaborate on one issue does not guarantee a continuous access. There is a tendency to choose accommodating organisations, thus co-optation and selective inclusion of environmental organisations is widespread. Environmental organisations have criticised that inspectors briefly show up for intimidation, meaning that endorsement for project funding is also used as a mechanism for co-optation (Paker et al. 2013). Yet again, this has not been the end of the story. There is a new opening in which people started to question authorities’ decisions and take direct action in standing against projects that have an impact on their quality of life. In this case, the efforts of the government to hold a referendum in relation to Gezi Park is a clear sign of the use of participatory mechanisms as a tool for legitimising unsustainable decisions and policies, but has not been realised due to an ongoing legal process.

Conclusions

This paper aimed to discuss reflections of centralisation versus decentralisation debates on the environmental policy with reference to recent centralisation tendencies both in Europe and Turkey. Although concepts of public participation and stakeholder involvement have been in circulation in parallel to the governance paradigm, and the transfer of competences from the central government to local and regional governments has been a common feature of countries all around the Europe, there is a reversal of a number of practices and a certain tendency towards centralisation of a number of administrative competencies.

This paper aimed to discuss centralisation versus decentralisation debates with reference to the governance paradigm and participatory mechanisms advocated by a number of scholars in the field of environmental policy and politics. It was argued that already-existing mechanisms of participation do not really allow stakeholders to be a part of the policy process and
rather serves as a depoliticisation mechanism and contributes to unsustainability. In other words, the recent trend of centralisation is not a novel phenomenon; it was already in operation for some time and has been recently become more visible and faces a major challenge in a number of contexts, from İstanbul to Athens and the US to Brazil.

In conclusion, we could easily talk about the existence of conditions for post-politics in Turkey. Because, the sphere of political debates were getting more and more foreclosed by managerial, technocratic, expert-led, and consensus-seeking approaches and procedures. Environmental organisations in Turkey were free to express their opinions as long as they do not challenge or attempt to change the established order. Although the political system looked open to the participation of stakeholders, it was open to licensed and approved stakeholders. In this process, symbolic public participation contributed to depoliticisation and created conditions of unsustainability.

Yet again after June 2013, people realised the very political nature of those “technical” issues. Furthermore, people who already started to defend their rights, in a number of occasions, started to raise their voice and resorted to direct action to realise their ends. Overall, sustainability requires participation and environmental policy integration. Although there are risks involved, and participatory unsustainability is a possible result, genuine participation through direct action has the only mechanism with a potential of making a difference. In this respect, increasing awareness on the political nature of “technical” decisions has the potential of bringing “politics proper” back into the political scene. Uprisings all around the world against “governors and their experts” challenge to “global historical necessities” and question their local consequences. It has not been only about the environment, or trees or beauties as such, it is also about the return of the political.
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Centralization Decentralization Debate Revisited


The Problem of Scale in Local Governments
Tunga Köroğlu

Abstract:
This paper addresses the question as to the extent that participation can be neglected for the sake of economic efficiency and control. The scale of participation is not a question of efficiency, but one of how to be represented in the decision-making process, which improves in quality as the scale decreases, and therefore, contradicts with the economy of agglomeration and coordination at greater scales. However, how to improve participation while developing the efficiency is still a vital question that composes the main discussion of this paper. Hence, the contemporary situation of the scaling of municipal services are scrutinized to highlight how ‘rational’ are decisions given from a spatial perspective. Consequently, some outcomes are driven to be proposed for the case of Turkey.

Introduction
It was possible to easily define the boundaries of the local governments when the urban was only at a town scale. However, as population in cities became denser, the interaction between individuals has augmented the capacity of the local authorities. The localized communities of the past have transformed into delocalized societies, and the non-local has increasingly transformed the old local governments. The area that the local communities and individuals needed to realize their needs has dramatically grown that result in the dissolution of the subsidiarity to the traditional local community. Consequently, the old small local that they identified themselves with has vanished.

Today, traditional local authorities can no more supply the increasing and sophisticating needs of their growing local residents. Communities are not satisfied with low quality services and demand equal service quality at the spatial distribution of
public goods and services. Likewise, parallel to industrialization and economic development, increasing consumption of goods and services provided by the private sector produces demand of parallel goods and services provided by local governments such as public protection, safety, health, and well-being. Consequently the need to employ qualified staff and specialists has also dramatically increased.

As can be seen, this transformation occurring in the scale and nature of social and economic activities, has not only led to an increase in the absolute number and scale of local government services, but also to the improvement of the technical qualification of services and thus to the demand of more specialized staff and knowledge. These developments pushed the governments to increase the scale of local governments and establish area-wide local governments as the greater municipalities, not only in most developed countries, but also in Turkey.

As a natural result of these developments, local residents have also started demanding to participate in the local decision making process, which has not been supplied by and resent local government. However, notwithstanding with most European experiences, decentralization in Turkey has been more a semi level process as although the reforms can be argued as both administrative and political decentralization, the scale of decentralization is the point where the problem arises.

**What type of Decentralization?**

Since the days of Montesquieu and Jefferson, political decentralization has been seen as a force for better government and economic performance. It is thought to bring government “closer to the people,” support civic assets, protect liberty, improve local information, stimulate policy innovation, and lighten ethnic tensions. Treisman (2007) discusses three types of decentralization, which can be realized separately or together:

1. Administrative decentralization: At least one policy is implemented not by the central government directly but by locally based agents appointed by and subordinate to
the central government. The agents are appointed by and subordinate to the central government. The agent has no right to overrule the central government’s instructions or appeal them to some other body.

If it is most efficient to provide some public outputs in small units and others in large ones, or if preferences for some outputs vary geographically, provision in a multi-tier structure can be tailored to these cost and demand conditions.

2. Political decentralization: This can be realized by reducing the scale of government, which in turn increases citizen participation and cultivates civic virtue. It also enhances electoral accountability because voters have better information about local and central government performance. Furthermore, dividing responsibilities among multiple levels makes it easier for voters to attribute credit or blame among them, and voters in small groups can coordinate better on a voting strategy. Treisman (2007) defines two sub methods for political decentralization:

   a. Decision-making decentralization: At least one subnational tier of government has exclusive authority to make decisions on at least one policy issue.

   b. Appointment decentralization: Government officials at one or more subnational tiers are selected and appointed by residents of that government’s jurisdiction, independent of higher-level governments.

3. Fiscal decentralization: Decision-making decentralization on tax or expenditure issues. Subnational governments account for a large share of total government revenues or spending.

When looking at the case in Turkey through these decentralization methods, after the 1950s, the efficiency of local administration has been subject to improvement through three methods (Keleş, 1994): 1) to redefine the optimal scale of municipal
jurisdiction through discussing the service scale and area; 2) to decrease the number of services given by municipalities so that to ensure financial disposal; and 3) to leave the services that the local government can manage best. These three methods have been practices by utilizing four tools which are:

1. Structural restructuring: scale economies and efficiency based amalgamation processes;
2. Technical restructuring: establishing inter municipal organizations to build gradual distribution of tasks, with preserving the main structure of the municipalities;
3. Financial transfers: resource transfers from central government to municipalities in order to increase service quality;
4. Restructuring by centralization: centralizing some municipality tasks to regional or central governments (Council Of Europe, 5:1995).

In the 1970s in Turkey, the problems of the municipalities and local administration reform had also been discussed within this context. Therefore, Act No. 3030 that brought the Greater Municipality institute to Turkey and Act No. 5216 that redefined the Greater Municipalities and the new Act No. 6360 that redefined not only Greater Municipalities but also the hierarchy of local administration, closing the special provincial administrations were all focusing more on these issues than efficiency or democracy.

Especially concerning the last reforms of local administration legislation in Turkey, it is difficult to argue that there has been any discussion as to whether it is an administrative or democratic reform. Hence, although the last reform is presented as another stage of decentralization, there are very few clues that it can be argued as decentralization or reorganization of municipalities for the sake of efficiency or democracy (Koyuncu and Köroğlu 2012).

Decentralization and the Optimum Scale of Services

Regarding the idea of administrative decentralization, the argument is how and who should provide public services to local
communities. Within this concept, the terms *optimum size* and/or *optimum scale* are relevant to the discussion. The size refers to the population of the municipality, and the scale refers to the area meaning they can be seen as associated.

When looking at organization theories and its implementations in the private sector, the optimal size and internal organization of private firms depends on the conditions of particular demand, production and transport technologies, and contracting environment of the given industry. Depending on such factors, anything from a unitary structure to a multi-tier hierarchy may be optimal. For the public sector, on the other hand, the optimal degree of administrative decentralization is even more complicated to discover, because almost all governments provide multiple goods and services. Given this, one can sometimes determine whether a specific government function should be administratively decentralized, but even this is difficult given the clash of mutually offsetting effects.

Although the size of the municipality and the size of the city are different concepts, they are strongly correlated. As the municipality size refers to the population in the municipality jurisdiction, the size of the city refers to the urban area, whether or not the urban area is divided between municipalities. This causes three important problems; lack of service efficiency, incomprehensiveness of the urban area, and social injustice.

There is a correlation between the size of the municipality and the efficiency of the services provided. From an economic perspective, the service efficiency is an optimum scale problem that should be analyzed only within the scope of scale economies. Those holding this view argue that the optimum scale of the municipality can be found at the point where marginal benefit and marginal cost intersect.

<table>
<thead>
<tr>
<th>Service Programs</th>
<th>Scale Economies</th>
<th>Benefit Spillover</th>
<th>Political Participation</th>
<th>Combinatio n</th>
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<tbody>
<tr>
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<tr>
<td>Transportation</td>
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<tr>
<td>Social Welfare</td>
<td>o</td>
<td>+</td>
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<td>=</td>
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<tr>
<td>Health and Hospital</td>
<td>+</td>
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<td>Police Basic Services</td>
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<td>Police Special Services</td>
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<td>Firefighting</td>
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Centralization Decentralization Debate Revisited

Table 1. Functions of municipalities and their analysis according to scale economies, benefit spillover, and participation (Break, 1967).

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<th>Service</th>
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<td>+</td>
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<td>+</td>
<td>0</td>
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<tr>
<td>Garbage Disposal</td>
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<td>Parks and Recreation</td>
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<td>+</td>
<td>x</td>
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<tr>
<td>Housing</td>
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<td>+</td>
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<tr>
<td>Urban Renewal</td>
<td>x</td>
<td>+</td>
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<td>Library General</td>
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<tr>
<td>Library Special</td>
<td>+</td>
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<tr>
<td>Air and Water Pollution</td>
<td>+</td>
<td>+</td>
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<td>+</td>
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<tr>
<td>Urban Design/planning</td>
<td>+</td>
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</tbody>
</table>

+ Services optimum at regional/area wide scale.
0 Services optimum at local scale.
= Services optimum for both local and regional/area wide scales.
x services which the optimum scale is not clear or open to discussion.

As the optimum scale differs with the service and the population, different public services can be provided most efficiently by units of different size. Some are most cost-effective to provide for large territories and populations, as others, can be organized cost-effectively for small communities and may even exhibit diseconomies of scale.

The consumption of all public services provided to a specific local community may not be controllable in space. This results in exceeding the legislative boundaries of the municipality and consumption of the service by neighbor communities causing benefit spillover. On the other hand, as the service scale is taken too narrowly, the social cost of not providing the sufficient service may not only affect the local community, but may also affect the welfare and/or safety of the neighbor communities. These are the cost spillovers which should be taken into consideration within the scaling processes.

In practice, instead of giving equal weight to each of these criteria, taking the specific conditions and how they balance each other into account and then considering the evaluation of each service feature would be a more consistent approach.
In short, when public goods and services have different optimal scales of provision, increasing the number of layers and creating units of different size at the different levels make it possible to provide a diverse portfolio of public goods more cost-effective. However, if one is concerned with just technical costs, only taking into consideration the administrative decentralization is considered to be enough. The political decision is left aside. However, administrative decentralization only makes cost savings possible; it does not guarantee them. The allocation of responsibilities across levels might be chosen so that at the end it may cost more than if all functions had been centralized (Treisman, 2007).

Hence, the spillover of costs and benefits cannot be absolutely controlled and the problem is to create a balance finding again the ‘optimum scale.’ Decentralization or rescaling the municipalities does not solve the problem unless it involves the political decentralization might optimize the spillover effects and let the local communities decide, which can only be sustained through ‘political proximity.’

Towards Political Proximity: How to define the scale / jurisdiction

Urban functions can be distributed to local authorities at various levels according to seven principles, which have been developed with regard to the scale of the units (ACIR, 1963). As the first two of these are economic criteria, the remaining five
set principles for political and administrative content. As administrative decentralization focuses only on the first two economic criteria, to establish an adequate ‘political proximity’ through political decentralization, the remaining five criteria play a much more important role, which have been neglected in last reforms at Turkey. Hence, before redefining the local governments there is need to define these criteria for local government’s jurisdiction.

According to the economic criteria, the jurisdiction of the municipality should be large enough to:

1. Enable the benefits from that service to be consumed primarily within the jurisdiction
2. Permit realization of the economies of scale

According to the political criteria, the municipality should have a geographical area of jurisdiction that is:

1. adequate for effective performance (or may delegate)
2. responsible for sufficient number of functions so that it provides a forum for resolution and conflict interest
3. should remain controllable and accessible by its residents
4. enable subsidiarity to maximize participation and still permits adequate performance
5. to improve participation, while developing efficiency

Redefining the Boundaries of Local Governments
Before the final legislative reform of local administrations (Act No. 6360) the territory of the municipalities were defined in a scattered way where the boundaries were defining the urban and the rural. This was making the scaling of services according to spatial spillovers impossible. As municipalities were assigned for urban population the Special Administration of Provinces were assumed to serve the rural, but also the all population in the province, neglecting whether there is a municipality or not. Yet, the new law (Act No. 6360) enables 30 provinces to be served by the Greater Municipalities and defining only one territorial definition for services solving the spatial distribution problem of service providers. The difference of the two spatial models can be seen in the graphic below.
Figure 2. The scattered jurisdiction areas of municipalities / Figure 3. Jurisdiction areas of municipalities at metropolitan provinces after Act No. 6360

However, this reform has not solved three important problems in metropolitan cities: 1) participation to decision making, 2) political proximity, and 3) urban sprawl. The reforms only consist of the 30 municipalities, and therefore cannot be defined as an overall reform of the local administration system but rather a spatial and unique implementation. Therefore, as the scattered distribution of municipal jurisdiction areas are continuing to exist at the remaining 51 provinces, it leaves the local communities at these provinces at the previous problematic state, which the reform assumed to have solved.

Decentralization for Participation to Decision Making:
Balancing representative vs. participatory democracy

The metropolitan reform of 2012 has been made according to arguments similarly put by Zimmerman in 1970 as: the assumption that decentralization over one metropolitan unit will enable scale economies; services provided and allocated equally; efficient management of services; and comprehensive planning of the metropolitan urban area. In fact, this centralized decentralization is not new to Turkey. In the Act No. 1605 issued in 1972, amending a portion of the articles of Act No. 6785, ‘metropolitan planning’ has been identified as planning of areas that involves more than one municipality. This law commissioned by the Ministry of Development and Resettlement for preparation and adoption of the development plans concerning more than one municipality, stating that city councils approval is not required (Vidinlioğlu 1985).
However, to manage the whole metropolitan area from a single management unit will push the citizen from decision processes and increase bureaucracy. Ensuring citizen participation, closeness to the public, to respond to different characteristics of the local communities and resident’s needs and preferences, protect the interests of local democracy in the metropolitan area through relatively small local authorities rather than the metropolitan government are the pillars of the presence of local communities (Barlow, 1993).

For improving the use of political proximity, although an important role of the local governments is providing services, the most important role for a municipality is enabling participation for the decision making processes of the services provided. Yet, in Turkey participation of local governments is more than a little problematic. The only existing mechanism is the Municipality Council. Residents of the municipality vote for those who will enter the Municipality Council and for the mayor, although the mayor of the municipality and for the Greater Municipality if exists.

The size of the district municipalities, as the smallest local government institute in metropolitan provinces henceforth, are more than being accurate for any type of democracy, either representative or participatory. Being at district level does not provide any political proximity.

The problem of Municipality Council however, is not the participation probability to the decisions, but the size of the municipality that institutes the Council. Districts as Yenimahalle, Kadıköy, and Çankaya are far away from being in optimum scale for political proximity. Each of these municipalities is almost metropolitan oneself. However, as the municipalities in Turkey are scales according to economic criteria rather than political criteria, discussing the decentralization from a democratic perspective gets out of the agenda.

Therefore, a local government body at the neighborhood level is needed in order to establish a more adequate political proximity at scale. At this scale, it is more about political participation
than scale of economies. Therefore the focus should be on political decentralization and participation to decision making mechanism. The services provided by the municipalities could easily be regulated though decision mechanism that involve the neighborhood level local government bodies. This may also be solved through the representation of the neighborhoods at the municipal council.

As the neighborhood council might be active in decision making within the municipal council, the municipality itself might be de base for providing the services. This kind of a gradual local government system might both be ‘politically proximate’ and achieve the ‘optimum scale’ in economic terms for the services.

**Urban Sprawl and Reorganizing Municipal Jurisdictions and Metropolitan Areas: Separating Administration and Management**

In an urban area that is divided into different municipal jurisdictions, it is possible that problems will arise due to boundaries; first, due to the infrastructure, and second due to planning conflicts. Conflicts due to infrastructure arise from coordination among facilities such as water and sanitation services, or road maintaining and waste deposit, which might overlap in a spatial context. On the other hand, planning problems emerged due to conflicts at the decision making level as who would give what decision in those areas that are overlapping.

Intensifying the political proximity through neighborhood bodies, the overlapping problem at municipal and even metropolitan municipal level of planning and service providence remains. This overlapping problem arises from the fact that the jurisdiction areas of municipalities cannot grow farther towards other municipalities. However, only collaboration among municipalities cannot solve the problem of urban sprawl in metropolitan areas. Expanding the jurisdiction area of the metropolitan areas to the provincial borders does not solve this problem.
Therefore, the meaning of the metropolitan or in Turkish terms the Greater Municipalities should not be organized according as the higher organization of cities based on provincial boundaries but according to service provision necessities and planning needs. River basins for example are defining boundaries for water and sewage system, not the provincial boundaries. Furthermore, transport or fireworks continue in space whether there is a municipal boundary or not.

**Figure 4.** The urban sprawl on the İstanbul-Kocaeli-Sakarya axis, and their greater municipality boundaries which do not match the urban area.

In an urban sprawl like shown in Figure 4, there is need for a different type of local government organization rather than just establishing the municipality at a greater scale and name it Greater Municipality.

**Conclusion**
Having discussed the role of municipalities in service providing and democratic participation, it is important to come to a conclusion; why do we have local governments? To improve efficiency of services or to improve democratic participation in the decision making process. The first one is a technical issue and requires discussion for every service given by the municipality even when the technology used change. However, the second not being a technical issue, should not be left to professionals. In fact, the second can also lead the first within itself.
Local governments are for local residents. Therefore, even the scale economies have to be taken into consideration. The basis of local administrations is to enable participation of local decisions and enable control and auditing mechanisms to local residents.

After enabling participation through neighborhood bodies, the district municipalities has to be scrutinized deeply according to their spatial scattering, distance, and population in order to find an optimum size and distribution can be found. Based on these district municipalities, the services can be either supplied by the municipalities or by municipal unions, which becomes a technical issue and a political decision that should be left to be discussed by the local resident paying the costs and benefiting from the outcomes.

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Revisiting Local Democracy in Turkey
Muhittin Acar

Abstract:

At the heart of the current paper are two separate but related questions: a) How local are local governments in Turkey? b) How democratic are local governments in the country? The paper attempts to answer those questions by providing, first, a cursory assessment of Turkey’s situation on the centralization-decentralization continuum and then a brief analysis of the two major principles/pillars of contemporary democracies, namely popular sovereignty and representation, as applied to local politics and elections in Turkey. It thus discusses, albeit with varying degrees of depth and detail, whether and to what extent existing policies and practices related to local elections and electoral politics in the country are reflecting chief characteristics of an advanced democracy (e.g., free, frequent, and fair elections) on one hand, and thorough and true localness (e.g., locally determined election rules and regulations, locally-designed agendas and issues, and locally decided candidates and campaigns) on the other. It leaves readers pondering whether or not the current state of local democracy in the country can rather be called as one of pseudo-local, plebiscite democracy.

1. Introduction:

The centralization-decentralization debate in the context of any given country should involve a set of questions regarding the nature, structure and functioning of political and administrative apparatus in that country along the central-local continuum.

1. I would like to thank my colleague Dr. Uğur Sadioğlu for bringing to my attention some of the resources cited in this study.
While there is no scarcity of academic and professional works speculating about different levels of decentralization achieved in various countries across the globe, there is nonetheless still a strong need for identifying a set of questions aiming at searching for a broader and better understanding of specific situations in certain societies related to the aforementioned debate. What follows first is a list of such questions, along with a brief assessment about the situation in Turkey. Accompanying this is a rather succinct assessment of the degree of ‘localness’ of some of the administrative functions supposed to be performed by municipalities in Turkey.

Secondly, the paper touches upon the relation between decentralization and democratization, a more complete understanding of which requires a well-versed analysis of the interactions between the two. It is thus argued that the existing debate along decentralization-democratization axis should be broadened so as to include the main components, or characteristics of contemporary democracies, and how local governments contribute to and are influenced by those components/characteristics. In other words, anyone attempting to analyze the performance of the ‘twin processes’ of democracy and decentralization in a given country should be guided by an informed discussion on the dominant nature and determining characteristics of democracy to reach a better contextualized and nuanced understanding of a country’s standing vis-à-vis local democracy and governance.

Finally, the paper attempts to present an initial assessment of the localness and democratic-ness of local democracy in Turkey by providing a blending analysis of the two major principles/pillars of contemporary democracies, namely popular sovereignty and representation, as applied to local politics and elections in Turkey. It tries to achieve its main purpose by way of discussing, albeit with varying degrees of depth and detail, whether and to what extent existing policies and practices related to local elections and electoral politics in the country are reflecting chief characteristics of an advanced democracy (e.g., free, frequent, and fair elections) on one hand, and thorough and true localness (e.g., locally determined election rules and regulations, locally designed agendas and issues, and locally decided candidates and campaigns) on the other. It invites the readers to join the debate concerning whether or not the current
state of local democracy in Turkey can rather be called as one of pseudolocal, plebiscitedemocracy.

It should be noted that the treatment of the issues involved in the paper has to do with the argument that the centralization-decentralization debate should include not just the existing legal-institutional frameworks, but also informal dynamics, or working realities of political and administrative policies and processes emanating from central-local interactions on different levels and across different issue areas. An addendum to this is the fact that the paper raises more questions than it answers, which might be considered as an increased incentive for various stakeholders to join the debate in one way or another. Last, but not the least, a cautionary note is in order: The ideas and suggestions offered here are as much based on the author’s familiarity with the existing literature and the country context as they are based on his personal, professional and political perspectives and preferences.2

2. Main Questions of Centralization-Decentralization Debate:

The centralization-decentralization debate is almost inevitably accompanied with an array of smaller or larger discussions pertaining to such issues as the structure and strength of the state, design and development of political system and parties, architecture and functioning of democracy, roles and performances of civil society and media, efficiency and effectiveness of public and private sector institutions, distribution of resources, wealth and income across the regions and sectors, quality and quantity of public services designed and delivered, and so on. Interestingly enough, the situation regarding the division of power and labor between central and local authorities can be easily identified as one of the critical factors affecting these issues in one way or another. As it will be discussed more in the following sub-section, the debate should be extended so as to account for the mutual effects of the actors and factors defined and situated in different parts of the democratization-decentralization equation since it closely related to the current centralization-decentralization debate.

2. An auxiliary to the last point is a caveat that the current paper should not be treated as a full-fledged, peer-reviewed academic paper, but rather as a free-spirited text, prepared hastily after a conference presentation to meet the deadlines
It is plausible to argue that generic textbook treatments of the debate usually focus on rather limited number of questions concerning *formal* distribution of power and competences between the levels of government, without paying due attention to *informal* dynamics, which might prove to be significantly at play. Perhaps more importantly, there is an acute need for analyses concentrating on the interactions of various actors and the interplay of different factors at different levels and across various issue areas, both formally and informally. In any case, there is a strong need to provide a somewhat updated, upgraded version of questions concerning the debate. The following list of questions regarding the division of power/influence, task/competences, responsibilities and so on, between central versus local authorities aspire to function as such, without claiming to be exhaustive:

- **a)** Who decides & determines?
- **b)** Who checks & controls?
- **c)** Who designs & delivers?
- **d)** Who pays for it?
- **e)** Who benefits from it?

Ostensibly, the first question is a somewhat more inclusive one (if not an all-inclusive one), raised frequently during contemporary debates ensued in academic and political circles.\(^3\) It has to do with the division of legal-political power between central versus local authorities to decide about the competencies/duties to be carried out by these two major actors, as well as the organizational structures and functions of different local government types and units. As a general observation, it is fair to say that in a unitary government system, the central government has the upper hand in deciding about these issues, albeit after going through an array of consultation processes with local authorities. Here is where the biggest challenge of Turkish polity lies: lack of systematic, democratic consultation mechanisms and processes between central and local authorities deciding and determining aforementioned issues during the preparations of those legal-institutional frameworks. Maybe more

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\(^3\) As concisely put by Hajnal and Trounstine (2010: 1130-1131): “One of the core questions driving the study of local democracy is who (or what) governs. From Robert Dahl’s *Who Governs? Democracy and Power in the American City* (1961) to Paul Peterson’s *City Limits* (1981), there has been a longstanding debate about the factors and actors that most heavily influence local policy decisions.”
importantly, central government regulations and institutions in Turkey are heavily involved in predetermining the internal structures as well as the numbers and qualifications of local government cadres. A similar imbalance is said to exist in Turkey when it comes to the question of who checks and controls the policies, actions and performances of local governments and their officials. It is still the central government apparatus that provides a majority of the checking and controlling as opposed to local councils, communities and citizens. While there has been an increase in the power of local authorities on both fronts after the reforms of 2004-2005, different parts of the central government still hold swaying power over the issues identifiable within the first two questions.

The relative power of central versus local governments in the design and delivery of local goods and services is another important issue to be included in the current debate. Given the increasing role of non-state actors and international companies in the building and operating of local government facilities, as well as the widespread use of contractual arrangements of various types in producing and distributing local goods and services, it is time to think thoroughly about the localness of local public goods and services. Chief among these issues to be considered is the presence or absence of local capacity and competition for providing local public goods and services.

A related issue has to do with the financing of local goods and services. For example, the percentage of the local revenues designated and generated locally to those determined and allocated by the central government does not point to the existence of autonomous local governments in Turkey. If one accepts the significance of the problem of taxation without representation in evolving of old democracies over the centuries, then contemporary local democracy debate should find ways of analyzing better the challenges attributable to representation without taxation. A similar argument, but in a somewhat reverse order, can be advanced with regard to the fifth question above to raise the such issues as positive and negative externalities incurred by different localities that arise from central versus local policies and performances. In a similar vein, political and administrative issues and challenges surrounding unfunded mandates are yet to emerge within the context of the centralization-decentralization debate in Turkey. Finally, there is a strong need for ex post evaluations in Turkey regarding distributive effects of public goods and services in a comparative perspective (i.e.,
central versus local). All in all, the centralization-decentralization debate should be updated and upgraded, so to speak, along the dimensions briefly identified in this sub-section. A thorough analysis of the division between central and local authorities in Turkey of power (for decision making and control) and purse would provide strong evidence for the weaknesses of local governments in Turkey.

A similar analysis can be conducted by using the POSDCORB, an acronym for the functions of administrations, much familiar to the scholars of the Discipline of Public Administration. In doing so, the main question to be answered would look like this: To what extent are essential administrative functions carried autonomously and decisively by local governments without frequent involvement of and significant interference from the central authorities? It is more than likely that the answers to this question from the people familiar with and knowledgeable about the administrative context in Turkey would point to the lack of autonomous local government institutions in the country, viewed from the perspective of their capacity and ability regarding the following administrative functions:

- Planning
- Organizing
- Staffing
- Directing
- Coordinating
- Reporting
- Budgeting

3. A More Realistic Look into the Decentralization-Democratization Debate:

Classic arguments for the existence of local governments usually emphasize their contributions to efficiency and democracy. As for the latter, proponents maintain, among others, that local governments can act as seedbeds of democratic politicians and practices in addition to their ability to provide additional opportunities for citizens to hone their skills to effectively participate in political debates and public decision making. It is fair to say, however, that much of the existing research and rhetoric about the contributions of local governments in strengthening
democracy in the context of different countries usually treat those contributions as supplementary to national political and administrative systems, which is indeed nothing more than a continuation of the assumption about the existence of an already institutionalized, consolidated democratic regime at the national level. Therefore, it is one of the main arguments of the current paper that it is incumbent upon us to contribute the following to the decentralization-democratization debate a) basic institutional components of liberal democracies; and b) informal dynamics of local governance, in addition to, sometimes even more than legal-institutional features of national and local political systems.

In other words, if we want to have a more balanced, well-informed discussion concerning the relations between decentralization and democratization, we need to stop conceiving and conceptualizing local governments’ democratic virtues as complementary, or supplementary to a well-functioning political administrative system at the national level. We should go one-by-one through the essential ingredients of an advanced democracy, and ask whether and how local governments in any country contribute positively and meaningfully to basic components of such a democracy by their deeds and actions. A generic list concerning the main components or characteristics of an advanced democracy would, more or less, involve the following:

1) Popular Sovereignty
2) Rule of Law
3) Human Rights
4) Pluralism
5) Civilian Control of Military
6) Open & Civil Society
7) Opposition
8) Popular & Political Control of Bureaucracy
9) Freedom of Media & Information
10) Transparent & Accountable Government

Then, the critical issue becomes one of examining carefully the presence or absence of local governments’ real contributions to each and every items listed above. It is needless to say that a country’s experience of and aspirations for developing a democratic regime would, to a certain extent, determine its standing
vis-à-vis the aforementioned components, some of which have nothing to do with the performance of local governments (e.g., civilian control of military). Nonetheless, it is still plausible to assess local governments’ perceived or actual (at least potential) contributions to the democracy with the help of these types of questions, not just in addition to central government institutions but in comparison to them. For instance, do local governments encourage flourishing of pluralism in their communities? Is freedom of media and information respected and observed more adamantly by the institutions and leaders of local governments than of central governments? Can we say for sure that the position of the opposition in local governments is any better than that of national level? Is popular and political control of bureaucracy achieved more effectively & democratically in local governments than as is the case in the central government? As far as the Turkish experience is concerned, one is hard-pressed to respond to these and similar other questions affirmatively. Local government policies and practices in Turkey would be more than likely to fail such a litmus test for advancing the democracy in their communities as well as in the country as a whole.

More pointedly, it is difficult say that current perceptions and practices concerning the integrity of local administrations and administrators in Turkey do not show any sign of evidence for their positive contributions toward building transparent and accountable governance models and mechanisms in the country. If the citizens of Turkey want to enjoy a strong democracy, they have to win the war against corruption both at the national and local levels, simply because building clean and efficient governance mechanisms and institutions is an important ingredient in conceiving and constructing a democratic government system.4

At this point, juxtaposing the debates concerning centralization-decentralization on one hand, and decentralization and democratization on the other, might prove useful in getting a clearer picture as to why more decentralization does not neces-

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4. As Rose-Ackerman (2007: 31) aptly puts: “Democracy means more than elections, political party organization, and the protection of individual rights. It also means that policy making is accountable to the public and that officials do not use their offices corruptly for private gain.”
sarily produce better outcomes in terms of democratization in Turkey. It is more frequent than not, as in many other countries around the globe, in Turkey decentralization is traced only to the point where some duties and tasks previously carried out by central organizations are transferred to local governments. It is not a gross exaggeration to say that in many cases those transfers were either incomplete from the very beginning, or re-worked (and revoked) to the point where some central government institutions end up fulfilling partially or wholly those duties that were supposed to be left exclusively into the hands of local governments.\(^5\)

It is more interesting to note here that even these incomplete decentralization processes do not go as far to touch chief local stakeholders, since in practice they usually mean transfers of some power from center to cities, which alone do not guarantee empowerment of local councils, communities, and citizens. In other words, if decentralization is to contribute in meaningful ways to democratization processes in Turkey, aspirations for and actions toward building a decentralized and democratized governance regime should not stop at the doors of city hall, it should go deeper into the division of power and labor between various elected officials (e.g., mayors vs. local councils) as well as between elected-versus appointed public servants (e.g., local councilors vs. professional city managers). In a local governance system wherein real power heavily concentrates on the top (i.e., mayors), decentralization ends up with nothing more than mimicking at local level the co-optation practices of corporatist national politics. That is why it is continuously argued here that formal policies and official discourses present only some parts of the picture, not the whole of it: There should be more and better analyses taking into account the interplay of an array of formal and informal of structures and dynamics together when describing the relations between decentralization and democratization in Turkey.

\(^5\) According to some estimates, as many as twenty-five different central government institutions, in one way or another, either directly use, or interfere with the city planning, a competence which is supposed to be enjoyed by municipalities extensively, if not exclusively. Similarly, ‘staffing’ function of local administrations are subject to a series of rules and regulations issued by a number of different central government institutions.
In short, the extant model of strong mayor-weak council in the municipalities of the country does not help the building of a strong representative government in Turkey, let alone acting as a springboard for successful cases of participatory governance models and mechanisms for the rest of private, nonprofit, and public institutions in the country.\(^6\) In fact, analyzing the local democracy in Turkey by combining one of the major components of an advanced democracy (popular sovereignty) with one of the highly-cherished values of democratic governance (representation) will bring the issue much closer to home, which will be turned to the next.

4. The Case in Point: Local Elections in Turkey:

Although it is possible to examine the quality and effectiveness of local democracies in many different ways by using various kinds of criteria, for the purposes of the current paper, framing the issue around local elections and campaigns in Turkey constitute a viable option for at least two reasons. One has to do with the relative feasibility of such a focus in combining the two concepts that are widely employed in the literature dealing with the two debates (i.e., centralization-decentralization and decentralization-democratization). Secondly, in line with the general position taken here, a parallel look at the developments in those two fronts might contribute more to a better understanding of the intertwined nature of formal policies and informal dynamics of local politics and governance in Turkey. An added value is to utilize observations gleaned from preparations and practices of political parties related to upcoming local elections in Turkey set for March 2014.

The main position taken throughout the discussion should be stated clearly at the outset: As currently practiced, local elections in Turkey do not extensively reflect the characteristics of neither decentralized nor democratized governance regimes. On the contrary, it provides ample evidence to the highly centralized and not-so-democratic nature of political and administrative systems in Turkey.

\(^6\) For more information and discussion on this and similar other challenges for building a democratic governance system in and through local governments in Turkey, see for example, Sadıoğlu, 2013; Göymen, 2010; Toksöz vd., 2009; Bulut ve Tanıyıcı, 2007; Acar, 2002; Azaklı ve Özgür, 2002.
As far is the former is concerned, centrally set rules and regulations dominate the local election system without providing any leeway for local political actors to customize the rules of the game according to varying needs that might arise from differences in political perspectives, preferences, or regional customs. The bigger issue here is not just about the setting of those rules by the national legislation, which is quite understandable to certain extent, but it is about how political parties centrally determine the rules of the game without taking perspectives and preferences of their own local party organizations and members into account. Maybe more importantly, an average voter in Turkey goes to the ballot-box during the local elections to choose from the hand-picked candidates. These candidates are, by and large, put into the party lists by political party centers and leaders usually without any serious and systematic consultation with local party organizations and members, let alone after going through primaries allowing for competitions within the parties.

Similarly, more often than not, the scenes and speeches during local election campaigns are heavily dominated by national political figures (read as the leaders plus high-echelons of the parties) and issues, rather than local ones, reflecting fixed-menu agendas designed and developed mainly by the centers and leaders of each political party. Of course, party leaders pay frequent visits to different cities and towns across the country during the campaigns, only to personally introduce their selections of candidates and themes in vying for the support of the local electorate. In short, local elections in Turkey can be better described as a national competition between political parties within the framework of the rules designed by the center, among candidates and themes of the center, through projects and promises offered by party leaders for the good of localities and local people!

It is a widely-accepted notion that democratic elections should have, among others, three major features: freeness, frequency, and fairness. It can be easily said that citizens in Turkey have been enjoying the first two for quite some time in free and frequent local elections. When it comes to fairness, however, local democracy in Turkey has a long way to go. For one, there

7. According to the Turkish Constitutions, local elections are held in every five-year period.
is a high threshold (10 percent of valid votes within the district) in the elections of local council members, which puts independent candidates and those who compete on the list of small parties in a highly disadvantaged position. Coupled with the liability of new and small, it reversely affects the fairness of local elections compared to incumbent parties and candidates. Making matters worse is the widespread inequality among political parties and candidates in terms of the ‘war chest’ they bring into the competition. Given the lack of transparent and effective rules for political financing does not help much in creating a level-field for local elections and campaigns. ‘Money for electioneering’ not only increases the unfairness of the local races, but also decreases hope for building a clean political and administrative system at the local level, especially given the existence of a huge unregistered economy and lackluster enforcement of the rules aiming at protecting integrity and fairness of the elections and the elected.8

Another issue has to do with the restrictions and challenges facing public employees who might consider running for membership in local councils. Public employees have to resign from their jobs months before local elections in order to apply to become potential candidates for local offices, not to mention the difficulties they have to overcome in financing their campaigns. The strict legal policy of not allowing public employees to hold any local office (e.g., serving as a member of local council) while maintaining their main task prevents many experienced experts from entering politics, which then becomes an arena spared only for those with money and/or with private business and practice.), without any place for women, the poor, the disadvantaged and the like. As briefly mentioned before, the lack of primaries to determine the candidates for mayors and local council members is accompanied with the lack of permission for preferential ballot during the local elections, which increase in combination the centralized and not-so-democratic nature of local politics and governance in the country.

Most recently, the arguments, alternatives, and actions related to direct democracy have increased significantly in different countries from around the world.9 It is fair to say that local

8. For a more detailed discussion (with appropriate citations) about these and similar other issues, see, Acar and Emek, 2009.
9. More broadly defined, direct democracy refers to the situations “in which citizens act outside of traditional representative political institutions to replace elected
communities and citizens in Turkey do not enjoy the tools associated with direct democracy, such as referendum and recall, chiefly because the existing legal-institutional framework does not contain such mechanisms. Saving for the sporadic and sometimes effective use of citizens’ assemblies and some other avenues by a limited number municipalities across the country to hear the preferences and priorities of local residents, the local government system in Turkey is almost entirely devoid of legal-institutional models and mechanisms to gather and use of the ‘voice of local citizens’ in-between elections.

5. Conclusion:

At the outset of this paper, two questions have been set for discussion; one is related with the localness, another about the democratic-ness of local governments in Turkey. It has been argued that despite all the rhetoric for decentralization and democratization, there still exists a highly-centralized, yet-to-be democratized local political and administrative system in the country. Most recent events and developments even suggest a path toward re-centralization, while there is no sign of strengthening democratic characteristics of local politics and governance ahead of local elections set for March 2014. For example, there is not much discussion let alone any policy initiatives aimed at ensuring increased transparency and fairness of local elections and campaigns.

In the preceding pages, it was also suggested the centralization-decentralization debate should be rather broadened so as to include more questions concerning the distribution of power and purse between different levels of government, as well as checks and controls associated with local decision making processes and delivery of local public services. Similarly, it was submitted that the strength and scope of local governments’ competences regarding major administrative functions should

officials (via the recall), ratify or reject legislation (via the referendum), or circumvent representative government altogether and pass laws directly (via the initiative).” (Gerber & Phillips, 2005: 310-311).

10. For some analysts, developments and debates before, during, and after Gezi Parkı have indicated the highly-centralized and tenuous nature of (local) democracy in Turkey.
be taken into account in evaluating the degree of decentralization in the country. It seems reasonable to conclude that there is a long way (and maybe a couple of more local elections) to go before creating a decentralized and democratized government system and a tradition of transparent, accountable governance in Turkey.¹¹

References


¹¹. Optimists can claim that the ongoing operations and highly-contested political and popular discussions concerning corruption claims/charges might point to a shorter time-frame for witnessing some significant improvements on this front. Pessimists, on the other hand, would object to it by listing the almost insurmountable challenges lying ahead in the way of creating such a tradition even in a foreseeable future.


Decentralisation, poly-centralisation and re-centralisation of Turkish politics: A matrix of central-local relationships
Ulaş Bayraktar

Abstract:
The paper is based on a critical evaluation of the simple dichotomous reading of central-local relationships. The main argument of the text is that the (de) centralisation process has not been a linear, zero-sum power struggle between central and peripheral governments since the actual power configuration is shaped by multiple factors beyond the simple distribution of competencies and resources. In the framework of this paper, I propose to develop a rapid chronological reading of Turkish political history through a tri-dimensional matrix based on formal power distribution, actors and agenda. The paper opens with the definition of the tri-dimensional matrix on which I will found by historical analysis. Then I will elaborate on some of the main episodes of Turkish political history that I think are emblematic of different power configurations indicating centralised, decentralised, poly-centric and re-centralised power relationships.

Introduction
The centre-periphery approach has probably been the conceptual tool most widely referred to for understanding the structure and culture of Turkish politics since the Ottoman Era. Introduced by Serif Mardin’s (1973) influential article, the approach focuses on the lasting tension between centre and centrifugal forces of the periphery as the main source of traditional societal and political divisions in Turkey. It is thus not surprising that the literature on Turkish local governments follows accordingly by acknowledging the traditional centralism of the administrative and political system and by posing all local political issues as subordinated or juxtaposed to this centralist tradition.
This paper is based on a critical evaluation of this simple dichotomous reading of the central-local relationships. My argument is that the (de)centralisation process has not been a linear, zero-sum power struggle between central and peripheral governments since the actual power configuration is shaped by multiple factors beyond the simple distribution of competencies and resources. In the framework of this paper, I propose to develop a rapid chronological reading of Turkish political history through a three-dimensional matrix based on formal power distribution, actors, and agenda.

The paper opens with the definition of the three-dimensional matrix on which I will found by historical analysis. Then I will elaborate on some of the main episodes of Turkish political history that I think are emblematic of different power configurations indicating centralised, decentralised, poly-centric and re-centralised power relationships.

**Matrix of (De)centralisation**
As noted above, Turkish politics have been generally analysed through a dichotomous perspective of an omnipresent centre and subordinated periphery deprived of adequate resources and competencies to be able to bring about an autonomous sphere of power and politics. Yet as Kjellberg (1995:42) observes, there are three sets of values embedded in the basis of local self-government beyond the “simple juxtaposition of autonomy and central interference, of decentralisation versus centralisation”: liberty or autonomy; democracy or participation; and efficiency. I argue that each of these sets of values imply a different aspect of central-local relationships; autonomy on the formal power distribution, democracy on actors and efficiency on agenda. In other words, central-local relationships may develop in different power configurations based on where, by whom and for what power is exercised. Therefore, instead of a linear dichotomous reading of (de) centralisation processes, I propose to develop a tri-dimensional matrix based on different aspects of power issued from the sets of values that Kjellberg identifies.

The first dimension of the matrix would be the traditional level of autonomy based on the distribution of resources and competencies between central and local governments.
However, focusing only on the formal share of powers would not give us a clear picture as to how local politics function as the influence of various political actors may not be restricted on one scale and may expand from local towards centre or vice versa. Therefore, it would be also necessary to examine those involved in local politics and to examine to what extent deputies, mayors, notables, businessmen, associations, citizens etc. are present and influential in local politics. Finally, we should also consider what is at stake in these political processes by examining the main components of the agenda present in localities. Therefore, the question of efficiency should be re-formulated by including the nature of the service to be delivered; whether it is defined by the centre or emerged by local dynamics.

Consequently, it is not easy to simply label a system as centralised or decentralised as degrees of centralisation may differ from one aspect to another. For example, competencies may belong to a local government in which decisions on a centrally imposed agenda may be made by a restricted number of actors. Or, local governments may function efficiently and democratically on a locally determined agenda despite the lack adequate resources and competencies.

Departing from this three-dimensional perspective, I hereby propose to go through different episodes of Turkish political history to identify the changes in central-local power relationships. For this purpose, I name six different periods all of which are emblematic for a different combination of these three dimensions, namely mono partite regime, the Democratic Party era, the 60s, the 70s, the 80s and the AKP era.

**Early Republican Period**
The 19th century represents an age of reforms for the Ottoman Empire. The end of military golden age and the commencement of serious defeats prompted traditional elites to find ways to “save the Empire.” The first objective of this reform wave was to modernise military schools and equipment to be able to prevent any further military defeats and to return to the glorious days of Ottoman rule. However, the bureaucratic elites and military students influenced by European values and ideas started to demand broader reforms with the objective
of modernising the State in a rational and modern manner. According to them, the first condition of such a government was to establish a parliamentarian regime.

The real motive of these modernisation efforts was to create a counter-power vis-à-vis the sultan in order to be able to realise projects destined to save the Ottoman Empire. From this perspective, “politics is seen as a process of realising what is fair for all society rather than a process of unifying and conciliating demands and interests of different social groups” (Ozbudun, 1995: 9).

This seems to me the origin of the Turkish political tradition of ex post facto legitimacy has been valid since then. A social project was introduced for the well-being of the society yet without necessarily the society articulating a demand. But the carriers of the project considered their endeavours legitimate as they would certainly contribute to the socio-economic and cultural development of the country and thus be beneficial for the society as a whole.

Consequently, a modernisation project that would eventually weaken the omnipresent central position of the sultan had triggered the emergence of a new centre established by the reformist actors because the society was not seen ready or eager to assume the power taken from the sultan. As Neumann (2004: 27) underlines, the reformist movement, the Committee of Union and Progress, founded their modernisation project upon a much emphasised centralisation and for a popular mobilisation controlled by the state apparatus. In other words, the centralised position of the sultan was counter-weighed by a new centralised power bloc self-legitimated by a social project, albeit non-articulated by the society itself.

The Republic was founded in October 1923 on this legacy of ex post facto legitimization of a social modernisation project. As a matter of fact, the broad coalition composed of all social groups of society that had secured the victory of the War of Independence was not eager to offer their support to the subsequent reforms of modernisation characterised by the westernisation of institutions and social features of the new Republic. Consequently, the “instrumental” principle of populism became a “consummatory” one and accordingly the bottom-up structure of government turned out to be seen
“as an end in itself rather than a means for achieving some higher order” (Turan, 1993: 131). Mustafa Kemal justifies this change in the character of the populism principle by stating that “there is a need at the beginning of any undertaking, to go not from below upwards but from above downwards” (quoted by Rustow, 1991: 13).

The structuring of local governments with the Law on Municipalities of 1930 reflected this understanding of consummatory populism. The political character of these institutions, which are in principle one of the main venues of representation and participation of local communities, was restricted in order to allow a one-dimensional articulation of demands and ideas from the centre to localities. The central government saw and used the municipalities to create consent with regard to its revolutionary political project through three dimensions.

First of all, in order to prevent the articulation of alternative political projects and resistance to the central one, the municipalities were put under close supervision of the central government. The mayor elected by the councillors was to be approved by the agents of the central government (prefects or sub-prefects). Consequently, in quite a number of localities, the prefects or the local heads of the party of the state were elected as mayors. In Ankara and Istanbul, this was systematic, since prefects directly assumed the role of mayors until 1948 and 1954 respectively (Tekeli, 2009a: 126-127).

Secondly, the municipalities are seen as the showcase of the new regime. The aim was to legitimise the modernisation project by grandiose public works either by the construction of infrastructure or of symbolic monuments like parks, statues, spaces or buildings. These investments were expected to convince people of the utility and the modern character of the centrally undertaken project (Tekeli, 2009b).

Thirdly, the municipalities were seen as the facilitator of a new lifestyle by establishing rules, arrangements and bans. The municipalities were expected to encourage the emergence the new modern and urban individual of the Republic by creating the image of a new (wo)man. As a matter of fact, Mustafa Kemal assigns this duty directly to mayors:
“All places where Turks inhabit will be the examples of cleanness, health, beauty and modern culture. In addition to the state institutions, we expect mayors who are directly responsible for these issues, work with this vision and approach” (Tekeli, 2009b : 52).

The municipal system was thus structured not to channel local preferences and demands to decision-making, but to channel the already determined policies to localities through closely supervised or literally organic actors, concrete investments and life-style arrangements. All these three functions gave a service-based character to municipalities. They were expected to deliver diverse services so that local communities would give consent to the modernisation project. The legitimacy that was to be extracted from the satisfactory delivery of urban services was expected to serve for the already launched process of modernisation.

However, the Great Depression and then the Second World War prevented the allocation of adequate resources to local communities thus the success of political legitimation. On the contrary, the consequent absence of the central government in the locality paved the way for the emergence of informal networks of political relationships and to the de facto empowerment of local actors. The urbanisation process that was expected to provide an ex post facto legitimacy to the centrally driven modernisation project was henceforth controlled by self-interested local notables (Şengül, 2001: 75). It would yet be unjust to claim that these notables had been until then repressed by the central reformers since their local interests were not threatened by the new regime as long as they did not obstruct the centrally driven modernisation project. As a matter of fact, this latent agreement between the central reformers and the local notables ended when the latter felt that their interests were threatened with cultural and economic policies such as land reform or popular rural institutions that were prone to change socio-economic power relationships. When combined with the post-war geostrategic developments, the maintenance of the mono partite regime turned out to be troublesome.

**Transition to Multi-Partite Regime:**
The definitive victory of the DP in the elections of 1950 represents the cease of the de facto alliance between governing
elites and local notables. In addition to the increasing role of the state in the economy (despite the compromises after the elections of 1946) especially during the World War period, the local notables were seriously disturbed by the approval of a land reform that was aimed at the re-distribution of land belonging to the state and grand proprietors to the poor and landless farmers. This was a direct threat to the interests of local notables who provided the seeds and the farming instruments of the peasants in exchange of $\frac{1}{4}$ or $\frac{1}{2}$ of their production (Zürcher, 2000: 305). It was not a coincidence that one of the founders of the DP and later the prime minister, Adnan Menderes, was also a grand proprietor of the Aegean Region.

If there had been an actual dichotomy between central and local power holders, the DP’s capture of the central government should have re-structured of the power distribution of Turkish politics since its main constituency lied among those who remained sceptical to the modernisation project of the Kemalist reformists. Hence, the percentage of the grand landowners, industrialists and merchants in the assembly augmented 10 percent with DP’s rule (from 19% in 1930s to 29% in 1954). Similarly, the presence of the self-employed usually in close solidarity with these groups increased from 25% to 40% whereas the percentage of military or civil bureaucrats dropped to 22% from 55%. Moreover, this de-bureaucratisation of the political actors was further significant at the local level since the government annulled the legislation that had permitted civil servants to return to their ex-posts in case of non-election in local elections. With this decision, the influence of local notables in municipal bodies was enhanced simply because fewer and fewer bureaucrats dared to show up in the electoral competition (Güler, 1998: 165).

The change of the main political actors’ socio-economic profile at the local and national level did not however indicate an equally important transformation of the legal framework of local governments. Four main legal modifications can be observed after the transition to a multi partite regime until the military coup of 1960. First of all, the electoral procedure was simplified by reducing the electoral period from almost two months (from early September until October 20\textsuperscript{th}) first to a week in 1946 and then to one day in 1950. Secondly, revenues
of local governments were improved with a new financial legislation of 1948; the share of local governments in the national budget increased from 11.5% in 1946 to 12.4% in 1952 and then to 16.1% in 1956. As the table illustrates, this financial improvement was further considerable for municipalities when compared to provincial governments. This evolution represented a relative shift towards local autonomy since municipalities composed of elected actors were considered more autonomous than the provincial governments presided by an appointed prefect no matter that their councillors were also elected[1].

A third change in the local governmental framework was that some of public services which fell under the responsibility of provincial government (construction of main roads as well as the organisation of primary education) or of the municipalities (organisation of urban traffic) according to the Municipal Law of 1930, were transferred back to the central government. In addition to such legal changes, the new founded state ministries took de facto numerous public functions officially assigned to municipalities (Gormez, 1997: 124-125). Thanks to these transfers of functions to the central government, the financial burden of local governments was lightened.

A final development financially favouring municipalities was the foundation of Bank of Departments (İller Bankası) in 1946 with the unification of the Bank of Municipalities (Belediyeler Bankası) and the Board of Municipal Public Works (Belediyeler İmar Heyeti). This new bank was addressing all local governments from villages to provincial governments, unlike the old bank that was concerned with only the municipalities. Nevertheless, the latter could maintain or even enhance their privileges since the new bank served mainly for transferring the incomes of provincial governments to municipalities (Guler, 1998: 170). The foundation of the Bank of Departments represented at the same time the accentuation of the central government’s influence at the local level. Indeed, along with the allocation of required financial resources to local governments, the Bank became the main authority in determining the nature of the local investments. Through this competence of financial assistance and project development, the central government acquired an adequate instrument for controlling local public policies (Geray, 1990: 222 and Guler, 1998: 173).
All these legal developments during the transition to multi-party system and then during the DP rule indicate that despite the initial discourse on local democracy and autonomy, there had been no remarkable move towards these ends. The enhancement of financial capacities of local governments, particularly of municipalities, was counterbalanced with the strengthening of centralist pressures. The political character of municipalities was still eclipsed by their service-delivery based raison d’être that identified them mainly with public works. Once again, the central power referred to spectacular investments in order to legitimise its political status. This tendency was especially crystallised with Menderes’s large scaled projects particularly in Istanbul.

There had been yet another source of legitimacy with the transition to a multi-party regime that had also corresponded to a period of massive rural exodus and of spectacular speed of urbanisation. Whereas only 18.3% of the population inhabited in cities in 1945, by 1955 the percentage reached to 22.1%; five years later almost a quarter of the population (24.6%) resided in urban geographies (Geray, 1990: 217). The rapid industrialisation in the urban zones on the one hand and the transformation of socio-economic situation on the rural side (the agricultural mechanisation and modernisation, the change of the traditional regime of landownership, the monopolisation of the landownership) drove the residents of rural zones towards cities. However, the massive displacement to cities, in other words the demographic urbanisation, did not bring about a social modernisation since no public policy was developed either to organise or to respond to the massive arrival of rural immigrants to cities. In the lack of adequate measures aimed at their needs and demands, new inhabitants of cities developed their own ad hoc solutions such as the gecekondu (illegal houses often on public land). This gave a dual character to cities divided between a formal city and an informal one identifies with such ad hoc solutions developed and carried through informal, interpersonal and inter-communitarian solidarity networks (Şengül, 2001: 78-79).

The DP successfully transformed these factional alliances as well as oppositions based on kinship, ethnic, religious or community-oriented cleavages into political clientèles as the basis of a vast political machine that served in exchanging
electoral support with concrete material benefits, personal assistance in alleviating the burdens of bureaucratic red-tape, and in some instances, even cash payments (Sayari, 1975).

A centralised power structure was thus maintained although a political party identified with the peripheral forces had come into power. But as I have suggested in the previous part, behind this seemingly centralised structure, there had been a latent unity among political actors, central or local. Yet, this unity had to change form due to the entrance of masses into the political scene with the launching of electoral politics. Thus, the seemingly centralised structure in actually which specific agendas and interests of central and local notabilities could coexist could be maintained by the informalisation of politics that would sustain their influences in spite of the growing demands of the electorate.

**Centralisation in a welfare context**
The military coup of May 27th, 1960 was an attempt by the traditional reformists to gain back the influence they had lost with the transition to a multi-partite regime. The constitution adopted afterwards has been considered as the most democratic legal framework of the Republic since it guaranteed associative rights and liberties to individuals as well as autonomy to institutions such as universities and public radio and television. Besides this democratic framework, the new regime was also aiming at improving the social justice in the country by securing social and economic rights. For this purpose, the main economic policies were re-oriented towards import substitution through centrally planned mandatory and guiding objectives. The mandatory policies were planned and realised by the bureaucracy whereas incentives and facilities were introduced in order to encourage the private sector to invest in the determined policy areas (Kazgan, 2002: 95).

The priority attributed to these import-substitution policies particularly in the form of large scaled industrial investments restricted the resources available for urban investments such as housing, transportation and infrastructure. Therefore, the informalisation of urban settlement and survival strategies endured. Yet, the empowerment of local political brokers influential amidst these networks did not continue as significantly as the 1950’s since the weight of central planning and investments weakened local power schemes firstly
because the financial resources of local governments had been restricted. Such restrictions accentuated the dependence of the latter on the central government. Secondly, the urban planning powers of municipalities particularly in metropolitan areas were centralised with the enlarged competencies of the Ministry of Construction and Settlement. Finally, with the technologic developments certain infrastructural services such as water works and electricity were henceforth assumed by the central government. Apart from such restrictions on local service delivery and urban planning, the financial burden of municipalities had been aggravated particularly due to the improved social rights of labourers that increased the cost of human resources for the public employers (Tekeli, 2009c:189, 192, 209 and 215).

In short, the first half-century of the Republic was identified by a centralised power structure. Yet, this centralisation argument should be distinguished from the popular understanding of the centre-periphery dichotomy as it did not necessarily imply a hegemony of central actors over local figures. On the contrary, I claim that they had developed a symbiosis where both sides shared a common source of power and legitimacy. Thus what was centralised was not the power but the political agenda. The local, the city was not yet a political object per se; it was the venue of national, thus central political issues. It was either an instrument for the reformers in attracting masses to the initiated project (be it on a modernist or welfare program) or a nexus for local notables to manage their political clientèles. Local politics was not thus urbanised and consequently local political actors did not have their own political agenda and thus individual power.

De-centralisation of the 70s: The Urbanisation of Local Politics
The military intervention on March 12th 1970 marked another turning-point for the Turkish central-local relationships as a district local and urban agenda of the local governments had developed in these years. Local politics was no more merely about the westernisation politics of the central reformers or the reproduction of labour in the service of planned macro-development policies. The city emerged a political object per se with its own agenda and actors. Batuman (2013) identifies three factors in this urbanisation of local politics.
First of all, the ban after the military intervention of neighbourhood organisations interrupted the functioning of political patronage networks as these associations represented the main nexus of these vote-and-service exchanges. The vacuum left by the relative paralysis of these political venues created an opportunity for collective political groups gathered along more ideological, especially socialist lines to become the main channel of political participation and representation of the new settlers of the big cities.

The politicisation of urban groups corresponded to CHP’s shift to a more socialist position. Led by Ecevit’s “left of the centre” discourse, the party had traditionally been identified with a more centralist and elitist position associated more with urban communities and their daily problems. In 1973, CHP candidates won all the major Turkish municipalities and launched important projects that addressed to the chronic urban problems such as housing, public transport, infrastructure etc. For the first time in Turkish political history, cities appeared with their proper political agendas and emblematic leaders that did not abstain from directly opposing central politicians when pursuing their own projects. For the first time in Turkish politics, a kind of cohabitation took place as the central government and the prominent municipalities were in the hands of different parties. When the former restricted or complicated the allocation of required funds to these local governments, the mayors reacted by publicising these pressures by frequent press releases, meetings and/or symbolic acts (such as the sale of the municipal hall or hunger strike). These survival and resistance strategies adopted by local leaders accelerated the autonomisation of local politics from the centre as the tension was thus fully acknowledged by the general public.

A third factor that helped these local leaders in their efforts of urbanising local politics was the assistance that they received from the technical experts who approached problems and projects in cities in a merely technical perspective. With the 1970s, groups in various professional chambers claimed the need to also adopt apolitical stance and cooperate with political actors for developing solutions to the actual urban problems.

All these factors brought about an important experience called as “New” or “Social” “Municipalism” that identified with democracy and freedom, productivity, regulations on
consumption, cooperation and integrity as well as fundraising (Tekeli, 1992, 89). Although softened by the 1977 elections, this new municipalism continued until the military coup of September 12th, 1980.

The combination of strengthening of urban political groups, radicalisation of CHP and politicisation of experts all paved the wave to the emergence of distinct political agendas of cities as well as the recognition of autonomous local power holders and struggles. Hence, although the central government pursued efforts to keep its superior position over local governments, it would not be unjust to note a veritable de centralisation of politics in the 1970s.

**Poly-centralisation: Central agenda, empowered mayors**

On September 12th, 1980 at 1 p.m., the army once again left their barracks to intervene in politics. The objectives were similar with their previous interventions: to safeguard the unity of the country and the nation and the rights and freedoms of the people, to ensure the security of life and property and the happiness and prosperity of the people and to restore the state authority in an impartial manner. However, this time the army took power not only from the government and the parliament, but from all the organised social forces of the society (Toprak, 1996: 94). The National Security Council (NSC), the military which ruled Turkey until 1983, issued decrees which suspended the constitution, dissolved the parliament, closed down the political parties, detained their leaders, and suspended virtually all professional associations and confederations of trade unions. In addition to the parliamentarians and senators, all mayors and municipal deputies were dismissed and prefects, sub-governors, retired bureaucrats or officers were appointed to govern the cities.

The new government appointed by the military carried out a very important economic transformation based directly on the decision of January 24th in which the Turkish lira was immediately devalued, restrictions on the foreign trade were abandoned, most of the state subventions were cancelled, interests were liberated and public incentives were introduced in order to encourage exportation and foreign investment. Last but not the least, labour costs were indirectly reduced by forbidding labour organisations. All these economic orientations were not indeed specific to the Turkish case.
Since the worldwide economic crisis of the seventies, the neo-liberalism hat turned out to be the main economic reference in most countries. Additionally, international organisations such as IMF and World Bank had been imposing similar measures to all the underdeveloped countries. In other words, the decisions of January 24th and their rapid application by the junta were actually the local reflections of this global economic trend.

The main objective of these decisions was the lightening of administrative and financial burden of the state apparatus. In this perspective, local governments were considered as adequate instruments to reduce central responsibilities. As a result, for the first time in Turkish history the municipalities started to enjoy a gradual improvement of their financial resources and administrative competencies. As early as in early 1981, the junta published two laws (n° 2380 and 2464) increasing the financial resources of local governments. Yet, the actual progress would be realised between 1983 and 1987 by the Motherland Party (Anavatan Partisi - ANAP) that would obtain a quasi-unexpected electoral victory in the first elections after the military coup of 1980.

ANAP obtained more than 45% of the votes despite all the generals’ efforts. Its leader, Turgut Ozal, claimed to represent liberal values of small-scale entrepreneurs, conservative priorities of religious groups and nationalist sentiments of the average (even radical) citizens. Yet, the main concern of Ozal who was in fact the real author of the decisions of January 24th, was certainly the liberalisation of the markets along with the minimisation of the bureaucratic apparatus.

The local implications of this neo-liberal orientation were immediate and could be followed through three main trends: decentralisation, de-socialisation and privatisation (Guler, 1998: 185-194).

Firstly, decentralisation implied changing the power and resource distribution scheme between the central government and municipalities in favour of the latter. With numerous laws passed by post-1980 governments, the financial resources of local governments were considerably improved to such an extent that municipal incomes were doubled between 1980 and 1986 (from 1.02% to 2.87% of their share of the GNP) and
tripled between 1980 and 1993 (from 4.65% to 13.84% of their share of national budget resources) (Guler, 1998: 186). Yet this apparent increase in wealth did not actually mean real financial independence for local government, as it did not control the resources allocated. The taxes that basically formed the source of these new resources were still decided on by central government, so dependence on Ankara was maintained.

In addition to the financial changes, local governments also experienced a functional evolution in the decentralisation of a number of administrative powers and responsibilities. For instance, the role of the municipalities in deciding and supervising local public investments was reinforced so that the share of the Bank of Departments in local investments fell from 70.2% to 14.9% between 1981 and 1995 (Guler, 1998: 186). Municipalities also won the right to prepare and approve urban plans under Law No. 3030 which also introduced the status of metropolitan municipality to the local government system. However, as was the case with the improvement in the financial situation, functional transformation also failed to lead to the disappearance of centralist pressure. The central government continued to retain the right to intervene in local affairs when it thought necessary, such as when the social-democrats won local power in the major Turkish cities in 1989.

Secondly, the functional transformation of municipalities was also to be seen in the nature of the municipal services provided. In harmony with the neo-liberal trend, social and cultural services in areas such as health, education, housing, nutrition and heating, already very poor, were totally disregarded in order to de-socialise municipal duties. The direct intervention (e.g. subsidising, organising or facilitating ad hoc activities) and indirect intervention (e.g. market regulations or hygiene control) of municipalities in these socio-cultural areas were thus discouraged in order to transfer these resources to more capital-friendly sectors.

The most neo-liberal aspect of the municipal transformation was the privatisation of some municipal services. To put it bluntly, the resources withdrawn from social areas and saved from current costs (mainly individuals’ salaries) were channelled to the private sector. So instead of providing the service itself, municipalities started purchasing the services
from private companies or leaving the field wholly to private initiatives. The structural incorporation of municipalities into free markets was also pursued by the multiplication of municipal enterprises. Founded as private companies, and hence free from the restrictions of administrative legal control, these municipal enterprises also sidestepped any kind of public control. In fact, even market forces were unable to influence these bodies since they generally enjoyed a monopoly position in their field (Sengul, 2001: 111).

The global legal umbrella of this three-fold transformation of the Turkish local government was the introduction of metropolitan municipalities in 1984 under Law No. 3030. By this new legislation, certainly the most significant since the Municipal Law of 1930, the government of the largest cities was reformed so as to be handled at two different municipal levels. While the old district-based municipalities were maintained, they lost considerable resources and powers; a metropolitan municipality was introduced above these district governments, initially in the three largest cities, Istanbul, Ankara and Izmir. With the metropolitan municipalities in place, local democracy, already fragile, was further weakened, since the provinces started to suffer from the control and pressure of the metropolitan government in addition to that of the central government. Moreover, some aspects of the way it was organised weakened the democratic functioning of municipalities. For example, there were no elected members in the executive councils of the metropolitan governments; they consisted solely of the chairmen of administrative departments (Elicin-Arikan, 1997).

It is certainly true that Turkish municipalities were financially and administratively strengthened by all these legal changes in the eighties. But it is not so easy to claim that this enhancement of resources and powers contributed to the democratisation of local politics. On the contrary, the withdrawal of centralist pressures from the local political scene was accompanied with the multiplication of capitalist pressures. The city was henceforth a valuable focus of investment and ground rent. New local practices such as drafting urban plans at the local level, privatising municipal services and large-scale public investment rendered cities attractive centres of private
investment. Since no attention was paid to guaranteeing public transparency and accountability in municipal decisions and investments, stories of corruption multiplied throughout the country. Moreover, metropolitan mayors enjoyed powerful rights of veto and amendment of the decisions of the district and metropolitan councils. Thanks to this superior position in the administration of municipalities, mayors emerged as the key agent in the determination of local politics and decision of local investments. Due to the absence of adequate checks and balances with regards to this empowerment of mayors, they became the actual patrons of the distribution of the local rent and thus might be associated illegitimate interest networks. When these administrative and de facto powers combined, mayors also acquired very important political powers within their political parties.

One of the ex-mayors of Çanakkale, a mid-sized city in the southern Marmara region, İsmail Ozbay (2002) admits very frankly this strengthened position of mayors:

“*I have been a mayor for 13 years; that means I am a democratic professional... In fact, being a local executive in Turkey is being a democratic sultan. If you do not control yourself, you enjoy extraordinary powers. The principles of control are defined by the mayor himself. Of course, there are means of control, but those are tools of tutelage. There is no serious control in local governments. I believe that the present system of local governments resembles rather a system of democratic sultanate.”*

In short, the transfer of central resources and competencies to local governments paved the way to the emergence of powerful mayors, particularly those of metropolitan mayors as hegemonic power holders of localities. With the acquired autonomy these mayors could have indeed develop their proper agendas based on the demands and preferences of the local population. However, since the strengthening of these mayors was not coupled with the participatory and representative political channels, the decision-making and policy-development process have remained democratically troublesome. Instead, mayors seemed to be attracted by the centrally encouraged
rent-based urbanisation methods. Large-scaled infra and super structural projects developed and realised in close cooperation with the private sector. These urban investments paved the way to the emergence of new capital class in the periphery that has accumulated its wealth through public contract particularly in the construction sector.

2000s: Centralised control of urban rent

The gradual transfer of powers to local governments are formalised with the introduction of new laws on provincial governments, municipalities and metropolitan municipalities in 2004 and 2005. The unsuccessful attempt of a fundamental law on public administration was in fact the general framework of these legislations: abolishing the central bureaucracy and delegation all competencies to local governments except those of nationally strategic policy areas such as defence, justice, economy etc. In a political environment that has suffered from the Kurdish problem for decades, the decentralisation generally shadowed by supposed risks of losing national unity. Accordingly, such radical steps of decentralisation were hindered by opposition in public opinion and by various public actors and institutions such as the president, constitutional court, etc...

By the end of the first decade of 2000, the governing AKP had acquired enough power to overcome all these bureaucratic obstacles against decentralisation. Moreover, the relative pacification of the Kurdish problem eased the fears of separation. However, despite the ongoing rhetoric of decentralisation, the government has seemed to change track by driving some central institutions forward.

The Housing Development Agency (TOKI) is the emblematic institution of this drive. Founded in 1984 as an extra-govermental administration of an ad hoc fund of housing, TOKI has significantly flourished with the new century and has become a colossal public entity with more than 600,000 houses and more than 5,000 social facility built with public contracts mounting to 30 billion dollars. This rapid and spectacular development of a central TOKİ has been possible thanks to the extraordinary privileges that have been granted to it in the domains of urban planning, expropriation and funding.
Particularly, through the urban transformation projects spread all across the country, TOKI has emerged as a central actor omnipresent in the urban and social transformation of localities. In addition to this extra-governmental agency directly associated to the prime minister, a new ministry of environment and urbanisation was founded in 2011. With its first minister who was the former president of TOKI, the new ministry has appeared as another influential actor in urban affairs of the whole country. Similarly, other central institutions such as ministries of culture and tourism, of science, industry and technology and of development have also acquired important patches of power in local politics (Penpecioğlu: 2011).

These significant shifts of power within the public administration clearly represent a re-centralisation trend. Starting with the planning rights, the competencies transferred to local governments seemed to be gradually moved back to central institutions. Yet, this re-centralisation trend has been also reproduced at the municipal level with the recent amendment of law on metropolitan municipalities that increased their number to 30 through the equating of metropolitan borders to those of the province. With this new legal framework, more than 75% of Turkish population started formally living in the metropolitan urban settings in which the metropolitan mayor enjoys a hegemonic political position. It would not be surprising to see the further empowerment of these mayors as the urban fortunes entrusted to them have been accordingly multiplied as the geographic area under their control has been very notably enlarged.

This last re-centralisation dynamic is certainly linked to the contemporary state of national economy that has significantly developed in the last decade after the severe crises of the 90’s. However, the main characteristic of this development is that it is not based on industrial growth or commercial activities, but on sectors of construction and services, both of which are directly related to urbanisation and urban life and thus to local governments. The changing pattern of economic development has also transformed the character of capitalist classes who had traditionally been industrialists or tradesmen pursuing nationwide business directly associated to policies of the central government. But the new pattern of economic
development based on urbanisation, has privileged a new type of entrepreneur pursuing business at the local level but gradually expanding it to other parts of the country to become the new nationwide capitalist class of the country.

Both the government and the entrepreneurs seemed to have now preferred a national administration of this urban-oriented economic development instead of dealing severally with each local governments, thus with different projects and opportunities. For this purpose, we witness the concentration of powers in the hands of new centres such as TOKI, new ministries and a new metropolitan framework. Yet, the difference of this new centralism with regards to the precedent forms is that the political agenda is founded on local urban issues such as housing, urban transport and infrastructure or public spaces.

**Conclusion**

This rapid summary of the centralisation-decentralisation dynamics in the history of the Republic of Turkey seems to affirm our main argument according to which relationships between the central and local governments have been more complex than a simple dichotomy of competing power-holders. When the analysis is deepened with the introduction of other dimensions of power distribution, it turns out to be more difficult to qualify a system centralised or decentralised because the discussion goes beyond the centre-local rivalry in sharing competences and resources and includes by whom and for what these competences and resources are used. That’s why I proposed to replace the classic centre-local dichotomy with a matrix of power dimensions.

This matrix is based on the sets of values embedded in the basis of local self-government (Kjellberg, 1995): liberty or autonomy; democracy or participation; and efficiency. Departing from these values, I proposed three dimensions that shed light to a different aspect of political power articulated between multi-governance levels. The first dimension based on autonomy reveals the traditional power share of competences and resources. This category known as formal power, analyses what is allocated to local governments in terms of financial resource as well as
administrative rights and competences in order to understand how the formal authority has been distributed among different levels of government. When examined through this perspective, the Turkish political system reveals quite a centralist political system since local governments have often suffered from the lack of adequate authority to meet the formal responsibilities and popular expectations. Yet, by proceeding along our three-dimensional matrix, we see that the actual power equilibrium has usually differed from this formal distribution of authority since actors seemed to have developed their own capacities of action in their localities and thus created personal zones of autonomy. But how this actor-based autonomy is used reveals another aspect of the centre-periphery relationships as it can be very well instrumentalised or mobilised for ends imposed from the centre.

Table 1. Different Episodes of Turkish Politics on the Tri-dimensional Matrix of Decentralisation Process

<table>
<thead>
<tr>
<th></th>
<th>Formal Power</th>
<th>Actors</th>
<th>Agenda</th>
</tr>
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<tbody>
<tr>
<td>Mono partite regime</td>
<td>Central</td>
<td>Kemalists</td>
<td>Westernisation</td>
</tr>
<tr>
<td>DP years</td>
<td>Central</td>
<td>Political Brokers</td>
<td>Populism</td>
</tr>
<tr>
<td>60's</td>
<td>Central</td>
<td>Technocrats</td>
<td>Planned Economic Development</td>
</tr>
<tr>
<td>New municipalism of 70's</td>
<td>Central</td>
<td>Social democrat mayors</td>
<td>New Municipalism</td>
</tr>
<tr>
<td>Liberalisation of 80's</td>
<td>Local</td>
<td>Peripheral centres</td>
<td>Liberalisation</td>
</tr>
<tr>
<td>Urban Transformation of 2000's</td>
<td>Central</td>
<td>New centres</td>
<td>Urbanisation</td>
</tr>
</tbody>
</table>

Table 1 summarises the findings of my analysis on different episodes of Turkish politics examined through the three-dimensional matrix that I propose to deepen our understandings of the decentralisation process. When regarded through this three-dimensional grille of analysis, the Turkish political system appears to be absolutely centralist in only two episodes: the mono partite years of the Republic and the 60’s where the centralist policies of planned economy were the leitmotif of Turkish politics. In both periods, local governments did not have any formal authority and appeared as the organic extension of the central governments.

During the early republican period, the centrally defined westernisation agenda was carried on by centrally appointed or centrally closely surveyed actors whereas during the sixties the
westernisation agenda was relatively replaced by the industrial development based on a centrally planned pattern of economic development. The role of the Kemalist elite was not assumed by the technocratic elite of the centre. Although the Kemalist modernisation agenda was still valid, its cultural character was then rather eclipsed by the importance granted to socio-political policies.

The period between these periods of absolute centralism differed through the electoral politics that rendered indispensable the support of local constituencies for the central elite. Accordingly, local political brokers emerged serving as a venue for patronage politics between electors and central figures. The dependence of the latter on these local brokers weakened the power of the centre that formally maintained its authority both in terms of resource and competence. Moreover, the agenda also became mixed with the introduction of local issues to the national agenda which was mainly based on a populist reaction to the modernisation project of the Kemalist elite.

The military intervention of 1971 marked another touchstone in Turkish politics as it represented an obvious separation from the preceding pattern of interactions between the centre and the periphery. For the first time in the Republic’s history, the central and local governments were controlled by different parties. Confronted by an antagonist centre which still disposed the entire formal authority and did not hesitate instrumentalising it against themselves, social-democrats elected in almost all large cities developed their own local power resources to be mobilised for their proper local agendas based mainly on urban issues. Thus, although the formal authority of the central government remained intact, the social democrat opposition urbanised both the actual use and focus of politics by developing their own power margins. The outcome was a formally centralised but actually decentralised and urbanised politics.

The political system changed track once again with the military coup of September 12th, 1980 that reoriented the national economy from import-substitution to liberalisation. Under direct influence of the neo-liberal principles of the new right, the central government chose to transfer its formal presence
and authority in economy and politics to the private sector and/or local governments. This decentralisation of formal power to local governments strengthened mayors to become the hegemonic power holders of local politics. But the use of this power granted to localities was determined by a macro-agenda of liberalisation in which local governments were regarded as strategic agents to lighten the central government’s burden. Consequently, despite the devolution of the formal power to the new centres of the periphery, the fact that the macro-framework of the use of this decentralised power remained centralist in the form of macro policy of neoliberalisation.

With the turn of the new millennia, this centralised character of the political agenda has eroded as the urban emerged as the main venue of macro-economic development. Both the sectors of construction and services flourished in urban settings in which a new capitalist class emerged with nationwide ambitions and influence that required the relative centralisation of formal power so that urban related development pattern can be more easily managed. After the politicisation of the urban settings, we have been now witnessing the urbanisation of politics, albeit in relatively centralised actors’ authority.

In light of all these findings, we can argue that the reading of central-local relationships implies rather a multi-dimensional power distribution than a linear dichotomy between the administrative scales. It is thus necessary to enlarge the discussion of centralisation-decentralisation processes by going beyond the formal reading of resources and competencies allocated to each scale of government.
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A Discussion on the New Model of Metropolitan Municipality in Turkey: Towards more decentralization and autonomy?
Hüseyin Gül

Abstract

There have been attempts to develop and implement new metropolitan management models in many countries as in Turkey. Turkey adapted a new model of metropolitan area management that is to be effective after the 2014 local elections. This study aims to present, analyze, and assess the new province-wide metropolitan municipality model in Turkey. However, for a better and systematic evaluation of the model, the study also provides a background and discussion on the trends of metropolitanization, decentralization, and metropolitan management along with basic principles (autonomy, efficiency, etc…) and related theoretical approaches. The analysis suggests that the new metropolitan management model encompasses decentralizing aspects such as strengthening metropolitan mayors and transferring more central funds down to the new metropolitan municipalities. Yet, the model is structurally hierarchical and involves the consolidation of a great number of different local administrative bodies, significantly reducing the number of local administrations and limiting local autonomy, diversity and participation.

Introduction

The world has been both urbanizing (Cox, 2013a; 2013b) and globalizing with a hub of global cities (Ergun, Gül & Sallan Gül, 2013). The growth of cities with regard to land area and population has resulted in many problematic outcomes, such as
the loss of fertile land, environmental degradation, increased traffic congestion, institutional fragmentation and service duplications, the need for better management of urban areas as well as urban and economic growth, among others (Gül & Batman, 2013; UNEP, 2012; Trusilova, Jung & Churkina, 2009). As Trusilova, Jung & Churkina (2009: 1971) state, “Over the last two decades, a disproportional increase of urban land area in comparison with the population growth has been observed in many countries of Europe, and this trend is predicted to continue.”

In a context of globalization, “municipalities and metropolitan regions are involved in international competition to support economic growth,” leading to new forms of collaboration between public authorities and businesses (Fontan et al., 2009: 832). These collaborative efforts also involve new forms of urban and metropolitan governances. Accordingly, there have been attempts to develop and implement new metropolitan management models in many countries as in Turkey. In the case of Turkey, a new metropolitan management model has been adapted recently to be in effect after the 2014 local elections. In this new model, the structure of the metropolitan municipalities is kept mainly unchanged but the jurisdictional authority of a metropolitan municipality is enlarged to include an entire province.

This study aims to achieve two main goals. One is to provide a background on the trends of metropolitanization, decentralization and metropolitan management along with basic principles (such as local autonomy, subsidiarity, decentralization, participation, efficiency, centralization etc.) and theoretical approaches (reform tradition, public choice model and new regionalism) on these issues. This background information is expected to provide a framework to assess the new provincial municipal model in Turkey. And the second main goal is to present, review, and assess the new model of metropolitan management recently adapted in Turkey. This review and evaluation is done on the basis of the background information provided in the study and the new model is questioned accordingly so that the characteristics, shortcomings, and strengths of the new model could be better understood and assessed.
I. Metropolitanization in the world and Turkey

The term *metropolitan area* or *metropolis* is used to refer to a large city and its surrounding suburbs that are economically integrated with and do not stand independent from the central city (Frey & Zimmer, 2001). Metropolitanization is a global trend. According to Cox, “Urban areas are becoming physically larger and that a larger share of the urbanization is moving to the larger urban areas (areas of continuous urban development, including both urban cores and surrounding areas, generally called suburbs)” (2012b). Besides, there are also the trends of polycentric metropolitanization and conurbation, resulting in several small to large-sized multi-functional and connected cities scattered in an urban area (Clark, 2003: 141). In polycentric metropolitanization and conurbation, city centers become decentralized, spread out and grown in land area and, thus, much of the population growth happens in the inner and outer rings, suburbs or exurbs of the urban areas. Thus, in both the developed and developing countries the rate of population growth in suburbs is much higher than urban cores, and the land area of urban areas enlarges often faster than the population growth. Such processes of decentralization and dispersionism raise concerns about coordination, efficiency, and economy in service delivery as well as the scope of regulatory powers and service responsibilities of local or/and metropolitan administrations, among others. Accordingly, there have been efforts to provide answers to those concerns and attempts to develop new approaches on how to manage metropolitan areas. However, any management system developed to administer urban areas and populations has to be based on a robust data base. From an urban policy-making perspective, exploring and understanding metropolitanization has to take into consideration the data on density, employment, settlement patterns, the traits of labor, transportation systems, types and locations of development, financial, economic and population flows and trends, etc. in urban areas. Yet, it is not easy to produce such comparative data on urban areas in one country, and it is much harder to do so among urban areas in different countries with different political/administrative systems.

Turkey has also experienced high rates of urbanization particularly since the 1950s even though metropolitization could be seen as a phenomenon of the post-1980 era. In fact, urbaniza-
tion has been faster in Turkey than the world since the early 1980s (Coulibaly, Deichmann & Lall, 2007: 3). Istanbul with a population of 1 million was the only metropolitan area in Turkey in the 1950s. The number of metropolitan areas in Turkey reached seventeen in 2012. Istanbul now has a population of 14 million and is the 21st most populous city in the world. Besides, there are nine other cities with a population between 1 to 5 million (Ankara, Izmir, Bursa, Adana, Kocaeli, Gaziantep, Konya, Kayseri, Antalya) and seven cities with a population between 500,000 to 1 million (Eskişehir, Mersin, Diyarbakır, Sakarya, Denizli, Samsun, Şanlıurfa) in Turkey (TÜİK, 2012).

An analysis of the basic metropolitanization trends in Istanbul reveals that the land area of Istanbul grew from 60 square kilometers in 1950 to 1,350 square kilometers in 2012. That means a 35% growth on an annual base. In the same period, the population went up to 14 million from 1 million, meaning an annual 21% population growth. This population growth has happened mainly in the core of the city until the 1980s yet concentrated in the inner and outer suburbs afterwards. On the basis of these figures, the population density went from 15,600 down to 9,400 people per square kilometers, indicating a 40% decline in density (Cox, 2012a).

II. Decentralization and governance in the world and Turkey

Decentralization refers to efforts to strengthen citizen participation in local government by, for example, instituting regular elections, improving access to information, and fostering mechanisms for deliberative decisionmaking; and efforts to enhance the ability of local governments to provide services by increasing their financial resources, strengthening the capacity of local officials, and streamlining and rationalizing their administrative functions (Mansuri & Rao, 2012: 4). Thus, decentralization requires the distribution or redistribution of authority and resources within government or within ‘public governance’ (Kettle, 1993; March & Olsen, 1995). According to Kettle (1993: 21-2), government’s role has changed in the society and its role can be defined as “governance.” In governance, the network of government action involves private sector organizations as well as the full range of governmental or non-governmental organizations that are for-profit, nonprofit, or voluntary as well as individual citizens. Thus, Frederickson
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(1997: 86) asserts that the boundaries of public administration have become fuzzier and considerably enlarged. Similarly, March and Olsen (1995) offer then the concept of “loosely coupled systems” as another form of governance. Loose coupling is used to describe high levels of delegation and decentralization mixed with fuzzy boundaries not only in governmental but also civic and private organizations and their members, clients and citizens.

Lin (2008) argues that governance envisages an interaction between state and non-state actors as well as local and central bodies. Besides, governance aims at achieving multi-dimensional coordination within institutional structures and dynamics. It is based on the concept of self-organizing social networks and on the cooperation among government, civic, and other actors in developing policies and getting the work done to a certain extent. This approach highlights that mechanisms and operational solutions are shaped through local and its own processes and dynamics based on trust among state, civic society, and market actors rather than central administrative structures and processes. In much the same way, Rodriguez and Brown (2013: 231) argue that urban governance models offer a refined alignment of traditional reform model with the public choice model through hybrid institutional arrangements.

“Although urban governance models lack a common definition, there is agreement that governance depends on inter- and intra-local agreements for the provision of public goods to co-terminous areas, development of entrepreneurial arrangements with private sector vendors, nonprofit organizations, or other units of government for the production of public goods or services, a decentralizing tendency to provide services at the lowest and smallest government jurisdictions, and a concern with legitimate and appropriate levels of authority.” (Rodriguez & Brown, 2013: 231)

It is argued that such a governance model would bring about increased effectiveness and responsiveness in policy development and implementation.

In this context, local administrations cannot be considered merely as functional administrative systems providing local
services at the local level. They are also a part of local governance system and a wide range of other private, not-for-profit, or voluntary organizations or individual actors as well as the formal agencies of the governmental system at the local and regional level. In the governance system, decentralization processes and the principle of subsidiarity have critical importance. Subsidiarity refers to the principle of the provision of public or urban services by an administrative body in the governance system closest to citizens demanding services. Decentralization is the process that contributes to the functioning of the principle of subsidiarity and could be defined as the devolution, dispersion, or transfer of the powers and responsibilities within the system of governance. Accordingly, this process encompasses the decentralization of political, administrative, or financial powers or authority and responsibilities from central government down to local and regional governments, the enhancement of administrative, political, or financial autonomy of local and regional governments, of civic involvement and participation, and of free market mechanism and competition (Gül, 1998). Hence, local autonomy involves delineated, rather than delegated, responsibilities and fiscal, political and administrative powers to better meet the demands and needs of the local community and to carry out these responsibilities. According to Sharpe (1970), the idea of local self-government is validated by citizen participation and liberty rather than efficiency; but efficiency is also seen by public choice theorists to be promoted due to more choice gained by more competition among local communities as well as government institutions.

Decentralization can take place in different forms. Rondinelli (1981) and then Carino (1994), building on Rondinelli’s work, identify four major forms of decentralization policies (cited in Gül, 1998):

i. **Deconcentration**: It refers to the territorial shift of workload and some authority from center to lower levels within a centralized administrative structure.

ii. **Delegation and intergovernmental contracting**: They refer to the transfer of managerial responsibilities for specifically defined functions to public enterprises or special purpose organizations outside the directly controlled regular bureaucratic
structure. These organizations have broad discretion to carry out the functions and duties given to them. They often act as the agents of local or central government and indirectly controlled by the center. The government continues to hold ultimate responsibility for these functions and duties. Intergovernmental contracts are agreements made by local governments or other state departments to provide services jointly among themselves, such as water supply, solid waste disposal, library services, sewage and water treatment, airport construction and operation, among others.

iii. Devolution: It refers to the establishment or empowerment of autonomous local authorities separate from the central government. These local government units have authority to perform necessary functions to meet the needs of their communities.

iv. Privatization or contracting out to private sector: In this type of decentralization some of the governmental functions are carried out either by contracting out to the private sector or by establishing partnerships between the private and public sector.

Wolman (1990) uses different words to categorize the types of decentralization, which, in its essence, is very similar to the above-mentioned classification. Wolman distinguishes three different types of decentralization: political, administrative, and economic. Political decentralization refers to the dispersal of policy-making or decision-making power, that is, “the scope of discretion with respect to decisions regarding policy issues, including the policy to be pursued, the amount of revenues to be raised, and the allocation of available revenues” (Wolman, 1990: 29). This process also encompasses the involvement of civil organizations and citizens in the process of policy and decision making and in the delivery of some public services. Administrative decentralization is used to mean the delegation of administrative discretion to make some decisions at the lower levels of government without the approval of the center. Economic decentralization is related the use of the market mechanism to provide services to citizens. This type of decentralization does not have much to do with the level of autonomy or discretion given to local governments or lower levels of central
government, but rather with the freedom of people as customers to choose and the responsiveness to the desires and preferences of citizens. Public choice theorists specifically promote economic decentralization.

Decentralization policies may vary from one country to another, but one of the main reasons behind decentralization policies is their contribution to increased levels of local autonomy, responsiveness, citizen participation, and choice. Besides, decentralization is also considered to reap the benefits of market mechanism, the use of private and civic organization, and direct citizen involvement in the provision of services at the local level (Gül, 1998). However, one ought to bear in mind that fragmented local management structures tend to increase costs and decrease efficiency. Economies of scale in the provision of some services, externalities, duplication of services, and incompetency of small local administrations may require some sort of area-wide governmental organizations (Wolman, 1990: 31). In addition, if governance means blurred boundaries in the public sector, this may cause problems in realizing democratic accountability. Moreover, overemphasized market mechanism and market values would disadvantage the already less privileged or disadvantaged groups in society by creating further obstacles for them to reach resources, to raise income, and to enter and function in the marketplace (Frederickson, 1997: 36). Thus, some forms of central redistribution and equalization of funds may be necessary.

III. Common tendencies in the world regarding decentralization and metropolitan management

As mentioned above, the production of reliable comparative data is difficult because historical, political, administrative, social, and cultural differences among countries and even among metropolitan areas in the same country make it difficult to put forward very accurate and inclusive generalizations about metropolitanization trends and metropolitan management systems in the world. Yet, it is worth trying here because it would provide us a framework to assess metropolitanization trends and the new metropolitan management model in Turkey.
On the basis of his analysis on the United States of America (USA), the United Kingdom (UK), France, Turkey, Poland and Hungary, Gül (1998) states that there is first a tendency towards a stronger and effective executive figure to provide a focus for public attention and community leadership as well as to implement municipal policies, with the exception of the UK. This tendency towards stronger executive can be seen in accordance with the drive for increased efficiency and coordination at the metropolitan level. His recent analysis (Gül, 2013b) on the USA and some European countries again reveals that the importance of local leadership especially in establishing local networks and cooperation in urban areas seems to have increased within the last decades as a result of fragmentation, multi-actor involvement, and globalization. In the German metropolitan governance system, Nelles (2012: 89) argues, “not only have urban mayors been instrumental in facilitating early partnerships between municipalities, they have been actively engaged in negotiating the terms of partnerships (and therefore have influenced institutional design) and in spearheading regional initiatives.”

Second, in his 1998 study, Gül states that laws and regulations tend to treat all local governments under one type as uniform and ignore the huge variations in terms of size, population, responsibilities and resources again with the exception of the UK. Yet, some countries such as France and the USA seem to have overcome this statutory dilemma mainly by providing more flexibility to local governments and increased diversity in local government systems by allowing the creation of special governance structures such as special districts, multi-tier metropolitan governments, councils of governments, inter-local, intergovernmental or public-private partnerships and service contracts, etc. The tendencies of the 1990s seem to continue today. The recent analysis by Gül (2013b) shows that there seems to be an increased use of governance mechanisms, voluntary cooperation and establishments, and market tools among fragmented local authorities in metropolitan areas for economic growth. Governance structures involve public, private, and civic actors but the public sector plays a leading role. Besides, the plurality in local and metropolitan government systems seems to have increased and specific types of metro-
politan government for specific metropolitan areas are introduced if needed as in the cases of London, Paris, Washington D.C., Istanbul, Denizli etc.

Third, again Gül’s (1998) analysis suggests that decentralization policies, combined with higher levels of local self-governance tend to result in greater fragmentation and proliferation of local administrative units. As discussed above, the proliferation and fragmentation of local governments are considered by some, obviously by public choice theorists, to increase competition, participation, responsiveness, liberty and choice, etc. at the local level, and thus should be promoted. However, there is also an increasing recognition of the need for the strengthening of governmental institutions at the metropolitan or city-region scale. Enormous growth in urban population and land area, environmental pollution, traffic congestion, duplications in service provision, decreased importance and utilization of central redistribution and equalization, and the vulnerability of local governments to international forces, among others, make it necessary to develop some sort of metropolitan and city-regional government structures.

Fourth, both analyses by Güll (1998, 2013b) reveals that concerns related to functional effectiveness, efficiency and local autonomy seems to be the most important concerns in the process of local governance. Yet, such values as social equity, public participation, representation of socioeconomically disadvantaged groups in the local policy-making process seems to be neglected. In fact, increasing efficiency along with local autonomy and representation or local autonomy and social equity together at the same time may be difficult and even impossible, because these values are often in contradiction to the process of decentralization. To give an example, decentralizing power to local authorities may increase responsiveness, choice or freedom, flexibility, participation, accessibility, etc., but it can also result in increased levels of corruption, inefficiency, inequality, fragmentation, service duplications, among others. However, the process of democratic governance itself offers solutions to this dilemma through the process of a public discussion among scholars, stakeholders, and interested citizens, leading to the formulation and adaptation of decentralization
policies that meet the needs and demands of the people and that fit the local realities of a country. Besides, the democratic governance process tends to produce more support and participation from citizens, to make implementation easier, and to bring out both energy and the initiative-taking motive in people.

Finally, Gül’s 1998 analysis reveals that decentralization has also taken place in two major forms. The first form is the decentralization or dispersion of governmental responsibilities and authority to the market-economic decentralization-, which seems to be a universal trend. In many countries, government styles have generally become heavily market-led today. The second form is the decentralization of responsibilities and financial, administrative, or and administrative powers to autonomous local self-governing entities. The UK case may deviate from this general trend to some degree. The UK has a very strong tradition of local government, but the local governments in the UK have suffered increased intervention from the central government in recent decades. Today, the increased involvement of the civil sector in the processes of governance seems to accompany the two major types of decentralization.

In summary, recent trends regarding decentralization and local self-governance suggest that there is almost a universal tendency towards increased levels of local self-governance resulting from either decentralization policies, democratic reforms or both (Also see Bennett, 1993). Central governments have been forced by increased demands from communities, national budget deficits, international organizations such as the EU and UNDP, among others to allow local communities to enjoy more freedom in several areas ranging from management to policy making to revenue raising (Also see, Okcu & Özgür, 2013).

IV. Models of Metropolitan Governance

Urban governance could be defined as a system of interaction, deliberation, and collaboration among the public, civic, and private sectors in accordance with liberal-democratic political principles (Kantor, Savitch & Haddock, 1997: 349; DiGaetano & Storm, 2003: 358). In this respect, “governance incorporates a variety of non-state actors alongside governments in horizontally organized structures of functional self-regulation” (Nelles, 2012: 6). Metropolitan or urban governance process
involves such actors, authorities, or institutions as local and re-

gional administrations or governments, civil society, research
institutions, local branches of state or/and central governments,
business associations, and the local public in general (Taşdan
& Gül, 2013: 36-42). As Frederickson (2002) points out, the
mismatch between jurisdictional boundaries and problems
compels public administrators at all levels of government to
practice administrative conjunction as seen in many American
metropolitan areas. According to Frederickson (2002: 11), “Ad-
ministrative conjunction is best understood as area wide formal
and informal horizontal and vertical linkages and patterns of
cooperation between public service professionals representing
area wide jurisdictions.” The nature and characteristics of
those actors and the interactions and the level and kind of col-
laboration among them affect the type, quantity, and quality of
local public services, their efficiency, equity and accessibility,
and the way how their costs are shared, among others. Accord-
ing to Lefevre (1998: 12), “size, autonomy, competency and
legitimacy” are the four basic elements that have to be consid-
ered in assessing any metropolitan management system. Simi-
larly, Rodriguez and Brown (2013: 229-30) state that at the
core of the ongoing debate on urban government models are
“the values of efficiency, responsiveness, and equity; at issue
are political structure, administrative capacity, and government
size.” Rodriguez and Brown (2013: 232-37) offer five criteria
to assess local management systems: (i). Form of government
(hierarchical and centralized organizational structure or a de-
centralized and flexible organizational structure; the elected
executive-commission forms of government- centralized au-
thority, strong executive and a single individual with final de-
cision making responsibility for policy implementation- or the
traditional commission form of government- very weak execu-
tive and dispersed power). (ii). Level of structural, functional,
and fiscal local autonomy and flexibility. (iii). Method of elec-
tions (directly elected by the public, at-large method of elec-
tions, single-member district method of elections, etc.). (vi).
Number of elected officials. (v). Number of government units.

Kübler & Heinelt (2005: 9-11) classify metropolitan manage-
ment regimes into three main types: Metropolitan reform tra-
dition, public choice model, and new regionalism. Metropolitan
reform tradition stands for the unification, consolidation or annexation in an urban area with many small autonomous local administrations. It is argued that unification and consolidation under a larger metropolitan local administrative authority would serve better the goals of efficiency, coordination and cost saving (Özgür, 2008: 6-7). Besides, larger structures are more democratic because they offer fewer opportunities for a small but influential group to take control over urban policy and decision making processes (Lefevre, 1998: 10). Moreover, the supporters of metropolitan reform tradition reject differentiation and segregation and underline values such as solidarity, social equality, the standardization and accessibility of services (Lefevre, 1998: 11). Yet, Kübler & Heinelt (2005: 9) point out some disappointing failures of the reform tradition. Similarly, a study on Tokyo by Amatatsu, Ueda & Amatatsu (2012: 304) indicates that consolidating fragmented local administrations in an urban area under one large area-wide metropolitan management system is found to reduce per capita service costs but does not increase, in fact decreases, efficiency and economies of scale in local economic development and service delivery. The researchers suggest that any implementation at the level of urban regions has to meet demands for both reduced costs and increased local autonomy.

The public choice model or the market model offers to leave local administrations in an urban area fragmented and to keep diversity provided by the multiplicity of local administrative bodies. Thus, any effort to consolidate local governments in an urban area under one large metropolitan administration is opposed since such a situation would favor neither innovation nor the freedom of choice. According to the supporters of this model, an institutional fragmentation at the local level and smallness would provide for increased choice, accountability, competition, autonomy, participation, and more satisfaction in meeting the needs of citizens and entrepreneurs (Tiebout, 1956; Oakerson, 2004; Ostrom, Bish & Ostrom, 1988). The American urban management system fits into this model. In this model, voluntary cooperation among local governments is seen to be always possible if needed. For this purpose, local administrative authorities with a special purpose could be established, and they could provide services at the metropolitan
level and charge customers some service fees. Moreover, local administrations could get local services provided through contracting out or outsourcing to the private companies or other local authorities (Morgan & England, 1996: 41; Stephens & Wikstrom, 2000: 118; Visser, 2002: 43). Amatatsu, Ueda and Amatatsu’s (2012: 304) study on Tokyo provides some support for this model’s arguments. Yet, Kübler & Heinelt (2005: 9) criticize the public choice model for being too theoretical and argue that this model must be backed by empirical data on some successful results of its application.

Kübler & Heinelt (2005: 10) see a new model emerging since the 1990s called new regionalism or local governance. With its roots in the USA and Canada, new regionalism offers a local governance model with an emphasis on negotiation, collaboration, and networking among urban actors. Yet, as opposed to the creation of new regional or metropolitan administrative bodies or increased competition among local administrative bodies in an urban region or metropolitan area, new regionalism proposes the rearrangement and enhancement of ties, relations, and cooperation among existing local or metropolitan administrative bodies (Kübler & Heinelt, 2005: 9-11; Visser, 2002). According to Lefevre (1998: 18), flexibility, diversity, deliberation, networking, collaboration, and voluntary service contracts among public, private, and civic actors are the basic characteristics of new regionalism. Similarly, Rodriguez and Brown (2013: 231) argue that “the development of a governance model is the logical middle-ground ‘solution’ in the traditional reform-public choice debate. Governance models integrate propositions from both the traditional reform movement and public choice theory.” They maintain that:

“the concept of reformed government has changed over time. It has changed from the early notion of a top-down, monolithic institutional arrangement as a condition for improved economies-of-scale and efficiency—what we call traditional reform—to a ‘contemporary’ reform tradition based on urban governance propositions: decentralization and privatization to augment efficiency, and negotiation of authority and legitimacy to enhance political representation and government responsiveness.” (Rodriguez and Brown, 2013: 232)
V. New Municipality System in Turkey

A two-tiered metropolitan municipality system was first established by the act numbered 3030 in 1984 only in three major cities in Turkey (namely Istanbul, Ankara and Izmir) when there were 67 provinces in Turkey. Until the year 1999, the number of the metropolitan municipalities had reached 16 and the number of provinces had gone up to 81. Their number has stayed unchanged since then. These metropolitan municipalities are Adana, Ankara, Antalya, Bursa, Diyarbakır, Erzurum, Eskişehir, Gaziantep, Izmir, Kayseri, Konya, Mersin, Sakarya and Samsun. A new metropolitan municipality act numbered 5216 was enacted in 2004 by parliament. The new act preserved the two-tier model “in order to reap the advantages of having large structures in the city management (metropolitan municipality) and benefits of participation and dynamism of small structures (district municipalities under a metropolitan municipality)” (Tosun & Yılmaz, 2008: 8). The act also sets a minimum population criterion as 750,000 for provinces for the establishment of a new metropolitan municipality.

During the implementation of the act numbered 3030 between 1984 and 2004 and after the enactment of the law numbered 5216 in 2004, which transferred more administrative and financial powers to metropolitan municipalities, four major different forms of metropolitan administrations or authorities could be said to have developed in Turkey. Istanbul and Kocaeli have had province-wide metropolitan administrations whereas the remaining 14 metropolitan cities have had metropolitan municipalities with authority only within their municipal boundaries. All also have had special provincial administrations. Besides, the city of Denizli has had a city municipality with enlarged jurisdiction based on the annexation of surrounding town municipalities. Moreover, all of the metropolitan municipalities have had some forms of special purpose local administrations, inter-local service contracts, local administration associations etc., and benefited from privatization, outsourcing, or contracting out in service delivery.

An act passed in 2008 turned all small town municipalities within the boundaries of the metropolitan municipalities into district municipalities under the umbrella organization of the metropolitan municipalities, making all first tier municipalities the same type. The same act also provided that services over-
coming the scale and capacity of district municipalities were to be provided by metropolitan municipalities. Moreover, the 2008 act added new the criteria for the allocation of funds to local administrations such as development index and size, and increased the revenues transferred from the central government to local and metropolitan administrations. Similarly, the 2005 act numbered 5355 on Local Administration Unions provided that the services that could not be provided by municipalities singly and/or by other local administration units, except for metropolitan municipalities, were to be delivered by local administration unions. This act could be said to strengthen cooperation among local administrations on a single service basis.

A new metropolitan municipality law numbered 6360 was enacted in 2012. The law is in fact not a whole new law but rather a law amending the previous metropolitan municipality law numbered 5216. Thus, it rather creates a new management system for the whole province, not just for the urban areas and cities in those 30 provinces. Accordingly, the new act establishes province-wide metropolitan municipalities in 30 provinces with a population of 750,000 and over to be effective after the 2014 local elections. The new provincial metropolitan municipalities include Aydın, Balıkesir, Denizli, Hatay, Kahramanmaraş, Malatya, Manisa, Mardin, Muğla, Şanlıurfa, Tekirdağ, Trabzon and Van. In a short while, a new act added the province of Ordu on the list of the new provincial metropolitan municipalities. Those 30 provinces with the new provincial metropolitan municipalities are the most developed and urbanized provinces, having around 77 percent of the total population and approximately 60 percent of the land area in Turkey.

In this new provincial metropolitan management system, in line with the principles of the reform tradition, all the local governments are consolidated into the two-tier structure of the provincial metropolitan municipality. Special provincial administrations, small town municipalities, and villages are all abolished without consulting their local residents and consolidated under the metropolitan and district municipalities by the central government. Fifty-four percent of all municipalities (more than 1,500), 49% of all villages (more than 16,000) and 37% of all special provincial administrations (30 out of 81) are all abolished. This abolition is an obvious violation of the principles of local autonomy, subsidiarity, local participation, and
pluralist democracy and the provisions of the European Charter of Local Self-Government. The local management system in the remaining 51 provinces continues to be the same (see Table 1) but with significantly reduced funds transferred from the central government. Reducing the central funds transferred to these 51 provinces whereas increasing the central financial transfers to 30 already developed provinces will probably result in the deterioration of the gap between those two groups of provinces, worsening regional disparities among and the socioeconomic conditions of poorer provinces, and increasing their dependency on the central transfers.

In the two-tiered metropolitan municipal structure, the upper tier provincial metropolitan municipality is to serve the entire province with the district municipalities under the umbrella structure of the provincial metropolitan municipality. In other words, the provincial metropolitan municipality with its lower level district municipalities is to become the only local authority to serve local citizens after the 2014 local elections. Thus, the system is unified and centralized since small town municipalities, special provincial administrations, and villages are all abolished. Besides, in this two-tiered municipal administrative structure, the upper tier oversees the activities of the lower tier municipalities with regard to their regional influence and, thus, has some supervision power over the lower tier municipalities with regard to their decisions and activities related to budgeting and some metropolitan services such as planning, growth management, and environmental protection. In these areas as indicated by the act, the decisions of the district municipalities have to be approved by the upper tier provincial metropolitan municipality, and the decisions may be approved as they are or after necessary changes are made directly by the provincial metropolitan municipality. Thus, the provincial metropolitan municipality has a hierarchy and centralized structure. Yet, the lower tier district municipalities will continue to autonomously carry out some basic local municipal services such as building inspections, health inspections, public parks, kindergartens, etc. within their boundaries. (See Table 2)

One could argue that the provincial metropolitan municipalities are empowered financially, administratively and politically by the new act. In addition to their increased responsibilities and enlarged limits of the service area, the central government is to allocate more revenues down to the new provincial metro-
politan municipalities and their second-tier district municipalities according to the new act. Besides, all 30 provincial metropolitan municipalities will probably continue to have special purpose local authorities, and to benefit from intergovernmental associations and service contracts, and market mechanisms such as privatization, outsourcing, and contracting out. Moreover, the mayors of the provincial metropolitan municipalities, elected at large by the residents of the provinces, are to represent and to be responsible for all the residents within the limits of the whole province, not just within the limits of a metropolitan urban area as it was the case before. Thus, already powerful metropolitan mayors will become stronger administrative and political figures than the governors in their provinces. Yet, the metropolitan councils will continue to be made up of the mayors of district municipalities and the representatives sent by the city councils of the second-tier district municipalities in a province.

These provincial metropolitan municipalities are also expected to play a very critical role in managing urban growth all over the province and fostering economic development in those metropolitan provinces. In order to supplement economic development functions of the provincial metropolitan municipalities, the new act also has some provisions regarding the duties of the governors as the local agents of the central government responsible for the coordination and promotion of economic development and the distribution of development funds in those provinces. Yet, the role of governors as the head of the special provincial administration is to end since these administrations are abolished by the new act. I argue that an increased emphasis on economic growth along with restricted local autonomy, diversity, choice, participation, and responsiveness could be read as an indication of a more authoritarian urban growth management model rather than a participatory and pluralist democratic model and strong local autonomy.

Reflections and Conclusions

The first major problem with the new act numbered 6360 on provincial metropolitan governance was related to its adaptation process in the Parliament. The act was literally introduced without any public deliberation and passed through the Turkish parliament within ten days or so. Thus, the new act was neither built on a well prepared report, data, or research about the
characteristics, needs, and demands of the metropolitan areas in Turkey nor any sound and open public deliberation on the issue. This indicates that the method of change in the system is somewhat authoritarian and not structured around liberal pluralist democratic principles. It is a reflection of the assumption of “the nanny state (or government) knows the best.” Besides, the government seems to have taken the local elections into consideration in adapting the new metropolitan management model in an effort to place itself in an advantageous position in the next local elections.

It seems that all the 30 provinces are treated to be alike by the 2012 act numbered 6360. So, with the abolition of the different types of local management structures, one type of metropolitan management model is seen to suit all the 30 new provincial metropolitan municipalities on the base of the assumption that one type fits all. Yet, the size of the service area is one of the most important variables in efficient, economic, effective, and accessible service delivery on the base of economies of scale. The optimal size of the service area may vary from one service to another. And all the 30 provinces are different in socioeconomic structure, growth or urbanization rates, population size, land area, settlement patterns, labor markets, environmental characteristics, size of rural areas, road structure, regional connections, etc. All these variables influence what types of services are to be delivered in which areas of a province at what scale. However, all the 30 metropolitan provinces are assumed to be equally urbanized and developed; similar in population size, characteristics, and land area. Thus, it is questionable how efficient, economic, effective and just the new model could be in service delivery considering such a diverse group of provinces at hand. With the same structure, the new provincial metropolitan municipalities are to meet the very diverse local needs in the provinces with varying levels of metropolitization, urbanization and socioeconomic development, different political cultures, land areas, etc., previously met by a more diverse structure of local management. For example, the scope of regulatory powers and service responsibilities of the provincial metropolitan municipalities will be mainly non-urban since many of the 30 metropolitan provinces (such as Antalya, Balıkesir, Erzurum, Konya, Manisa, Mersin, Şanlıurfa, Van
etc.) still have large and remote rural areas. Thus, the provincial metropolitan municipalities will probably have difficulty in focusing on their service responsibilities in urban areas with more complex problems and diverse service needs, leading to reduced responsiveness in urban areas. A flexible and pluralist model paying closer attention to contextual variations and to uncertain trajectories of change would have a better chance of success.

The number of available mechanisms for citizens to participate is reduced due to abolished local administrations. This means reducing autonomy, responsiveness, diversity, flexibility, and choice in the local management system in Turkey. Thus, opportunities and mechanisms for local participation and responsiveness seem to narrow. The number of ways local people could use to reach local management bodies or participate is reduced, and the distance between the people and local management system has grown significantly. In addition, the number of local figures (mayors, councilors etc.) directly elected by people has reduced radically. Moreover, the number of autonomous local administrations has decreased (See Table 2). In the new model, the provincial metropolitan municipality with its district municipalities will have to meet the different needs, demands, and problems in the 30 different metropolitan provinces.

There are some positive aspects to the new act. One of the managerial benefits of the new act could be enhanced efficiency and coordination in service delivery along with reduced service costs due to economies of scale. Besides, it includes an urban provincial management model and may increase access to quality services delivered in the rural areas of the metropolitan provinces if the provincial metropolitan municipality has or is to be endowed the capacity to do so and if the provinces do not have very large rural areas. Yet, it should be kept in mind that access to services is a function of financial resources (of the service provider and citizens), sufficient monitoring of service providers, and accountability. Moreover, a strong mayor elected at the provincial level by the public will probably offer a much stronger leadership than before. Such a model with a strong mayor could be expected to contribute to the resolu-
tion of the Kurdish problem; to help better manage economic and urban growth; and to keep high rates of economic growth continuing. The establishment of investment promotion and coordination offices under the management of the governors in the metropolitan provinces provides further proof for that expectation. Considering together with strong mayors, new role for governors, strong dominance of the center over the local politics and finances, and the centralized party structures in Turkey, the new provincial metropolitan management model may result in a shift towards a system of urban and economic development via a more centralistic and authoritarian model.

Over all, the new model seems to fit more into the reform tradition than public choice model since it consolidates all various types of local administrations under one type of a provincial metropolitan municipality. Thus, the new provincial metropolitan model does not satisfy the concerns raised by the public choice model, such as freedom of choice, plurality, competition, innovation, responsiveness, local participation, accountability, and responsiveness. In the framework of the reform tradition, it is expected that the new model would lower the fragmentation in the local government system in Turkey and contribute to the efforts to increase coordination and efficiency in the delivery of services. (See Table 2) However, the new model could be rather considered as a hybrid model since it involves some mechanisms of local urban governance and fits somehow into the new regionalism. For example, the provincial metropolitan municipalities have a separate advisory city council other than the elected municipal councils established by the 2004 metropolitan municipality act along with emphasis in the act on voluntary citizen and civic organization involvement in the delivery of urban services and policy-making processes. In addition, the use of special purpose administrative structures, municipal commissions, inter-local service agreements, the use of market mechanisms and contracting out in service delivery as well as the active involvement of the private sector in urban management, urban development and urban service delivery could all be seen as the examples of local governance structures embodied in the new metropolitan governance structure.
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### Table 1: Metropolitan & Local Management Structure in Turkey after the 2012 Act Numbered 6360

<table>
<thead>
<tr>
<th>Level</th>
<th>Type</th>
<th>Management Structure</th>
<th>Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan provinces (30 provinces)</td>
<td>a. Upper-tier: Provincial metropolitan municipality (autonomous)</td>
<td>a. Mayor directly elected by the public and metropolitan council made up of the mayors of district municipalities and of the delegates from district councils</td>
<td>a. Strategic plans, physical development and land use plans</td>
</tr>
<tr>
<td></td>
<td>b. Lower-tier: District municipalities (partly autonomous)</td>
<td>b. Mayor and municipal council directly elected by the public</td>
<td>b. Strategic plans</td>
</tr>
<tr>
<td>Other provinces (the remaining 51 provinces)</td>
<td>a. Special provincial administrations (partly autonomous)</td>
<td>- Appointed governor - Elected general provincial council - Council chair elected by the general provincial council</td>
<td>- Strategic plans - Physical development plans</td>
</tr>
<tr>
<td></td>
<td>b. City, district and town municipalities (autonomous)</td>
<td>- Mayor and municipal council directly elected by the public</td>
<td>- Strategic plans (mandatory for cities with a population of 50,000 or more) - Urban spatial plans (mandatory for cities with a population of 10,000 or more)</td>
</tr>
<tr>
<td></td>
<td>c. Villages (partly autonomous)</td>
<td>- Elected head and elected commissioners of village</td>
<td>- Absent</td>
</tr>
</tbody>
</table>

### Table 2: An Assessment of the New Provincial Metropolitan Management (PMM) Model on the Base of Rodrigues & Brown's 5 Criteria and Some Other Principles

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Possible Outcome of the New PMM Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power of mayors</td>
<td>Increased</td>
</tr>
<tr>
<td>Hierarchy and centralization</td>
<td>Increased</td>
</tr>
<tr>
<td>Capacity to utilize market tools</td>
<td>Increased</td>
</tr>
<tr>
<td>Level of central funds transferred</td>
<td>Increased</td>
</tr>
<tr>
<td>Focus on efficiency and coordination</td>
<td>Increased</td>
</tr>
<tr>
<td>Leveling of differences among localities</td>
<td>Increased</td>
</tr>
<tr>
<td>Capacity to handle environmental problems</td>
<td>Increased</td>
</tr>
<tr>
<td>Focus on managing economic and urban growth</td>
<td>Increased</td>
</tr>
<tr>
<td>Subsidiarity</td>
<td>Decreased</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Decreased</td>
</tr>
<tr>
<td>Local autonomy</td>
<td>Decreased</td>
</tr>
<tr>
<td>Choice and diversity</td>
<td>Decreased</td>
</tr>
<tr>
<td>Opportunities to participate</td>
<td>Decreased</td>
</tr>
<tr>
<td>Number of elected local officials</td>
<td>Decreased</td>
</tr>
<tr>
<td>Number of local administration units</td>
<td>Decreased</td>
</tr>
<tr>
<td>Fragmentation in local administration structure</td>
<td>Decreased</td>
</tr>
<tr>
<td>Democratic election of decision making bodies</td>
<td>Unchanged</td>
</tr>
<tr>
<td>Economy and accountability</td>
<td>Not clear</td>
</tr>
</tbody>
</table>
Decentralization in Turkey: Affecting the Kurdish Question? How central and local systems contribute to ethnic conflicts
Leyla Ferman

Abstract

Ethnic conflicts – mostly internal conflicts about power sharing arrangements and recognition of ethnic groups - appeared especially since the end of the Cold War and are a challenge to national and international peace. Self-determination through decentralization and autonomy has become increasingly popular when thinking of the regulation of ethnic conflicts. In 1923, the newly established republic of Turkey inherited its strong central state from the Ottoman Empire. In order to create a (new) Turkish nation, the central state banned and suppressed all non-Turkish realities, and pushed its aims through a strong central power. The Kurdish people (20% of Turkey’s population) are still suffering physically and mentally. Today, the Kurdish Question is Turkey’s biggest political issue, affecting almost all state affairs. Decentralization is one of the main demands of the pro-Kurdish political and civilian actors. Turkey has to find a solution to regulate its Kurdish Question and should integrate the local level in national policy as a democratic value.

1. Introduction
Indeed, one can assert that the idea of an ethnic and cultural homogenous nation is falling away.¹ But this does not mean that conflicts between different population groups on recognition

¹. GTZ 2006: 2
and taking part in social (especially political) life are vanishing non-violently; quite the contrary is the case. There has been an increase in domestic and ethnic conflict as opposed to intra-national conflicts since the end of the Cold War.² With the increasing global political and economic integration of different parts in the world, e.g. securing the transfer of natural resources or the protection of actual or assumed security interests, and also with regard to the development of human rights and the breakthrough of the so called “domestic affairs” of states in the case of rude violation of human rights, ethnic conflicts becomes more and more also international matters. Ethnic conflicts have also increasingly become international matters due to the increasing global, political, and economic integration of different parts of the world (e.g. securing the transfer of natural resources or the protection of actual or assumed security interests), the development of human rights, and the breakthrough of the so called domestic affairs of states in the case of rude violations of human rights.

As Ghai states,

“Most internal conflicts are about the role, structure and policies of the state, and about social justice. Response to ethnic conflicts have ranged from oppression and ethnic cleansing to accommodations of ethnic claims through affirmative policies, special forms of representation, power sharing, and the integration of minorities. One of the most sought after, and resisted, devices for conflict management is autonomy.”³

In the meanwhile, there are conventional methods to protect minorities, a.o. recognition of mother tongues as official languages and education in the mother tongue. International law argues more and more in favor of autonomy as self-government of groups than focusing only on individual rights.⁴

**Self-government means self-determination.** This paper does not question the idea of self-governance but asks the extent and process of self-governance. How do central and local systems contribute to ethnic conflicts and affect conflict actors? How

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3. Ghai 2000: 1
should a local system be arranged in order to have a positive effect on ethnic conflicts? Which state levels have to be involved?

2. Decentralization and Ethnic Conflicts in Theory and Science
The science has not been explored enough to understand if decentralization – a process by which the center gives power to sub-national levels – has a positive or negative impact on ethnic conflicts. Ethnic conflicts are still a relatively new phenomenon.\(^5\) While state-linked development aid is in general in favor of decentralization\(^6\), there is proof of problems of decentralization processes in the European and Central Asian Transformation Research emerging that “post-conflict recovery and multiethnic processes have challenged the decentralization across the region. It has been a factor of renewed instability and conflict, which has affected among others, civil society organizations and has spread mistrust.”\(^7\) Territorial decentralization seems just to lead to a long-term solution only under an extraordinary conjunction of conditions, e.g. if multiple groups cohabit the same national space, if no group can achieve decisive control over the state, if each group is led by moderates willing to accept the desires of others for cultural, linguistic, and religious autonomy, and if there is a robust democracy. “These conditions are unlikely to be present at the end of contemporary civil wars.”\(^8\) In times of (civil) war and in times just after (civil) wars, decentralization seems to have no positive effect at all. Scientists David A. Lake and Donald Rothchild could not find any cases of decentralization after a civil war since 1945.\(^9\) The question of secession in multi-ethnic states as a solution to ethnic conflicts is also discussed in an ambivalent manner in the science.\(^10\)

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5. Brancati 2005: 3
6. e.g. World Bank or Swiss Direction for Development and Cooperation (DEZA)
7. UN DESA 2006: 6
8. Lake/ Rotchild: 14
9. Sasaoka 2007: 4-7
10. Opponents argue that in the case of secessions new minorities will be formed, causing new problems (e.g. the collapse of Soviet Union) as supporters argue that secession can contribute to longstanding peace if there are dominant moderates on both sides and if it is a joint decision. Moreover, whenever identity question rise e.g. through regional parties, secession seems to be more likely. The state practise shows that if states fall apart than seldom because they offer too
Science and Politics in Turkey

The science in Turkey seldom connects matters of centralization and decentralization with the Kurdish Question. In fact, the Kurdish Question is the biggest political issue in Turkey. An interviewed scholar argued that students do not have the needed background knowledge to be able to discuss the question of decentralization and Kurdish Question in a scientific manner. How come scholars and lectures do not discuss this question seriously? Is there an overall political and scientific conviction that there has to be a common process of decentralization in Turkey without considering the special needs and demands of several population groups? Or will anyone be politically indicted to separatism while discussing the option of autonomy or more decentralization as a possibility to regulate the Kurdish Question? Raising doubts against the strong central state and strong nationalism in Turkey seems obviously to still be a highly sensitive matter.

3. The Case of Turkey
3.1. Centralism and Nationalism in Turkey

The administrative system, inherited from the Ottoman Empire, has not changed basically since its establishment in 1923. Turkey remains a strong central state with a weak local level (s. Art 123, 126, 127 of the Constitution of the Republic of Turkey). According to Kantörün,

“In the early years of the Republic, civil and military bureaucracy tried to realize top to down modernization by initiating radical reforms. The main aim behind this reform process was to build a new state and a new society in Western standards. Bureaucratic elite chose to control all resources rather than to share them with local governments to prevent possible revolts

much autonomy, but because of refusing and practising strong centralisation which is refused my minorities. Jäggi 1993: 93f, Papagianni 2006: 8f, 12, Tir 2005: 548 ff
11. ICG 20.09.2011: 1
12. Own Research in 2011 and 2012
14. According to Art 127-5 of the Constitution of the Republic of Turkey, the central administration has the power of administrative trusteeship over the local governments in the framework of principles and procedures set forth by law with the objective of ensuring the functioning of local services in conformity with the principle of the integral unity of the administration, securing uniform public service, safeguarding the public interest and meeting local needs, in an appropriate manner.”
against the reform process. On the other hand, the resources and equipments of the young Republic were limited because of the continuous wars started in the beginning of 20th century. That’s why the control of resources from one center was seen more efficient to realize the development of the country. In this context, the role of local governments was quite limited, they were the extension of central government and their budget was under the control of central government.”15

Furthermore, Kavruk claims that “The excessive administration tutelage damages the autonomous structure and puts local government units into a position of central government units.”16 Most of the services that need to be performed by local governments have been taken on by central government organizations. Today approximately 85% of public services are provided by the central government, 15% of public services are provided by local governments.17

The central state’s control at subnational level is carried out through a governorate in all of the 81 provinces (and district administration in districts) and through representation of ministries (e.g. Ministry of National Education) and other national institutions in the provinces.18 The governor (tr. Vali) represents the state and government in the province; in the district the district administrator (tr. Kaymakam) who is under the supervision of the governor. The second level of the “two-level administrative structure”19 in Turkey is the Special Province Administration20 (for the area of the provinces excluded the responsible areas of municipalities), the municipalities21 and

15. Kantörün 2010
17. Kavruk 2004: 200
18. Esen 2005: 14
19. Göymen: 3, 7
20 Competences outside of the responsible areas of municipalities a.o. Education (e.g. school buildings), Health (e.g. building of hospitals), Police, Infrastructure, Stock Farming, Wast Industry, Tourism. Tosun/Yılmaz 2008: 4, Council of Europe 2011, Bahloul/Ozcan2006: 5
21 Responsibility functions: urban infrastructure facilities such as town planning, water supply, sewage and transport; geographic and urban information systems; environment, environmental health, hygiene and solid waste; police, fire fighting, emergency, rescue and ambulance services; urban traffic; funerals and cemeteries; tree planting, parks and green areas; housing; culture, art, tourism, publicity, youth and sport; social services and social assistance; weddings; vocational and skills training; economic and commercial development; metropolitan municipalities and municipalities with a population of more than 50,000 open shelters for women and children. Optional functions: pre-school educational establishments, build/commission state schools at all levels and equip/repair them, health-care facilities, conservation of cultural and natural assets, support of students and sports clubs and sportsmen/sportswomen, food banking. Art. 14, Municipalities Law, Council of Europe 2011
the headmen (in quarters and villages), all based on elections every five years. Local governments have no legislative functions, only administrative.\textsuperscript{22}

With the political success of the AKP (tr.\textit{Adalet ve Kalkınma Partisi} / Justice and Development Party) combined with its idea of a modern government system (s. Public Reform Package 2000) and with a few laws improving the local level passed since 2000 as part of the accession process to EU membership it seemed as if Turkey was moving towards a more decentralized state.\textsuperscript{23} Even though several governments had previously demanded decentralization and in spite of all above-mentioned factors, the former president vetoed these reforms arguing that they could destroy the unit and integrity of the state. Furthermore, the opposition refused suspecting the AKP were striving for their hidden political aims.\textsuperscript{24} However, democratization has also not been a real aim of the AKP but “(...) efforts for more efficient, effective and economic local governments respecting the neo-liberal priorities and principles.”\textsuperscript{25}

European institutions currently call for constitutional reforms to support decentralization and to end the strong tutelage of the central state (s. Art 127 of the Constitution of the Turkish Republic). Turkey should allow for the usage of languages other than Turkish for municipal services, the influence of the state appointed governor shall be reduced, and the role of the TBB (tr. Türkiye Belediyeler Birliği/Union of Municipalities of Turkey) at the national level should be enhanced.\textsuperscript{26}

3.2. The Central System and the Kurdish Question
The Kurdish Question is a matter of a people and ethnic group, the Kurds, of about 30 Million inhabitants, whose homeland Kurdistan (border area Turkey, Syria, Iraq, Iran) – today a geographical and political expression at the same time – in the Middle East is since 1639 divided in two, since the collapse of the Ottoman Empire in four parts. The Kurdish Question con

\textsuperscript{22} Kavruk 2004: 187
\textsuperscript{23} Tosun/Yilmaz 2008: 4
\textsuperscript{24} Göymen 2004: 2, Council of Europe 2005: 9.2
\textsuperscript{25} Bayraktar 2007: 25
\textsuperscript{26} Council of Europe 2011, Kavruk 2004: 204, European Commission 2012: 32
cerns a people and an ethnic group, the Kurds, whose homeland is called Kurdistan (the bordering areas of Turkey, Syria, Iraq, and Iran) and number at 30 million. Kurdistan is today simultaneously used as both a geographical and political expression. It was divided into two parts since 1639 and into four parts since the collapse of the Ottoman Empire. The biggest part of Kurdistan is located in Turkey. Kurdish Question is a question of a people striving for a status and has become known as a matter of experience of strong violations against human rights and insurgences against state policies of assimilation and oppression.

In reference to the complexity of the Kurdish issue, Celik states,

“At one level, the conflict is between the Turkish state and an ethnic minority. At another level, the conflict is between the Turkish state and an insurgent group, the PKK. At a third level, the conflict exists, in the form of social tension, between Turks and Kurds throughout Turkey, especially in the bigger cities in western Turkey.”

Within the framework of the Turkish nationalism (one pillar of the state doctrine of Kemalism) and with the establishment of the Republic of Turkey, all ethnic, religious, and cultural disparities in Turkey was to be not only denied but also actively oppressed by force. A new and strong nation was to be formed. At the beginning of the new Republic, all Kurdish revolts demanding the promised autonomy were broken down bloodily by military forces. The central state and military went hand-in-hand in the Kurdish Southeast and, in general, in the process of assimilation. The state of emergency in 13 Kurdish dominated areas between 1987 and 2002 was an especially brutal experience for Kurds with random arrests, torture, and murders through so-called unknown actors. After the third military coup in 1980, the Kurdish language was also forbidden

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27. Çelik/Blum 2007: 65ff, ICG 20.09.2011: 1
28. Acksel 2010: 214
29. A.o. strategy of denial of cultural heritage of „others”, turkification of history of „others” via renaming of topography, writing ethno-nationalistic symbols in geography, Öktem 2004: 566-573
In the armed conflict between the PKK (kurd. Partiya Karkerên Kurdistan/ Kurdistan Workers Party) and the Turkish state since 1984, more than 40,000 people lost their lives; most of them civilians.

In line with Ziya Gokalp, the founding father of Turkish nationalism, Mustafa Kemal Atatürk, the founding father of the Turkish Republic, assumed that cultural homogenization could be implemented simply through education. Education is until today strongly centralized. The Turkish language plays a key role in the education system and is still the only language of medium even though there are various initiatives that are trying to gradually introducing other languages into Turkish schools in the past years. These initiatives include voluntary lessons in the mother tongue at school, state-offered Kurdish-speaking channel TRT 6, the inclusion of Kurdish dialects in the Departments of Languages and Literature at universities in Tunceli and Mardin. Until today, the Turkish education system closely follows Atatürk’s principles, a.o. Turkish nationalism, emphasizing the community rather than development of the individual. Non-Turks and non-Muslims are still discriminated against in textbooks taught in schools.

The issue of decentralization in Turkey is a highly sensitive issue, as decentralization is tied with the Kurdish Question. Giving power to sub-national and local levels means also to empower the Kurdish people, who are especially strong region

31. Taspinar 2005: 97
33. Schmid 2010: 16-18, IHD 2009: 6, Atatürk in one of his speeches “One of the most obvious characteristics of a nation is language. A person who says that he belongs to the Turkish nation, should, primarily and absolutely, speak Turkish. If a man who does not speak Turkish claims his loyalty to the Turkish culture and community, it will not be correct to believe him.” Aydingün/ Aydingün 2004: 423, Keyman/ Kanci 2011: 318f, Güzeldere 2009: 300
34. Regarding the basic law for National Education No. 1739 of 24.07.1973, which makes up the framework of today’s education policy, the first aims are to create individual which commit to Atatürk’s reforms and principles, who adopt, protect and improve the national, moral, human, spiritual and cultural values of the Turkish nation; who love and always elevate their families, homeland and nation; who are aware of their duties and responsibilities towards the Turkish Republic-which is a democratic, secular and social state ruled by law based on human rights and the basic principles defined in the beginning of the Constitution-and behave accordingly. (the development of the personality is a second point) Ministry of National Education 2001: 4. A secondary textbook describes Roma as „just like ours, beggars you can’t get rid of” and a linguistic book says, die Greek language sounds like „the sound of a snake”. Kurds are described in a book as „enemy to the national presence”, Kaya 2009: 27
ally, in the Kurdish Southeast of Turkey. Since the last local elections in March 2009, the pro-Kurdish political party, Peace and Democracy Party (BDP, tr. Barış ve Demokrasi Partisi), has been running 98 municipalities with most in the Southeast. In the eyes of state authorities, empowering the Kurdish people could endanger the (artificial) unity of state and society. Unity of state and society were the most important goals of Kemalists elite after the collapse of the Ottoman Empire. The central state seemed to be the only way to reach these goals through a strong, powerful center and strong control of local happenings.

3.3. The Kurdish Question at the Local Level
Based on research stays in 2011, 2012, and 2013 and over 80 interviews and professional conversations with especially local actors in Kurdish-dominated areas in Turkey (Diyarbakir, Batman and Hasankeyf, Sanliurfa and Viransehir, Van, Hakkari, Akdeniz/Mersin), there were especially three fields of conflict at the local level which shows the relation between the center and local level. This should be the background for the proposed Model for Turkey in Chapter 3.4.

The conflict at the local level is especially between the center (AKP) and pro-Kurdish actors like those in BDP, who actively challenge the strong central system and nationalism in Turkey. Kurdish people in the AKP at the local level normally take a passive position towards central decisions. The BDP and AKP are the main actors in the Kurdish Question.35

Anti-KCK arrests
Since 2009, there have been about 8,000 arrests of pro-Kurdish activists in the framework of the so-called KCK (kurd. Koma Civakên Kurdistan/ Unity of Communities in Kurdistan), whereby defendants are accused of being part of the political wing of the PKK named “KCK”. They are generally accused of things such as violation of the unity of the state/country or acting in and spreading propaganda for a terror organization (for the PKK).36 Backgrounds are especially taped records of calls and of professional and private rooms and information from

35. Yegen 2011: 165
36. BDP 2012: 3, Gök 2010

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“secret witnesses.” A whole slew of legal and political activities of the pro-Kurdish party BDP are criminalized. Observers evaluate these anti-KCK processes as highly politicized acts of the AKP government in order to weaken the pro-Kurdish political and civil structures and forces. Meanwhile, there were at times over 30 (active and former) BDP mayors (now around 20), hundred members of city and province councils, a dozen municipal staff, and thousands of civil actors like lawyers, journalists, human right activists arrested through numerous big police operations. As grassroots work in Turkey is not seriously catching on, the arrest of the head of municipalities, the mayors, have negative effects for the development of the whole city. Arresting municipal staff also has negative effects in the offering of services as it has psychological and moral impacts as fear of arrest is spread, affecting the motivation of staff and thus work implementation. Pictures of arrested mayors are hung in certain cities in municipal buildings. Municipal staff show solidarity with their arrested colleagues through a one-hour protest in front the municipality buildings every Thursday (called “Black Thursday”). Acting BDP mayors are currently protesting the BDP parliamentarians and local people for the regulation of the Kurdish Question via demonstrations and to be able to have these demonstrations without the permission of the state-appointed governor. Many times these protests end in violation on the streets. Mayors have also been seen taking part in civil disobedient or taking part in hunger strikes.

When it comes to the anti-KCK arrests, local opinions can be divided in two camps: A small camp of interviewees avoided commenting and referred trusting the decision of the Turkish state and its courts. The bigger camp, comprising of not only

37. Criminalized are a.o. to pronounce the word PKK in Kurdish, to bring human rights processes before the European Court for Human Rights, to attend political or juristic events abroad, to visit families of PKK-fighters or to organize Kurdish New Year called “Newroz” Schmid 2010: 19, arrested Mayor of Batman, Nejdet Atalay, is a.o. accused saying Guerrillas instead of Terrorists and accused to spread propaganda for an illegal/ terror organization.

38. Claimed fines: arrested Mayor of Batman Atalay 154 years accusations, Mayor of Hakkari Bedirhanoglu 45 years, Mayor of Siirt Sadak 69 years (30 accusations), Lord Mayor of Diyarbakir Baydemir 9 accusations and 11 requests plus KCK-cases, arrested Mayor of Idir Guneş 39 years, arrested Mayor of Sirnak Uysal 7 years and more 20 years, Mayor of Sixke Ergunë 15 years, Mayor of Bazide Korkmas 17 years, Mayor of Semdini Tore 40 years, Mayor of Sur/ Diyarbakir Demirbas 82 years (23 accusations, 12 convictions), arrested Mayor of Veransehir Güven 44 years, s. Gök 2010
BDP members but also AKP members, criticized the arrests. Non-BDP members do not show solidarity in public, probably due to loyalty to their respective parties and due to fear of negative sanctions through the state or their own political group. This leads to moral rejections by the people concerned.

People vs. State? – BDP vs. AKP?
Most local actors qualifies the actions of the state-appointed governor in the provinces as of the extended arm of central government in Ankara, which was also confirmed by two interviewed deputies of governors themselves. So, in fact, if the government in Ankara has positive views related to the Kurdish issue, the governor does as well in his relation to BDP municipalities. Even in times of exception – like after the earthquakes in Van in 2012 – the governor does not cooperate with the BDP municipality if it becomes a political issue by the central government. The mayors – no matter which political party – see themselves as the representative of the people, as they are elected by the people.

Local actors, such as members of municipal councils, do not practice harsh conflict manners at the local level as majorities in city councils are accepted but there is also no real opposition. The conflict situation at the local level of actors denying the Kurdish Question were just found in those places, where not everyone had the same experience with the Kurdish Question (e.g. Turks in western cities) and with state-appointed governors in the Kurdish areas who are not from these parts of the country and don’t speak Kurdish, language of the local people. No interviewed local actor in the Southeast used the word “terrorism” in the framework of the Kurdish Question; however the two interviewed deputy governors did.

In BDP-run cities, civil initiatives like the “Open Friday Praying” in front of the municipal building with thousands of participants refusing state-controlled mosques and regular moots contributing to municipal decisions are first steps to create a municipality of, for, and by the people. Governors are still representing the idea of a strong state and small citizens in their contact and access to the people.39

39. ICG 2012: 5
Kurdish Language and Names
In terms of Turkish law municipal offers have to be served in Turkish language, the only official language in Turkey. Municipalities in western part of Turkey are using e.g. English and Arabic for touristic purpose which is not legally traced; the situation is another in BDP-run municipalities offering Kurdish language. Since 2009 a wide campaign has started in order to strive for multilingual municipalities in BDP-run cities. Municipal publications, posters, and placards inside and outside of their buildings are written in different local languages and dialects. Furthermore, village signs are written both in Turkish as well as in the original Kurdish names. Streamers on municipal vehicles like buses and writings on rubbish bins are just a few examples. All without a legal foundation. In 2012, the Diyarbakir Metropolitan Municipality has started offering a Kurdish speaking kindergarten class as a pilot project. Also, parks and municipal institutions like people’s houses and cultural centers have been named according to regional and historical meanings and with names of Kurdish famous personalities such as politicians or poets. Also non-BDP members in the Kurdish Southeast are in favor of village signs with the original Kurdish names (along with the Turkish name) and municipal publications and services in different local languages.

Decisions on names for streets and institutions by the city council have to be agreed on by the governor. The governor has to agree on the decisions of names for streets and institutions. The way in which municipals councils deal with the governor differ by province... Until recent reforms, the letters “Q,” “W,” and “X,” used in the Kurdish alphabet but not in the Turkish alphabet, were banned from usage. If a suggested name is refused by the governor, the municipal councils will react with new proposals with the former suggested name. This is then refused by the governor. They might decide to use their suggested name in their daily work instead of the name set by the governor or they might simply refuse to print the name given by the governor.

40. In the case of the suspension of the Mayor of Sûr/ Diyarbakir Mr Abdullah Demirbaş and the concerned city council in 2007, which after doing a research/ interviews found out that over 90% in their district are Kurdish speaking and a huge amount of women cannot speak any Turkish, the Court argued that “[the fact that the municipality] employed local languages used by the district population other than the official language Turkish is in clear violation of the constitution and other laws and is not in conformity with the realities of our country.” Oktem 2008: 6
on signs. For example, the name “Yılmaz Güney Park” passed by the city council in Batman was rejected by the governor, who demanded the name “Atatürk Park.” The Batman Municipality and BDP-linked actors use the name “Yılmaz Güney Park” which has been spread within the community. Until today, there is no sign at the entrances of the park. Renaming is another a method used by municipal councils. E.g. Batman city councils suggested to name a park “Cigerxwin,” who is an important national poet for Kurds. When the name “Cigerxwin” was refused by the governor, the city council changed the proposed name of the park “Kine Em” (Who are we), one of his famous poems In May 2011, the Court ruled to disallow 19 names of parks in Diyarbakır arguing that they are “immoral, divisive and foreign,” a.o. also names like Ciwan (Youth) Park, Clover (Nefel) Park, Berfîn (a Kurdish female name, derived from Kurdish word meaning “snow”) Park and Rojda (a Kurdish female name, meaning “giving sun”) Park. 41

3.4. Local Model for Turkey and the Kurdish Question
3.4.1. General Reforms, Particular Addressing, and Participation

In general, decentralization is a democratic process and enables a government to be closer to the people. A state of, by, and for the people can be better achieved by strong decentralized units. A democratization process including the improvement of human rights will have a positive effect on ethnic conflicts.

Due to a history of strong suppression under the name of assimilation, nationalism, and brutal experience with state authorities and military forces, the Kurds did and do have a special experience with the state and therefore need a special treatment. The “we-they-division” (Kurds vs. Turks, Kurds vs. Ankara, BDP vs. AKP) reached an obvious stage in the Kurdish Southeast of Turkey. Compared to other population (ethnic, linguistic, religious etc.) groups, Kurds are highly self-organized and strive not just for their own but also for the rights of other population
groups rights in Turkey. The idea of Kurdistan as a region with social and historic particularity is in everybody’s mind in the Southeast of Turkey, no matter which political party.42

Thinking of several arrangements for the Kurds goes in line with the idea of self-determination. Not just every individual but also every group of people has the right of self-determination. The extent of self-determination depends on the people’s demands and abilities and should in fact always take into consideration the geo-strategic and political impacts, dimensions, and realities. But even more important than a concrete model for Turkey and its Kurdish Question is the process of decision making. Without the involvement of relevant actors, every decision will fail as is demonstrated by the refusal of state-offered Kurdish TV TRT 6 since 2009 by the pro-Kurdish actors and the lack of the claiming of the offer of voluntary Kurdish lessons at schools since September 2012.43

3.4.2. Which Local Model for Turkey?44

Federalism can be excluded in the short run, as this concept requires experienced regional power and its ability for consensual decision making at the national level. At least in the short run, federalism is unthinkable as both the local and national levels are not ready.

This paper proposes countrywide decentralization and special arrangements with the Kurdish Question in mind. The process of special arrangements shall be based not on ethical but regional considerations. Thereby, the steps can be temporally shifted or can be temporally advanced.

42. Nusaybin Mayor Ayşe Gökhan said during the Festival of Art Evenings in Nusaybin in 2012: „There is no power which can take our rights. Nisêbin [kurd. for “Nusaybin”] is Kurdistan and will stay Kurdistan. Noone can change this. Therefore our Culture and Art is those of Kurdistanis.”ANF 2012, translated by Leyla Ferman

43. Since September 2012 3.500 pupils of 5th class are allowed to take part in Diyarbakir, at the end of 2012 there were just 132 registered pupils; Actors of the pro-Kurdish camp demand an autonomous system in Turkey with 22 till 26 regions in Turkey and giving each region a wide range of competences with own parliaments, recognizing besides Turkish other spoken languages in the region etc.

44. The writing and finishing of this chapter came off by considering different reflected feedbacks and opinions on my proposals by academics and local politicians, a.o. Mayor of Sur/Diyarbakir, Mr Abdullah Demirbaş
All who participated in the interview at the local and national level were against the existing strong central state in Turkey but in favor of strengthening the local level.

**Regulation of the Kurdish Questions at Three Levels**

1. **National Level**
The Kurdish Question is a political question at the national level, because actors at the national level are the key decision-making actors of the conflict. Assimilation, suppression, and prosecution were possible due to the central power and control towards a weak regional and local power, and the impossibility to protect from central injustice. All interviewed local actors were looking to Ankara when thinking of a solution to the Kurdish Question. Due to economic reasons and the effects of violence, half of the population of the Kurds live in western cities. So, a solution at national level should reach Kurds all around Turkey.

Demilitarization is one of the first gaps to be done in order to enable political developments. The recent “Peace Process” announced by PKK-leader Abdullah Öcalan in March 2013 enabled a ceasefire and ongoing talks between PKK, BDP, and state authorities are signaling political efforts – but recent reforms by the central government (e.g. allowing Kurdish letters “Q,” “W,” and “X,” allowing Kurdish village names – which has yet be practiced by BDP-linked actors – and abolishment of the oath on Atatürk and the Turkish nation in schools every morning) are far away from the expectations of pro-Kurdish actors, e.g. Constitutional recognition of other than the Turkish language, Kurdish as common language of instruction in public schools and more decentralization. 45 Allowing private schools using other than Turkish language, like Kurdish, as a medium of teaching is in no way a solution to the problem, since financial requirements of private schools does not allow for this reform to reach every organization, community, and citizen in the same manner.

The current discussions on the new Constitution of the Turkish Republic should answer the decentralization demands from

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different actors at different levels in Turkey and could lead to by giving more power to the local level by financial and competence enforcements. Furthermore, the new Constitution should allow languages other than Turkish to be officially used. Article 3 of the Constitution could be changed by saying that Turkish is not the language of Turkey but e.g. the (one) official language of Turkey (at the national level).

In order to enable parliamentarians to better contribute to executive and legislative power, the 10% threshold – benefiting big instead of regionally strong parties – should be reduced or even abolished. By taking this step, also regionally strong parliamentarians will be better involved in national decisions. This would contribute to the acceptance of the national decision at the local level. Anyway, Turkey’s 10% threshold is one of the highest among representative democracies, and its reduction is proposed by different national and international think tanks.46

All widely spoken languages in Turkey should be represented in all public institutions. This could be implemented via language employing tests like those at regional level in Switzerland with its four official languages.

Moreover, Turkey should change its “government by majority” system. Instead, the composition of the government should allow for consensus elements at least for several fields, like culture and language, so that national decisions can be (better) accepted by the local and regional people.

2. Local Level

In General
First of all, in order to create a feeling and understanding of local and regional issues, the local elections in Turkey should not take place in one day but temporally shifted so that ministers and parliamentarians have less possibility to intervene or mis-/use the local elections campaigns for the purposes of national politics. Furthermore, the local elections should not use only the bloc list but also partly the individual nomination system.

46. Geyikçi: 5f, TEPAV 2011
Many members of city councils are hiding themselves behind their party leading to passivity. The threshold of 10% should also be reduced or abolished at the local level in order to reach a better representation of social groups at the councils.

The financial situation of local levels has to be improved so that municipal duties can be fulfilled by the municipalities and not by the central government. First, the distribution key of state support to municipalities should be better adapted to the situation in the regions. Furthermore, province equalization should be better implemented but it has to be a weak version otherwise this can be become an ethnic issue as the Kurdish Southeast is economically very weak compared to the industrialized, western Turkey. The case of almost ethnic homogenous Germany shows how sensitive questions of equalization can occur. State support for investments and local development by national agencies has to consider the Kurdish areas without any political implications and in a special manner (positive discrimination) in order to achieve a countrywide comparable living standard.

Most of those interviewed were in favor of elections of the governors as they expressed that they wanted the works of the governor to be closer to the people, not to Ankara. Electing the governor would be a democratic step, however an additional institution in voting might overburden the local elections as voters give four or five votes in one day (mayor and lord mayor, city council, province council, headmen) and competence skirmish could appear. So, another option would be to reduce the functions of the governor and enhance the power of the elected bodies. Through a new local system including a real interdependence of local level in Ankara, the function of the state-appointed governor could then become a representative and symbolic one or even be abolished. Concerning the competences, almost all those interviewed were demanding an enhancement of competences of the municipalities in the area of education and allowing the regionally spoken language at school. In terms of implementation and capability, a gradual and temporary system seems to be the best way. For example, kindergartens with educational access should soon become municipal affairs, primary schools could be added in the near
future, etc... In desired provinces - e.g. by popular vote or by a collection of signatures - Turkish and other languages should be offered as equal and parallel language in lessons. Lessons that are offered on a voluntary basis are no alternative to express respect and to guarantee integration at the same time. Concerning the teachers, there must be an agreement on the education of the teachers and their selections. In order to be accepted by the local people, political parties should find consensus in this matter.

**In Particular: Autonomy**

While AKP-government is aiming for technical development by decentralization, the pro-Kurdish BDP and pro-Kurdish civil society strive for recognition of ethnic identities and realities via decentralization. Autonomy is one of the biggest demands of the pro-Kurdish actors, aside from constitutional recognition.

Provinces should have the right to unite, if necessary, for a special purpose. Through such unifications of provinces, these new entities/regions could receive more or special competences compared to the common provinces, e.g. in education and/or cultural matters. Popular referendums in the concerned provinces could decide on the unification of provinces to become a region. This new created regions could receive their own names, e.g. “Kurdistan.” In order to avoid big and overburdened regions – as the inter-communal experience is very weak in Turkey – the integration of provinces should be limited to a special amount of provinces. Afterwards, its area extension by adopting new provinces could depend on its economic performances, but granting self-government should not be only dependent on financial performance. The extent of the competences of such regions should be a matter of consensus between the center in Ankara and the regional actors, as each region has other abilities and starting points (e.g. like in Spain). The standard in any given region should be a regional parliament with (limited) legislative and executives competences, the possibility to add official languages that are spoken in the region (aside from the Turkish language), its own symbols, and its own constitution.
There are economic potentials in the Southeast of Turkey, but are not tapped into due to the civil war. Sun energy could be better used, and other project ideas in the minds of employers such as the extension of organic food as the soil is not as infected with chemicals like in the West (due to financial reasons or ignorance) and clean water due to lack of industry. Diyarbakir as the center of the Southeast could play also a regional role in the framework of Turkey´s trade in the Middle East; opening Diyarbakir´s airport for international flights would be a necessary step. So, also in terms of an economic issue, autonomies would be able to experience local and regional potentials.

When 850 delegates of the civil pro-Kurdish umbrella organization DTK announced in July 2011 in Diyarbakir “Democratic Autonomy,” the central government and the opposition reacted harshly, assuming separation and questioning the unity of state and people in Turkey.

At the local level, there is almost no harsh conflict behavior. Conflicts are less between local actors instead existing between (pro-Kurdish) local actors and the central government and its institutions and representations. Therefore, a region might be able to govern itself and know their particular problems and possible solutions better than Ankara.

Society and Responsibility
Turkey has to start changing its social framework (e.g. the school system), by enabling the people to take responsibility on their own and not by referring to others above them. The staff depends on the chief, politicians depend on Ankara etc... Receiving responsibility means thinking of solutions for problems in an active and original manner. Many of those interviewed spoke of “no problems.” But managing a social system means more than simply functioning. It needs active, innovative developments by responsible people. Giving (adequate and equated) responsibility to local actors will enhance local abilities. Social systems should not be a deadlock but be adapted according to time and needs. Turkey’s political elites have to trust in the ability of its local people and should overcome its doubts which are caused by the historical experience of the collapse of the Ottoman Empire.
3. Integration of National and Local Levels
Integration is important to guarantee peace, brotherhood, and unity and to also reduce gaps between local and national levels, between the state and the people. Therefore, an appropriate degree of integration has to be arranged between municipalities and Ankara on the one hand and between newly created regions and Ankara on the other hand. As the work of the Union of Municipalities of Turkey (TBB) shows, there is almost no integration between the municipal and the national level. The local level is not effectively represented at the national level and does not efficiently contribute to laws that affect the local level. As the political composition with its AKP majority shows, TBB does not really act as a municipal actor due to party relations in Ankara. Moreover, municipalities which are to be run by parties other than AKP do not feel represented in TBB. Therefore, regional municipal unions have to also be represented and strengthened in Ankara. A real right to consultation and co-decision in parliament (or a right to veto) and in the work of different ministries in matters which affect the local level would be the right way. It might make sense to form a kind of second chamber, like in federal states, where regions are represented at the national level but just an easy version to avoid work downtimes because of no or rarely experience in consensus decisions between the national and local levels. Besides unions of municipalities, all provinces and regions should be represented in Ankara.

3.4.3. Kurdistan in the Middle East
Due to historical reasons and the artificial division of Kurdistan in the Middle East into four parts, but also due to the experience of oppression in different states, Kurds in Turkey, Syria, Iraq, and Iran have always dreamed of an independent, united Kurdistan, but political and civil actors know that this is not possible due to political and geo-strategic reasons. The pro-Kurdish actors in Turkey haven’t aimed to create their own state since the beginning of 1990s. Today, they strive for an alternative model without even aiming at any state apparatus, arguing that there will be always a top--down approach in state structures and they want equality in society. A solution to the Kurdish Question in all parts of Kurdistan in the Middle East shall be found within the borders of the particular states.
Some representatives of Kurdish parties in the Kurdistan region in Iraq officially say that they do not believe in a Kurdish-Arabic consensus in Iraq anymore. Since civil unrest began in Syria in 2011, Kurdish forces have had control over their traditional homeland areas in northern Syria close to the Turkish border and are preparing for autonomy. Talks with the Syrian opposition show that arrangements with the Arabic organizations will be very difficult and might be impossible. The ties and relations between Kurds in Turkey and Iraq increase, also at municipal level through e.g. twinning projects and professional exchanges, and the solidarity with the developments in Syria-Kurdistan is very high.

The preparations for the first National Kurdish Congress started in 2013 in Erbil/ Kurdistan-Iraq with all relevant Kurdish parties from all four parts of Kurdistan and are still ongoing. Two postponements of the National Kurdish Congress show difficulties, but this Congress can play an important role in the Middle East as a new actor. This Congress won’t aim at gaining independence for Kurdistan, instead democratization in the Middle East. So, Turkey’s answer to the Kurdish Question should go hand-in-hand with allowing Kurds above the border in Syria, Iraq, and Iran to build ties with their fellow Kurds. If integration works in Turkey and if Turkey finds a solution to the Kurdish Question, the idea of independence will be of no relevance for social actors. The exchange between Kurds in Turkey, Syria, Iraq, and Iran shouldn’t been seen as a challenge to territorial integrity but as an exchange of one population group and an area with a common history.

In these times, it is also important to follow the outcomes of the recent Peace Process. Recent small reforms by the central government won’t be enough to satisfy the Kurds in the Southeast. Quickly releasing all those arrested for political reasons would benefit the situation at the local level, especially that of the municipalities. Moreover, the Kurdish Question has to be understood as a question in the Middle East, with all its regional and international implications and interests which affect the political and social situation in these areas.
The term Kurdistan shall be understood not only as the name of the traditional homeland of the Kurds and many other ethnic groups but also as the name of an historical area and a geographical term. Because gaining independence is not on the agenda of Kurdish parties, the term Kurdistan shouldn´t be seen a term forcing separatism.

4. Conclusions
Turkey’s decentralization process is a new experience and a challenge for the state and society. Power-sharing arrangements are a necessity to enable sustainable peace. Holding all power at a center and suppressing local demands will ultimately lead to local revolts if the local movements are strong enough to react. In the case of the existence of ethnic groups like in Turkey, a strong central system and nationalism is a danger to territorial and social integrity. The extent of the process of decentralization and local autonomy given to the local people should go together with a country-wide democratization and should be temporarily enhanced in line with their experience. Anytime, an appropriate extent of integration of local and national level should be arranged as otherwise conflict and social separation will occur and enhance. Political and legal changes are the very first but the most important steps. The attitudes of elites in practical work and the attitudes of the people will take more time to reach a democratic level with tolerance, consensus, and peaceful interactions.
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Regional Governance for Peace and Development in Turkey
Fikret Toksöz and Ferhan Gezici

Abstract

TESEV supports the idea that local governments in Turkey should be provided with more competencies and resources in order to advance the process of democratization. For that purpose, TESEV wrote a report entitled “Suggestions for Local and Regional Governments in the New Constitution.” The report represents a unique position on the system of local government in Turkey and suggests regional government as a new level of administration.

As continuation of that study, in 2013, TESEV launched a new research project that aims to elaborate on its suggestions about regional governments. A commission composed of relevant academics and experts was formed in order to discuss four main issues regarding about regional governments: 1) what criteria regions should be based upon; 2) what institutional structure regional governments should have; 3) what competencies the regional government units should be provided with; 4) how the relationship between central, regional, and local governments should be formulated.

Based on the discussions in the commission, a draft report was produced in order to be further discussed with related stakeholders, especially at the local level, in workshops organized in six different provinces. Feedback gathered in these workshops was included while the report was being finalized before sharing it with the general public.
1. Introduction

The drafting of a new constitution was the only issue agreed upon by the political parties during the 2011 general election campaign. After the election, public opinion was favorable towards making a new constitution. Therefore from Greens to Kurds, from religious groups to professional associations, and think tanks to almost every civic institution entered into the process of making a new constitution.

The TESEV Foundation, as an independent think tank, has been working on human rights, democratization, and good governance issues for a long time. Therefore, TESEV also felt an obligation to contribute to the drafting of a new constitution by relying on its past research and experiences. TESEV established a special commission consisting of professors of constitutional law and political science in order to outline the main principles of the new constitution. After intense work, this commission published a report and shared the outlined principals of the constitution with the press and public. One chapter of the report regarding local governments proposed a democratic, local self-governance system with transparency, accountability, and participatory principals and defended a wider decentralization for local authorities. Following this report, the TESEV’s good governance program decided to elaborate on these outlined proposals related to local governments in the report.

Another special commission consisting of academicians and experts was established to prepare concrete proposals on the local government system which should be included in the new constitution. This commission published its report and shared it with the Reconciliation Committee for the Constitution in the Parliament as well as with the public opinion in 2012. In this report, we wrote a sentence that should be included at the beginning of the constitution with the main principles of the Republic of Turkey. Our proposal is as follows:

‘‘….. Organization of the state depends on decentralization principles.’’
The second important change for local government in Turkey is related to the establishment of regional authorities in addition to financial issues and a detailed definition of local self-government. The issue of regional government is one of the most disputed subjects in Turkey. TESEV brought the problem of regional government to the public agenda with the second report. Later, TESEV decided to expand the second report with a new work focusing on the definition, functions, and administrative structure of the regions explicitly. The aim of this paper is to narrate the findings from this new work.

Part I: The Criteria for the Definition of the Region

2. Methodology

For the purpose of this report, a literature review was conducted in order to understand the changing concept of region and regional development, the criteria for a regional definition, the structure of regional government, and the experiences in different countries such as France and Spain. First we attempted to find an approach and appropriate sets of criteria for a definition of regional boundaries, while we also proposed the organization and responsibilities of regional government. We then discussed the draft study with an advisory board on multiple occasions and made progress on the project. After preparing the draft report, we organized six workshops in different cities of Turkey (Istanbul, Ankara, İzmir, Diyarbakır, Adana, Trabzon). The discussions from these workshops made critical contributions to the project, making it possible to be aware of various approaches to the project from different parts of the country.

3. The role of regions; the main principles and approaches for regional definition

The meaning of region has been changing based on different dynamics, however it was the end of the cold war and globalization that created the main impetus. While the power of state has been decreasing, regions have been becoming more active. One of the reasons is also related to the increasing importance of space in development. On the other hand, decentralization trends make the cities and regions more ambitious to become a
part of the competitive economic environment. The increasing interest of territorial development rather than national growth has become more significant now than ever. Emphasis is now placed on the contribution of the institutional capacity to provide growth and development based on endogenous growth theory. Furthermore, EU integration has directly influenced the concept of region. While one of the main purposes was to decrease the interregional disparities among the member countries within the EU through the regional policy, the role of regions was enhanced by giving some responsibilities to them and enabling the representations of regions with institutions such as the regions committee. Therefore, regions have not only become an economic but also a political actor.

All these developments have caused the re-thinking and defining of regions with regard to its physical, functional, and meaningful areas. Defining and drawing the borders of regions is necessary based on different practical reasons such as: to analyze and realize the differentiations among space; to orient the investments; to identify the optimum area for management purpose (Tekeli, 2008). However, there have been several approaches for regional definition, the homogenous, and functional regions are the two main approaches in the literature. Zimmerbauer (2013) pointed out that regions should be defined based on three approaches administrative, functional, and identity. The main differentiation is that administrative regions point to a top-down approach administrative regions and that identity regions point to a bottom-up approach. Italy and Spain accepted their historical regions as administrative regions when they became nation states, while France gave responsibilities to the regions in 1982 by local administration reform.

In Turkey, regions were mostly taken into consideration for the development purpose rather than for an administrative purpose. The two-regime spatial divisions in the country have been well-known issue for a long time, as the regional policies defined by central government would not help to reduce interregional disparities. Therefore, we assumed that regional governance would accelerate development for each region based on endogenous growth, enhance democracy as being close to the citizen conducting a horizontal process rather than hierar-
In the project, the experiences on regional definition in Turkey were evaluated to propose the approach and criteria for the purpose of establishing regional governance. During the planning period, planning regions have been established in a top-down approach for purposes of development in less-developed regions, therefore these planning regions are not inclusive of all the country. In 1982, 16 functional regions were defined by the regional centers and their hinterlands based on economic interactions and hierarchy of the settlements in Turkey (Figure 1). However, this study was used neither for policy aspects nor administrative purposes. In 2000, the eighth Five Year Development Plan highlighted the requirement for the definition of planning regions. For both the goals of socioeconomic development and environmental sustainability, the plan proposed the catchment areas as the convenient regions, however it did not draw or announce the borders of regions. Following this approach, we would like to see to what extent the 26 water catchment zones in Turkey overlap with the service-based regions of National Water Institution. For example, one of the catchment zones (Kızılırmak) covers four service-based regions, and the borders do not overlap at all.

Figure 1: Functional regions (SPO,1982)

For the accession process of Turkey into the EU, the absence of regional statistical units has been emphasized in EU’s report. In this report (EU, 2002); the requirement of “preparing national development plans covering integrated regional
development plans especially for the less-developed regions at NUTS 2 level in the period of 2003-2005” was noted. In this way the establishment of a statistical database harmonized with the regional statistical system of the EU, meaning that the socio-economic analysis of regions and decision making for regional policies as well as classification of new regional statistical units of Turkey have all been completed in 2002. The first step was the classification of regional statistical units (NUTS) at Level 3 and constituted by provinces. The provinces which are neighbors to each other and have similar features with respect to economic, social, and geographical conditions are classified as Level 2 and Level 1 by further considering their population and regional development plans (SPO-DPT, 2003). Therefore, the number of units/regions decreases from Level 3 to Level 1 with 81 provinces in the 26 NUTS-2 regions and 12 NUTS-1 regions. The NUTS regions are established as following:

Level 3- 81 Provinces  
Level 2- 26 Units (grouping of neighbor provinces among Level 3)  
Level 1- 12 Units (grouping of Level 2 Units)

However, Istanbul surpasses the limits at all levels as was found when the EU has evaluated all applications according to the population criterion, Istanbul exceeds the limits at all levels. The State Planning Organization announced that they used several indicators and methodology, but at the final stage they defined the regional boundaries according to expert opinion. The analysis of NUTS 2 regions indicates several issues in relation to homogeneity and functionality (Figure 2). However, development agencies were established at NUTS 2 level in 2006 in order to allocate the resources and attract investment to the regions.
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Figure 2: NUTS 2 regions and level of socio-economic development of the provinces

For regional definition there have been two essential approaches. First one is homogeneous region, which looks at the similarities of the units within the region. Second is functional region, which defines the groups of unit based on the interactions among the units and the concept of centrality. Homogeneous regions are convenient definition for implementing the policy and planning tools in order to decrease the interregional disparities. Functional regions are occurred as convenient regional definition for activating the mechanism of democracy and governance, while the regional center would be taking the role as administrative center as well. In order to explore the current centrality of geography in Turkey, we analyzed the preferences of the public and private sector. We know that there have been several examples for service-based regional branches of public authorities (National Highways, National Railways, Water, Mining Research etc.), since they required to establish regional branches for being close to the local service area. On the other hand, the private sector such as banking, logistics, or cargo has defined their centers based on market effects. When we consider these two structures, we obtained the map indicating the common centers of potential regions in Turkey (Figure 3).

1. The socio-economic development index and the competitiveness index are examples for defining homogenous regions. Investment incentives are allocated according to the socio-economic development level of the provinces in Turkey.
In this project, we propose to use both the approaches of homogeneity and functionality for the purpose of establishing regional administrative bodies, however centrality (center and their interacted hinterland) is relatively more significant. Moreover, regional definition is a tool rather than the aim of the project. Related to the purpose of the project, a multi-criteria approach should be utilized. The existing provinces should be the base of new regional definition, however the districts within the provinces would be re-evaluated based on the interactions. Finally, both top-down and bottom-up approaches should be embraced. While the experts of central government would define regional boundaries with scientific and objective methodology, the opinions of local actors should be included in the process of coming up with a definition. The following are the proposed sets of criteria which should be taken into account for regional definition:

- Demographic: population density, urbanization rate
- Social: human resources, life quality, education
- Economic: per capita income, sectorial specialization, unemployment, women employment
- Flows: transportation flows/ density, mobile phone contacts/density, relations with other settlements and centers based on different economic and social re-

1. The map is created by the research group and the size of the circle is according to the number of public authorities and private companies. We should thank Ervin Sezgin and Azem Kuru for preparing the map.
requirements (trade, firm relations, education, health, etc)

- Environmental: e.g. related to the concern of water catchment areas
- Cultural: cultural diversity, identity
- Furthermore, as complementary criteria, we should consider institutional and financial aspects as well. Institutional criterion is especially significant to maintain the regions as an entity. Instrumental and providing identity should be provided together not only for administrative purpose but legitimacy as well. Financial criterion includes the cost of redefining the regions. Therefore existing technical, social, and administrative infrastructure should be used efficiently.

Part II: A Proposal for a Model of Regional Government in Turkey

In the light of the first part of this paper this proposal has been developed as a result of an intensive review of related literature in Turkey and Europe. The proposal was also developed from workshops held in the different regions of Turkey with the participation of experts, the representatives of both civil society and, local governments, business circles, and public officials. This work is given under these headings:

1. The past experience on the regional issues and policies in Turkey
2. Establishment of the region
3. Bodies of the Regional Authority
   a. Regional Assembly
   b. President of the Region
   c. Executive Board of the Region
4. Functions, Powers and Liabilities
5. Financial Resources
6. The relationship between central and regional government
7. The relationship between local governments in one region
8. The relations with other regions
1. The Past Experience on the Regional Issues and Policies in Turkey

The region has been one of the most controversial issues in Turkey since the time of the Ottoman Empire. Therefore, this work examines the past experience of regional issues in two distinct historical eras: the period before the Republic of Turkey and after the Republic was established. The era before the Republic has been examined beginning with the Tanzimat Declaration which marks the beginning of centralization of the state during the Ottoman Empire. During this period there were provinces in the Anatolian territory, and at the same time there were regions in other territories of the Ottoman Empire.

New concepts such as equality before the law and justice in taxation were introduced to the public life with the Tanzimat Declaration. In order to realize these new ideas in the Ottoman Empire, new institutions were established such as local assemblies for the taxation and administration of provinces and regions. In time these institutions were to evolve into local administrations.

After the establishment of the Republic
The constitution of 1921 was adopted by the Grand National Assembly of Turkey during the Independence War. This constitution intended to bring local authorities to the forefront with its emphasis on decentralization, however this constitution was not put into effect due to the Independence War.

General Inspectoral System
The general inspectoral system was established for the security reasons against uprisings in some regions but in fact the administrators who were appointed as general inspectors began to deal with administrative, economic development, and social issues as well as providing security.

The Regions for Planning
During the transition period of democratization in the 1950s, regional planning became an important issue in reducing re-
regional disparities such as the Antalya region, south Marmara region, etc.

**Provincial Special Administration**
In the last period of the Ottoman Empire, special provincial administrations were established in order to realize regional development and to prevent ethnic problems. The newly established administration was a semi-democratic institution and is still living today.

**Regional Municipal Associations**
The first regional municipal association was established in the Marmara region, namely in Istanbul (this is the most developed part of Turkey). The goals of the establishment of this association were to deal with environmental problems emerging with the commencement of industrialization and rapid urbanization. These institutions were essentially set up for the increasing corporation and coordination of all the municipalities in the region.

**Development Agencies**
In order to realize harmonization with the EU acquis communautaire during the accession period, Turkey has to set up development agencies. Originally the name of this new institution was the Regional Development Agency but during the enactment of the law the government had to drop ‘Regional’ from the institution’s title. During the definition of NUTS regions the government had to divide Turkey into 26 regions at the second level NUTS. Consequently, Turkey set up developmental agencies for 26 regions. It was at this time that the concept of regions was officially introduced to the public administration system. The establishment of developmental agencies led to the opening of public debates on regional administration. In our proposed model as is seen below, the border of the regions was adopted as the basis of the region.

### 2. Establishment

Whilst establishing a regional authority, the following principles should be considered:
1. The foundation of regional authority should take place within the constitution covering the above indicated principles.

2. The central government’s responsibility to take decisions not regarding merely a single region, but inclusive of all the regions should be indicated again in the constitution.

3. All aspects of regional governments should be in accordance with the constitution. Within a given time frame, the local governments of bordering neighbor provinces should be encouraged to initiate the formation of regions. The current borders of Development Agencies can be considered as an initial frame based on the provinces. On the other hand, the request of a certain provinces’ district to belong to another region should also be regarded. Hereby, without altering the borders of a province it may be possible to define the borders of a region by minor readjustments. While specifying a certain region, the socio-economic status of that region should be taken into consideration as well. For example, regions that are dependent on agriculture should be arranged accordingly. The methods and principles should be indicated by law.

4. Tasks, competence, and responsibility sharing between the central administration and regional authority may be featured in the constitution or this share may be subject to a special law. In the cases of Italy and Spain, the constitutions address tasks, competence, and responsibility sharing.

5. After the division of competence and responsibility of the regional government have been decided, the region’s scope of autonomy cannot be limited by the central government for a certain time period, for example for 5 years. Thus, regional governments are the sole public administrations that can act in their decision making process as well as the executions of those decisions.
6. Central administration can delegate the implementation and execution of some public services that are primarily their responsibility to a certain regional authority. During such times, the necessary resources that are essential for the regional authority to conduct the public services will be provided by the central administration.

7. Regional governments can work only in the principle of integrity of public administration as a whole. If failed to accomplish the tasks and responsibilities given to the regional authorities, the central government should hold the right to solve the issue by applying to jurisdiction. Otherwise, they should have no right to intervene with the regional authority.

3. Bodies of Regional Authority

3.1 Regional Assembly
The Regional Assembly is the essential body of regional authority. Assembly is formed in two ways. The members of the Assembly are elected by general suffrage of the people of the region. In addition to those elected members, all the mayors are also automatically members of the Assembly within the region. Assembly works for a full year and also through committees. Elections of the members of the committees are held according to the proportion of the political parties represented in the Assembly. Gender equality is mandatory for the Assembly and the committees.

3.2 President of the Region
The president of the region is elected by the majority by a two-thirds vote of its members.

3.3 Executive Board of the Region
The president of the region selects the members of the executive board. The executive board prepares a program and presents this to the Assembly for the confidence vote. Gender equality is mandatory for the formation of the executive board.
4. **Powers and Liabilities**

1. Making a regional development and physical plan
2. Carrying out all the public works in the region
3. Construction of regional roads, railways, or other transportation facilities
4. Construction of seaports, yacht marinas, and fishing facilities
5. Development of agriculture, forestry, and husbandry
6. Construction of irrigation systems including bringing drinking water

**Powers**

1. Right of taxing within the limits of certain laws
2. Adding certain percentage on the existing tax
3. Making the internal organization of the regional government
4. Recreating workers and officials
5. Setting up associations with other regions including cross bordering regions for certain public services
6. Laying down administrative regulations

5. **Financial Resources**

The essentials of public income sharing between the central government and local governance/regional government should be included in the constitution. These administrative bodies shall be allocated financial resources in proportion to their functions. The central government should take the demands
of local governments into consideration during the process of public income sharing.

6. The relationship between the central and regional governments

The relationship between central and regional governments depends on the principle of public administration integrity, however this integrity should not be realized as a vertical relationship as seen today. This integrity should be provided with democratic understandings dependant on consultation and negotiation.

In order to establish a democratic relationship between central and regional government there is a need to introduce a new consultation and negotiation mechanism such as the regional conference gathered at least once a year under direction of the prime minister. This conference should be set up by a special law. In this conference, all the issues including public income sharing can be discussed and decided upon.

Every year before the financial year, a development agreement should be signed between the regional authority and central government in accordance with the national and regional development plans.

7. The relationship between local governments in one region

The spirit of the relationship between the regional governments in one region springs up from democratic principles which are designated in the European Charter of Local Self-Government. Local governments should all take part in decision making for regional issues. They can help each other and transfer all the resources to one another.

8. The relationship with other regions

The regions can set up associations with the other regions including cross-border regions in the scope of their competence. Through these associations they can jointly carry out some projects related to their services.
November 15th, 2013

09:00 – 09:30 Registration

Morning Session:

Facilitator: Prof. Dr. Üstün Ergüder

Former Director of Istanbul Policy Center

Onur Sazak
Istanbul Policy Center
Introduction to Istanbul Policy Center

Prof. Dr. Korel Göyemen
Istanbul Policy Center (IPC), Executive Board Member
Opening Remarks

Dr. Hans-Georg Fleck
Friedrich Naumann Foundation for Liberty, Resident Representative

10:30 – 11:00 Coffee Break
Prof. Dr. Gerard Marcou
Universite Paris 1 Pantheon Sorbonne
“Regionalisation, local self-govern ment and governability”

Prof. Dr. Michiel de Vries
Radboud University
“The merits of decentralization in Europe”

Prof. Dr. Juraj Nemec
Matej Bel University
“Arguments for and against decen tralization in Central and Eastern Europe”

Discussion

12:30 – 13:30    Lunch

Afternoon Session: 13:30 - 18:00

Facilitator:     Prof. Dr. Ayşe Kadıoğlu
Sabancı University, Dean, Faculty of Arts and Social Sciences

Prof. Dr. Pere Vilanova
Barcelona University
“The Process of moving from Cen tralized State Tradition to Para federalism in Spain”

Prof. Dr. Marco Olivetti
University of Foggia
“The Italian Debate and Attempts at Decentralization”

Assoc.Prof.Dr. Nikolaos Hlepas
National and Kapodistrian, University of Athens
“Centralization, Decentralization, Recentralization: Lessons from the Greek Experience”

Discussion

15:30 – 16:00 Coffee Break

Prof.Dr. Tomas Bergström
Lund University
“A Pendulum In Full Swing. The Centralization-Decentralization Shifts in Sweden “

Prof. Dr. Hellmut Wollmann
Humboldt University
“Recent reform of German federalism”

General Discussion

Workshop Dinner: Eleos Restaurant İstiklal Caddesi No:231 Kat:2 HDıv yal
Palas Taksim / Beyoğlu / İstanbul http://neredekal.com/
Tel : 0 212 2449090

November 16th, 2013

Morning Session: 09:30 - 13:30
Centralization Decentralization Debate Revisited

Facilitator: Korel Göymen

Francesco Galietti
Ceo, Policy Solar, Rome
“Italy’s Welfare State Dilemma”

Prof. Dr. Üstün Ergüder
Education Reform Initiative
“Decentralization in the Education System in Turkey: What Should be the goal?”

Assoc. Prof. Dr. Gökhan Orhan
Balıkesir University
“Public Participation as a Depoliticisation Process: The Case of Environmental Policy”

Discussion

11:00 – 11:30 Coffee Break

Dr. Tunga Köroğlu
Tepav
“The problem of scale in local governments: How to improve participation, while developing the efficiency”

Prof. Dr. Muhittin Acar
Hacettepe University
“Revisiting Local Democracy in Turkey”

Assoc. Prof. Dr. Ulaş Bayraktar
Mersin University
“Local Democracy amid respective waves of decentralization, poly-centralization and re-centralization of Turkish politics”
Discussion

13:30 – 14:30

Lunch

Afternoon Session: 14:30 -18:00

Facilitator: Prof. Dr. Ersin Kalaycioğlu
Istanbul Policy Center (IPC),
Executive Board Member
Dr. Leyla Şen / Pınar Arıkan

United Nations Development Programme UNDP Turkey

Prof. Dr. Hüseyin Gül
Süleyman Demirel University
“A Discussion on the New Model of Metropolitan Municipality in Turkey: Towards More Decentralization and Autonomy?

Discussion

16:00 – 16:30

Coffee Break

Leyla Ferman
Leibniz University
“Decentralization in Turkey: Affecting the Kurdish Question? How local system contribute to ethnic conflicts”

Prof. Dr. Ferhan Gezici-Fikret
Toksöz
Tesev Foundation
Regional Governance for Peace and Development in Turkey

General Discussion