

The Administrative Capacity of Slovenian Municipalities

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ABSTRACT A suitable quality level of the main functions and tasks of municipal administrations is a fundamental condition for the existence and development of every activity, not only for market-oriented organisations but also the public sector. Municipalities in Slovenia have not adopted a general policy on quality and it is therefore difficult to speak of the optimisation of work in a municipal administration, the efficiency and rationality of work, cost reduction, nor to evaluate the performance of an administration and the individual civil servants it employs. The authors of this article present the results of an empirical research project on administrative capacity carried out among the directors of Slovenian municipal administrations plus an interpretation of the topic in the context of reorganisation of local administrations. By means of the Administrative Capacity Index, they evaluate the degrees of individual municipalities' administrative capacities and establish at what size (according to its population) a municipality can be regarded as capable of administration.

Ključne besede: • administrative capacity • municipality • municipal administration • Slovenia

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1 Introduction

The notion of the municipality as a basic unit of local self-government is most commonly related to the notions of self-government and political participation. At the same time, there is little discussion in Slovenia about the municipality's role in the governance system or system of administration at the local level. This is also one reason the execution of political decisions in municipalities is often ignored, poorly controlled and faulty. The organisation of municipal administration is the domain of the municipal representative body or the mayor and encompasses the number of working posts, a detailed organisational structure and the possibility of independent decision-making powers delegated to the head of the municipal administration.¹

In addition, how the municipal administration is organised also depends on the competencies of a municipality, its size and its ability to organise and provide sufficient funding for the administration. According to scholars of administration (Vlaj 2004: 254), it is necessary to adapt the administrative organisation of Slovenian municipalities to their size and, considering examples from abroad, to design different models for various sizes of municipalities. Already, the differences between municipal administrations in the country are immense as the number of employees varies from two to 500 or more.

Local administration is part of the public sector whose performance is notorious for constant inefficiency for various reasons: (1) consequences of the economic, social, political and other complex relationships in which local authorities intervene (municipal council, mayor) with its policies that can be multifaceted and unpredictable, making it difficult for policy-making to fit in with all situations and affected parties; (2) the limited control of those 'in power' over processes they want to regulate; (3) legislators (for municipal legal acts and executive acts) have a limited amount of control over the implementation of legislation as the mayor is a politically autonomous subject who is not directly accountable to the municipal council; and (4) the work of certain political representatives is outside the public interest and in the sole interest of narrower groups and lobbies (Osborne & Gaebler 1992; Svava 1993).

It is precisely due to this impression of inefficiency that, on one side, there is today worldwide demand for more efficient public expenditure and cost reduction (Chaskim 2001), and that, on the other, the administration faces calls for greater efficiency, more expedient operations and the provision of services that are better quality and more citizen-friendly. In the context of modernisation, the municipal administration should satisfy numerous objectives and, in particular, ensure the better and more efficient organisation of work, economic expenditure (and fundraising intensity), motivate its employees, direct itself towards the citizen, develop the principle of competition among public service providers, achieve the higher quality work, effectiveness and professionalism of the administration,

improve public openness and the transparency of work, the informatisation of administrative tasks, efficient joint resolution of matters of a wider scope, efficient co-operation with smaller parts of the municipality and the building of the most positive possible image of the municipality. Local administration is part of the public sector, which in turn is dealing with new challenges. Citizens demand a user-oriented, efficient and effective administration (Svara 1991), while even greater demands come from the municipal council and mayor. Municipal servants and the administration must be market-oriented and have a high degree of autonomy. Based on the example offered by the private sector, the public sector has developed different approaches to the measurement of quality. At the level of state structures and the public sector, in our country and abroad one speaks of the introduction of new public management principles which seek the introduction of entrepreneurial concepts into the public administration. This calls for the introduction of principles of measurement, adaptability, efficiency, effectiveness, coupled with autonomous and high-quality work of the administration (Knafelc 2003: 73). The demands of modern society force the (municipal) administration to search for more efficient approaches to leadership, management and operation and the develop systems for performance monitoring and determining efficiency and effectiveness. The effectiveness of an organisation is equalised with the attainment of goals, but otherwise this is a broad term encompassing five key elements (Žurga 2000): (1) effectiveness as goal attainment; (2) efficiency as a comparison between input and outcome; (3) the economy and efficiency of the use of budgetary funds; (4) organisational adaptability to the environment; and (5) effectiveness as the social acceptability of organisational goals and performance.

An individual also enters into a relationship with municipal authorities as the user of the municipal administration's services. Citizens' opinions of the state and municipal administration are low. Demands by service users who call for high-quality, fast and professional services have become ever more intense. It is therefore necessary for the municipal administration to operate in accordance with citizens' expectations, with the knowledge and techniques of modern management, and not to function in an isolated and self-sufficient manner but in an open, quick and efficient fashion, in line with standards from the non-economic sector. A growing number of states has recently been paying special attention to quality in the public administration (Norton 2002). This is also reflected in competitions and granting of corresponding certificates and reputable national and international certificates of quality. This also stimulates efforts for a positive change in state and municipal administrations: to improve service quality, customer attitudes, user and employee satisfaction and reduce service costs. An important step forward on the path to business excellence in the public administration is self-critical recognition of how necessary it is to modernise, change and bring the public administration closer to the users of its services, making it cheaper and adaptable, expedient, high-quality, friendly and very professional (Prašnikar 2000: 240).

2 Measuring the Administrative Capacity of a Local Community

Quality in the public administration and the effects of quality improvement can be looked at from different aspects, but they all relate to the measurement, oversight and establishment of these effects. The very notion of *effects of a quality improvement* tells us there is some *status quo* at the beginning (signalling a need for improvement), which represents the basis for the implementation of measures – activities and projects of quality improvement. After a certain period of time has elapsed, in the aftermath of applying these measures, the organisation or the process is in a new state which must – because of the measures taken – differ from the initial *status quo*. Every improvement hence first demands good knowledge of the existing state of affairs. This in turn calls for the measurement of and control over how processes work within an organisation. For the purposes of this article, this is composed of the measurement and evaluation of results (products and services), of the attainment of goals, customer satisfaction and self-evaluation.

The measurement of results and of the attainment of goals is important for various reasons: if results are not measured, success and failure cannot be discerned; if achievements cannot be identified they cannot be rewarded; if failures cannot be recognised nothing can be learnt from them; if poor performance cannot be identified then it cannot be improved; if results can be displayed, public support is more easily gained. The basis of establishing whether a system is efficient and effective is the measurement of its performance. Performance measurements have to be introduced at the level of individual employees, both in terms of scope (quantity) as well as quality of the work done, per time unit. Individual processes and their results ought to be defined given that customers – the users of individual results – are both internal and external. Based thereon, one can establish the efficiency and quality of someone's work, and, through this, the efficiency and effectiveness of an individual organisational unit, the whole organisation and the entire system of the administration. By virtue of the measurement of work results and efficiency, the heads of individual organisational units and/or individual organisation gain an oversight of the qualities and abilities of individual employees and can hence make reasoned decisions as to the allocation of the (most) demanding tasks and projects. The measurement of work performance and efficiency at the individual level has to be coupled with rewarding of the individual's work, and with funding at the level of an individual organisation or organisational unit.

2.1 The Administrative Capacity of Slovenian Municipal Administrations

Considering that the organisation of the local community, as well as its organs, their tasks, competencies and responsibilities are stipulated in a legislative act, there is not much ‘room for manoeuvring’ as regards changes in the static part of organisation that can be undertaken without any legislative amendments. Hence, all Slovenian municipalities are more or less (depending on their size) organised according to the same model, with the same names of departments and working posts in their administrations. Nevertheless, it is possible to abandon, at least for the operative part, the otherwise well-rooted bureaucratic or line-of-command organisational structure. In the aftermath of local government and public administration reforms, municipal administration has had less and less ‘bureaucratic’ administrative tasks and ever more tasks of a service enterprise. Accordingly, this demands the introduction of more modern methods of organisation such as project groups and the like. Municipal administration can be organised in accordance with modern organisational theories that include an ever growing number of organisational variables, especially those related to the human factor within organisations. There are many possibilities for changing the municipal administration in the dynamic part of its organisation. In the context of these possibilities, the administrative capacity of local administrations can be measured using various indicators tied to different aspects of the work process, personnel and organisational aspects, the introduction of principles into the municipal administration and to co-operation with other institutions².

Personnel and Organisational Aspects

From the standpoint of the efficient and effective management of an organisation (consequently also of a municipality), it is essential to have a suitable personnel structure which assures optimal work processes and the maximum output with the smallest possible input of various resources (financial, staff, time...). We note that, of the 118 municipalities that responded to the survey questionnaire, 77.1% of municipal administrations are unitary (91) and 22.9% are divisionalised (27), whereby unitary municipal administrations are defined as those that have individual organisational units yet lack a hierarchical structure, and divisionalised municipal administrations feature a hierarchical organisation of the whole system along with its constituent parts or organisational units. 48.3% of municipal administrations share certain organs with other municipalities, while 51.7% of them insist on their own and self-sufficient municipal administration (see Table 1).

Table 1: Basic Properties of the Organisation of Municipal Administrations

	Organisation of a MA		Sharing of organs of MA	
	(N=)	%	(N=)	%
Unitary MA	91	77.1		
Divisionalised MA	27	22.9		
Total	118	100		
MA with at least one common organ with another municipality			57	48.3
MA has entirely its own organs			61	51.7
Total			118	100

Source: Research Project 'Upravljalvska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007)

Data concerning the number of employees was submitted by 111 municipalities. These municipalities have an average of just over 24 workers (the standard deviation is a high 56.7, entailing a large degree of variation in the number of employees between individual municipalities), whereas the two smallest municipalities employ one person each and the largest one employs 555. Most municipalities that answered this question employ four persons each (12 municipalities), followed by municipalities with five employees each (11 municipalities). Just over one-half of the analysed municipalities have less than 10 employees (see Table 2).

Table 2: Number of regular employees across Slovenian municipalities

	Value	Comment
(N=)	111	
Min	1	The lowest number of employees in a MA
Max	555	The highest number of employees in a MA
Average Number of Employees per MA	24.15	
Median	10	50% of cases of MAs have less employees and 50% of cases of MAs have more employees than the specified number
Modus	4	The most frequent number of employees per MA
Standard Deviation	56.68	The variation in the number of employees from the average value

Source: Research Project 'Upravljaljska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

Approximately three-quarters of the directors of Slovenian municipal administrations (henceforth DMAs') think that the number of those who are regularly employed by their municipalities is insufficient to perform all the tasks of their administrations. Pearson's correlation coefficient shows a moderately strong correlation between the number of employees and the assessment of the (in)sufficiency of the number of those regularly employed (Pearson's correlation coefficient is -0.234). We can say that those municipalities with more employees are more likely to state they need additional staff than municipalities with a smaller number of workers. An even stronger correlation exists between the numbers of employees and the desired numbers of additional staff (Pearson's correlation coefficient is 0.338). Based on statistical significance, we can estimate with 99% probability that those municipalities with more employees more often demand greater numbers of additional staff for the uninterrupted performance of their work than municipalities with lower employee numbers at the outset.

The acquisition of suitable personnel⁴ poses a great challenge to a municipal administration. In this context, the DMAs' could choose from different options regarding the most common obstacles to the acquisition of suitable staff, whereby multiple answers were possible. 55.9% of the DMAs' think the problem of gathering high-quality personnel in municipalities is a consequence of the non-stimulating public sector environment (lower salaries, a less convenient system of promotions etc.), 20.3% add the poor supply of personnel in the labour market and 11.9% offer various other reasons. On the other side, 24.6% of the DMAs' who answered this question claim they do not have any problems finding staff (see Table 3).

Table 3: Most Frequent Obstacles to Acquiring Appropriate Staff (Multiple Answers Possible)

	Destimulating environment in the public sector	Poor supply in labour market	Other	We do not have trouble with staff	Don't know
(N=)	118	118	118	118	118
Yes	66	24	14	29	1
%	55.9	20.3	11.9	24.6	0.8
Pearson's Correlation Coefficient					
	Destimulating environment in the public sector	Poor Supply in Labour Market	Other	We do not have trouble with staff	Don't know
Destimulating environment in the public sector		-0.230*		-0.603**	
Poor supply in labour market	-0.230*			-0.240**	
Other				-0.209*	
We do not have trouble with staff	-0.603**	-0.240**	-0.209*		
Don't know					

Source: Research Project 'Upravljavaska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007)

Table 3 also reveals another problem related to staffing in municipal administrations since there is a very strong negative correlation between those survey respondents who say they do not have problems with acquiring personnel and those who blame the destimulating environment of the public sector as the reason for problems with staff provision. In terms of content, this means that those who experience trouble providing staff most often blame the destimulating public sector environment; based on this we may conclude that staffing problems of municipal administrations will have to be overcome by changing the work environment in the public sector, which will then encourage high-quality personnel to seek employment in that sector.

Apart from the systematisation and organisation of work, it is imperative to suitably reward work results and further stimulate employees so they perform their

work tasks more efficiently. This reciprocal relationship should on one side benefit an individual organisation as it would attain a greater output and, on the other side, it should be beneficial to the personnel as they would obtain additional advantages. Some of these include a variable part of their salary, additional options for education, the granting of a company phone and car and the like. The survey reveals that a variable part of a salary is offered in 45.8% of Slovenian municipalities as an important incentive, in 71.2% of Slovenian municipalities an element of stimulation is said to be additional education, 39% of municipalities that responded to the survey allow their employees to use company mobile phones and company cars, while 14.4% also use various other forms to encourage greater work quality (see Table 4).

Table 4: Methods for Motivating Employees (Multiple Answers Possible)

	YES		NO	
	(N=)	%	(N=)	%
Stimulative variable part of salary	54	45.8	64	54.2
Possibility of additional education	84	71.2	34	28.8
Use of a company mobile phone and car	46	39	72	61
Other	17	14.4	101	85.6

(N=118) Source: Research Project 'Upravljaljska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

For a clearer understanding of the effects of rewarding personnel with a variable part of their salaries, one would need to know how the variable part of the salary is distributed among the employees, as well as the attitudes of municipal civil servants to additional education. Considering the different motivation theories and their critiques, it could be expected that certain methods of rewarding do not yield positive effects since they demand additional engagement on the part of the person to receive the rewards, enabling differences in the understanding of rewarding via additional education between employees and the DMAs' who actually answered the questionnaire.

The control of the quality of work in the public administration represents an ever more salient element of the very operations of the public administration. It is only suitable control over work quality that enables the effective evaluation of the work done and, as a consequence, leads to suitable rewards on the basis of individuals' work results. A mere 25.6% of municipalities claim they employ different forms of control over municipal administrations' performance. Of these 25.6% (30) of municipalities, 33.3% (10) say that quality is measured by the CAF model and

another 33.3% claim they use various other quality checking methods. 16.7% (5) of the municipalities say that quality is assessed on the basis of the ISO standard (see Table 5), whereas the remaining five municipalities filled the questionnaires in incorrectly as they claimed they did use methods to establish performance quality in the first part of the relevant question, yet in the second part of the same question they claimed the opposite.

Table 5: Control over the Quality of Work in Municipalities

	Yes, we perform		No, we don't perform anything	
	(N=)	%	(N=)	%
Do you perform any form of quality control in your MA and what kind is it?	30	25.6	87	74.4
ISO Standard	5	16.7		
CAF	10	33.3		
Other	10	33.3		
We don't perform, Don't know	5	16.7		
Total	30	100		

Source: Research Project 'Upravljaljska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

Related to and partly overlapping this is the question concerning approaches to modern forms of management, which was answered by 117 DMAs'. 72.6% of these directors admit they use none of the modern managerial approaches, 7.7% use the CAF, 5.1% use some business excellence model; the benchmarking method and ISO standards are used by 4.3% of DMAs', respectively, and 2.6% use TQM (Total Quality Management). The remaining 5.1% of DMAs' use various other modern managerial methods (see Table 6). Two municipalities even employ two different modern managerial models simultaneously.

Table 6: The Use of Modern Forms of Management in MAs (Multiple Answers Possible)

	YES		NO	
	(N=)	%	(N=)	%
Business Excellence Model	6	5.1	111	94.9
Benchmarking	5	4.3	112	95.7
ISO Standard	5	4.3	112	95.7
CAF	9	7.7	108	92.3

TQM	3	2.6	114	97.4
Other	6	5.1	111	94.4
None of the stated options	85	72.6	32	27.4

(N=117). Source: Research Project 'Upravljaljska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

In a period of intensive informatisation at all levels of social life which aims at facilitating the everyday life of both an individual and work processes, municipal administrations are no exception when it comes to the adaptation and use of information technologies and tools. However, only 33.9% (38) of Slovenian municipalities use information and organisation software systems to assist in the organisation of work in their administrations. Among the different software packs available in the market, the most frequently used is the SAOP, (18.9% of municipalities), followed by the SAP with 8.1%; Vasco is used by 5.4% of municipalities and 2.7% of municipalities use either Navision, Pantheon or Birokrat software packs, respectively. 65.8% of municipalities say they use other software, which may lead us to conclude that they use the most fundamental software such as the MS Office pack. In sum, we can conclude that the above described state of work organisation is not very encouraging.

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

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

The DMAs' agree much more that they must be independent in their decision-making and that expert decisions must not be affected by any political influence.

Also, they quite uniformly agree that the introduction of competition would contribute to greater operational efficiency. However, when estimating the possibility of handing over the provision of services to the private sector one could say that the DMAs' see mutual competition within the public sector as the more appropriate form of competition than the actual ceding of services to the market. The directors also express a relatively high level of agreement with the statement that the work of municipal administrations' employees should be precisely stipulated by legislative and sub-legislative acts. Interestingly, they agree the most that employees of the municipal administration must act to the benefit of residents, indicating an awareness of the importance of bringing their services closer to users. Also, they partly agree that users/residents should have a decisive influence on the definition of work results.

Answers to the questionnaire indicate that respondents agree in part that users' needs must be defined according to predetermined methods and that services should be suited to their needs as much as possible. The DMAs' partly agree that a user's satisfaction with a service is a more important criterion of their success than the revenue a municipal administration creates by performing its services. Partial agreement can also be found as regards the need to know the costs of every service provided, whereas the degree of agreement is somewhat less as to whether a system for the quality monitoring of the municipal administration's work should necessarily be set out in written form.

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

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

STATEMENT	Arithmetical Mean of Answer*	Standard Deviation	(N=)
The way the municipal administration operates must be adapted to entrepreneurial principles as far as possible.	2.88	0.804	116
Operative execution of services should be left to the private sector to the greatest extent possible.	2.32	0.849	117
The superiors must dedicate more time to working with employees.	3.35	0.686	117

STATEMENT	Arithmetical Mean of Answer*	Standard Deviation	(N=)
The superiors must pay significant attention to the growth of their managerial abilities.	3.47	0.794	117
The director of the administration has to be independent as regards decisions within his/her jurisdiction.	3.61	0.601	117
Expert decisions must be free of the influence of politics.	3.85	0.406	118
The introduction of competition into the municipal administration's operations would help increase the employees' work efficiency.	2.92	0.822	117
The work of employees within the municipal administration has to be precisely set out in legislative and sub-legislative acts.	3.34	0.722	116
The motto of conduct of the municipal administration's employees must be 'to the benefit of residents'.	3.85	0.400	117
It makes sense for a municipal administration to adopt its own code of employee conduct.	3.40	0.696	117
The expected work results have to be clearly defined in advance.	3.48	0.581	117
Service users must have a decisive influence on the definition of results.	3.01	0.625	116
The exceeding of results has to be additionally rewarded.	3.79	0.452	117
The determination of service users' needs must be based on predefined working methods.	3.15	0.567	117
Services ought to be suited to the individual's needs.	3.03	0.656	117
User satisfaction has to represent the criterion of the effectiveness of the work of employees in a municipal administration.	3.35	0.686	117
The income created by individual units or sections of a municipal administration must not be a criterion of their operation's effectiveness.	3.12	0.863	117

STATEMENT	Arithmetical Mean of Answer*	Standard Deviation	(N=)
One has to know the actual costs of every service of a municipal administration.	3.23	0.770	117
There should be a system of quality monitoring defined in written form for services performed by municipal administrations.	2.99	0.778	115
Co-operation among municipal administrations is critical to the success of their operations.	3.16	0.705	116
Teamwork is the most suitable way of working in a municipal administration.	3.55	0.565	117
The state has to delegate powers for the provision of services to local communities.	3.05	0.881	114
Employees in constant contact with users must participate in decision-making on important matters.	3.34	0.707	118
If services were provided by the market, the style of employees' work in municipal administrations would have to be fundamentally altered.	3.12	0.763	115
The way a municipal administration works ought to be directed to the provision of resources for its own operations.	2.41	0.921	117
The services performed by a municipal administration should be subject to the style of work seen in the private sector.	2.36	0.876	117

* A measuring scale of 1-4, whereby the value 1 entails 'completely disagree' and 4 stands for 'completely agree'. Source: Research Project 'Upravljavaska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

The DMAs' chiefly follow the principle of user-oriented services, while trying to guarantee the administration a more important place in decision-making autonomy and to avoid any serious changes that might be introduced by the development of management based on entrepreneurial principles. However, it needs to be stressed that large individual discrepancies exist between different DMAs', rendering it difficult to create a set of more specific guidelines for a possible reorganisation of municipal administrations' work in the direction of the greater application of principles of private sector operations.

Co-operation with Other Local Institutions

Because of the fragmentation of Slovenian municipalities, inter-municipal co-operation at various levels is key to the co-ordinated development of a wider local environment. The great importance of co-operation is also indicated by the fact that 97.5% of municipalities that answered the question on co-operation with their neighbouring counterparts indeed undertake this co-operation. Most municipalities (75.2%) co-operate in the provision of a suitable public utilities infrastructure, followed by health services (59.3%), road network (50.4%), organisation of organs of joint municipal administration (46.9%); 36.3% of the municipalities also co-operate in the provision of primary and kindergarten education while 15.9% of municipalities co-operate in various other fields (see Table 8).

Table 8: Co-operation of Municipalities with Neighbouring Municipalities (Multiple Answers Possible)

	Yes		No	
	(N=)	%	(N=)	%
Does your municipality co-operate with neighbouring municipalities?	115	97.5	3	2.5

In which fields?		
Public utilities	85	75.2
Infrastructure	57	50.4
Primary schools and kindergartens	41	36.3
Health services	67	59.3
Joint municipal Administration	53	46.9
Other	18	15.9

(N=118) Source: Research Project 'Upravljavska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

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

whereas 22.4% of municipalities offer assistance in various other matters (Table 9).

Table 9: Offering Assistance to other MAs (Multiple Answers Possible)

	Yes		No	
	(N=)	%	(N=)	%
Does your MA offer assistance to other MAs?	50	43.1	66	56.9

In what issues?		
Staff training	11	22.4
Introduction of quality control	2	4.1
Performance of inspection control	19	38.8
Joint performance of public services	18	36.7
Other	11	22.4

(N=116) Source: Research Project 'Upravljavna sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007).

Regional developmental agencies ('RDAs' play an integrationist role in the regional environment and offer additional assistance in development⁵ 86.3% of the 117 municipalities are co-founders of RDAs, 61.3% apply for various projects through RDAs and 5.1% of municipalities co-operate with RDAs in different other ways. Calls for proposals of different projects put out by the RDAs are unsuitable for 5.1% of municipalities and 0.9% do not co-operate with RDAs for various other reasons. As already mentioned, Slovenia's accession to the EU has been especially important for the municipalities from the financial standpoint and due to the integration element. This is corroborated by data from the survey wherein only 7.8% of the municipalities that took part in it claim that Slovenia's joining of the EU has not brought any significant changes for Slovenian municipalities. Municipalities have a high level of agreement regarding the most important change for them – the possibility of applying for financial resources offered by European funds, as this is indicated by 58.6% of the 116 municipalities that answered this question. 41.4% of municipalities also put various other options forward, such as integration at the European level or twinning projects and so on. Further, other changes as a result of EU accession are added to these by 4.1% of municipalities.

On the other hand, however, municipalities have not yet employed all their options as a large majority of them (102 of the 116 municipalities) have not yet attempted to influence decisions of EU organs without mediation of the state, even though

one of the key advantages of local communities within the European Union is that they can be active at the European level directly, bypassing the state level, and can thus also seek to bring about an improvement in the local-level situation in this manner.

2.2 Administrative Capacity and Size of the Municipal Administration

As already stated, how the local community is organised is prescribed by the law (as well as its organs, their tasks, competencies and responsibilities) so there is little room for manoeuvre in changing the static part of the organisation, provided there are no legislative amendments. Regarding the fairly high degree of variety (in terms of their size) of Slovenian municipalities, the performance of more or less the same tasks proves exceptionally difficult for the small municipalities and precludes the larger ones from creatively shaping the local environment. Given the average of 24 civil servants per a municipal administration and less than 10 employees in over half the municipalities, one can clearly see that some municipalities find it far more difficult to provide for the performance of administrative tasks. Evidently, a municipality's size and its administrative capacity are correlated. In order to show this correlation, let us first assess the administrative capacity of an individual municipal administration. The degree of administrative capacity can be determined with the help of the *Administrative Capacity Index*, the *ACI* (in Slovenian, *indeks upravljalvske sposobnosti, IUS*), which is composed of six indicators:

- 1st indicator: the number of regularly employees is sufficient for the performance of all tasks of a municipal administration;
- 2nd indicator: quality control is performed within a municipal administration;
- 3rd indicator: a municipal administration employs informational and organisational software systems in the organisation of its work;
- 4th indicator: a municipal administration uses e-mail as a way of communicating with citizens;
- 5th indicator: a municipality co-operates with neighbouring municipalities; and
- 6th indicator: a municipal administration offers assistance in the performance of tasks to other municipalities.

A municipal administration that positively answered up to two indicators has a low level of administrative capacity; an administration with three to four positive answers has a medium level of administrative capacity; and a municipal administration with five or six positive answers has a high level of administrative capacity. We established that over half the analysed municipalities (55.6%) have a medium level of administrative capacity, and almost a third have a low level thereof. Only 13% of municipalities have a high degree of administrative capacity.

Table 10: Size of a Municipality and Its Administrative Capacity (%)

Municipality Size (Number of Inhabitants)	Degree of Administrative Capacity			Total
	Low	Medium	High	
Up to 2000	50%	43.8%	6.3%	100%
2001 – 5000	39.3%	57.1%	3.6%	100%
5001 – 10000	22.6%	58%	19.4%	100%
10001 – 20000	26.3%	57.9%	15.8%	100%
above 20000	21.4%	57.1%	21.4%	100%

Source: Research Project 'Upravljavaska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities' (Faculty of Social Sciences 2007). *N* = 108.

If the levels of administrative capacity are compared with the sizes of municipalities (according to the number of inhabitants), a conclusion can be drawn that small municipalities (with up to 5000 inhabitants) tend to have either a medium or a lower level of administrative capacity, and larger ones (with over 5000 inhabitants) have a middle to high level of administrative capacity (Table 10). The limit at which a relatively low administrative capacity turns into a medium to high one can be found in municipalities with over 5000 inhabitants. Very small municipalities (up to 2000 inhabitants) prove to be especially problematic in this respect as 93.8% of them show a low or medium level of administrative capacity.

3 Conclusions

The post-reform period we currently live carries the burdens of the privatisation of the economy, the installation of a democratic political system and especially the processes of forming a modern apparatus of the state administration, together with the reform of local self-government. Local communities also experience various transition difficulties. As far as this is concerned, a lot can already be done if one achieves a self-critical awareness of these perils and organises the administrative system accordingly, i.e., to start eliminating them via the modernisation and informatisation of the administration and, primarily with proper personnel training. There are many difficulties relating to the operations of municipalities and their administrations. Yet, regardless of such problems, in the given circumstances it is still necessary to think one step ahead. Municipal administrations must come to terms with the need for change, prepare themselves for it, analyse their own organisation and determine the measures required for modernisation of the administration and to outline and prepare a programme for both their own further development and for that of the local community.

Based on the collected and presented data we may conclude that Slovenian municipal administrations are understaffed since the number of current employees does not suit the range of tasks they have to perform, whereby municipalities are aware of the limited employment prospects. They primarily see the problem of gathering new personnel in the light of public sector employment. Municipal administrations use reward methods that are not necessarily stimulative and, in the vast majority of cases, do not control performance quality. The use of modern organisational and administrative tools in Slovenian municipal administrations has not yet become permanent, while communication with citizens via e-mail is, in the words of the DMAs', only starting to become a standard. These directors in principle mostly favour a greater level of autonomy of their administrations from politics within a municipality and the enhancement of their work independence in relation to the mayor. The sole entrepreneurial principle seen to emerge is the consideration of citizens' suggestions in the management of a municipality as the directors hold on to the classical bureaucratic stance on other issues. In most cases, municipalities have already applied for projects in order to become entitled to financial resources from EU funds and the same percentage of those who have already proposed such projects have succeeded at least once. Municipal administrations at the same time assess that the primary advantage of EU accession has been exactly this possibility of raising additional funds to develop the local environment. Municipalities generally co-operate with their neighbouring counterparts, especially in the areas of road and public utilities infrastructure that often demand co-ordination simply because of their nature. Just under one-half of the municipal administrations offer other municipalities some sort of assistance, especially in the areas of inspection controls and the joint performance of public services. To a large extent, municipal administrations are also the co-founders of regional development agencies. However, they do not know how to best employ them so as to further develop the local environment. In addition, the relatively limited administrative capacity of smaller municipalities supports those who are critical of Slovenian municipalities' fragmentation. The smaller the municipalities are the lower is the probability that their municipal administrations could operate in an uninterrupted fashion, which would enable the fulfilment of citizens' needs and implementation of local public policies. After all, it may not be a coincidence that 5000 inhabitants is the limit set by the law (and often violated, too) for a new municipality to be established.

Notes

¹ The municipal administration is composed of one or several organs of municipal administration which is/are established by the municipal council, acting on the proposal of the mayor, after adopting a general act with which the council stipulates its internal organisation and spheres of action. The mayor is the head of the municipal administration, yet the related work is most often managed by the director of the municipal administration (sometimes the secretary of the municipality), appointed and discharged by the mayor. The mayor controls, directs and gives instructions regarding management of the municipal administration.

² In order to display the current administrative capacity and capability of Slovenian municipal administrations, we quote the results of an empirical research project 'Upravljaljska sposobnost in koalicijsko povezovanje v slovenskih občinah' – 'Governing Capacity and Coalition-Building within Slovenian Municipalities', which was conducted by the Faculty of Social Sciences (2007). 118 DMAs² were surveyed in this research.

³ The tables use the acronym MA that stands for the term 'Municipal Administration'.

⁴ As far as the educational structure of staff is concerned, the majority of municipalities (59.5%), predominantly employ civil servants who have finished high school education, followed by 23.3% of municipalities where employees who have finished secondary education prevail, while 17.2% of municipalities have a majority of employees who have finished university education or more. The education structure clearly indicates a relative shortage of highly educated staff in municipal administrations who could be up to the challenges of developing the local environment in the circumstances of very limited, especially financial, resources.

⁵ In the intermediary period between the establishment of municipalities (1994) and establishment of regions (expected in 2009), bridging the lack of the second level of local self-government has been attempted via several mechanisms. One of these is the establishment of the *Agencija Republike Slovenije za regionalni razvoj* (ARSRR), the National Agency for Regional Development ('NARD') with regional development agencies ('RDAs') operating under its auspices. Each of the latter should perform developmental tasks for an area of one or more statistical regions and, within these, they have mostly operated as mediators, co-ordinators and initiators for the exploitation of resources available from the European cohesion funds on behalf of municipalities which had also authorised them for this purpose. The operations of the regional development agencies have remained quite unknown to the wider public, despite their important role at the regional level; among other things, they have been delegated the task of preparing regional development programmes. When regions are established, the RDAs will cease to function in the currently existing form but will be able to undergo restructuring. This research project mentions them because of the past influence they exerted on the development of inter-municipal relations.

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