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How past reforms change the Future? Local governance reforms and their impact on mayor's ability to influence the municipal development

MICHAELA BÁTOROVÁ

Abstract
The purpose of this paper is to track the historical development of local governance reforms in Slovakia (between years 1989 and 2009) and to reveal the consequences of these reforms on the perceived decision-making power of current Slovak Mayors to change the municipal development. As the decision-making power is a tool for performing a change, this paper clearly elaborates causal relation between the past state policies and its effects on the future municipal development from the municipal key actors’ point of view.

The research findings were obtained by employing a triangulation method. The data was collected by a study of official documents, and interviews with key actors. The in-depth interviews with open-ended questions were conducted in eight Slovak municipalities with mayors who had been in charge for at least two electoral periods.

The research provides interesting results – different data produces different outcome. The documentary analysis shows that the past institutional changes have strong positive influence on mayoral formal decision-making power, because his or her powers (rights) to change the municipal development have been extended. On the other hand, the

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2Michaela Bátorová is a PhD candidate at the School of Management, University of Tampere, Finland.
content analysis of the interview transcripts shows that the opinions of the respondents are ambiguous. Only few interviewees believe that the past institutional reforms positively contributed to their ability to shape the future municipal development; while, the rest think that the past reforms have not influenced their decision-making power. This means that for majority of studied mayors the ability to influence the municipal development depends on other than institutional change factors.

In conclusion, the consequences of the past institutional changes – local governance reforms – in the Slovak municipalities are only one from many factors influencing the perception of current mayor's decision-making power used for shaping the future development. Other factors, such as composition of the council, good relations with bureaucrats, and personal/political ability to convince the opposition seem to play more important role.

Key words: institutional change, local governance reforms (decentralization, NPM, politico-administrative reforms) the Slovak local governments, mayoral decision-making power,

1. Introduction
Public management reforms have been transforming central and local governments of all European countries during last two decades. The first concern was to decentralize the state administration and empower the citizen participation by bringing the political decision-making as close to citizens as possible, in order to increase the principles of democracy. The second concern was to improve the quality and efficiency of public services by applying modern managerial practices, often used in private companies. Considerable researches have been devoted to the analysis of public management reforms (Malíková, 2000; Kersting & Vetter, 2003; Pollitt & Bouckaert, 2004; Rubin & Kelly, 2007; Kersting, Caulfield,
Nickson, Olowu, & Wollmann, 2009) and their impact on the performance of public services (Peter, 2001; Drechsler, 2005; Nemec, 2010). However, less attention was given to the actors who are the carriers of these reforms – municipal leaders. In their cross-cultural comparative research, Egner and Heinelt (2006) analysed the mayoral attitudes towards the public administration reforms. Authors’ interest was to find out what mayors think in general about reforms (are they needed?), and what are their opinions about changing politico-administrative relations and participative/interactive decision-making. This research provided interesting results stating that the personal attitudes towards the reforms are very much dependent on the institutional system within which the actors operate. Despite of its legitimacy, findings of that research do not provide analysis of the extent to which the local public management reforms emerged in studied countries, nor does it state the impacts of these reforms on mayoral performance – ability to influence the run of the municipality.

Therefore, the purpose of this paper is to track the historical development of public management reforms in Slovakia (between years 1989 and 2009) and to reveal the consequences of these reforms on the perceived decision-making power of current Slovak Mayors to change the municipal development. The concept of decision-making power is in this paper understood as a capacity of an actor(s) to make a decision (produce outcome) by affecting the other actor(s) involved in collective decision-making process. The term capacity usually refers to formal (shaped by institutional factors) and informal (shaped by personal factors) resources, which actors use for affecting (influencing) others. Since the public management reforms focus on changes in the institutional system, this paper will therefore build the analysis only on the formal power resources which mayors have a chance to use for influencing the municipal development.
I have organized the rest of this paper in the following way. The first part deals with a theoretical framework of proceeding public management reforms in general; the second part track the historical development of public management reforms in Slovakia; following section elaborates the impacts of these reforms on mayoral formal decision-making power; and the conclusion provides a summary of findings.

2. Local Public Management Reforms in Focus

For analysing effects of local governance reforms, Kersting et al. (2009) propose a classification covering various aspects of local governance development. According to the authors, the local governance reforms can be deliberated between these three categories: a) decentralization, b) political administrative reforms, and c) participatory reforms. In this paper, I will concentrate only on the first two categories, but I will slightly incorporate also aspects of the last category.

1. Decentralization

The word decentralization itself already signposts that it is a process of de-concentration (Rondinelli, 1983 cited in Kersting et al., 2009) of the state powers between various “satellite offices” in order to increase the openness and be as close to citizens as possible. Hence, the main idea of decentralization is to eliminate the “counterproductive power structures, administrative inefficiency as well as social, spatial and economic inequalities,” (Kersting et al., 2009 p.20) created by an overgrown central-state bureaucracy. From the vertical point of view, “decentralization is a central element to allow plurality of institutions, rules and policies,” (ibid.) needed for execution of democratic governance. One important stage of de-concentration is a process of delegation. Thus, delegation of certain functions and responsibilities to “newly” created sub-national institutions is an integral part of the state's decentralization process. Important feature, however, is that these
lower-level institutions are still under control of the state agencies, i.e. their independence is limited. In order to achieve well-functioning local self-governances (defined in the European Chart of Self-governments) the development requires one more step – the deepest form of decentralization called devolution (ibid). In this stage, functions together with adequate resources are given to the local institutions, which become responsible for the decision-making process and finances of their own self-governed activities. In addition, political power is put closer to citizens; politicians are less remote, more visible, and more accountable; and citizens are encouraged to play more active role in democratic process of policy-making (Pollitt, 2007).

In praxis, the decentralization in most of the countries is accompanied by three partial reforms: 1) transfer of functions on local governments, 2) local fiscal reform – transfer of financial resources for appropriate financial discretion, and 3) territorial reform, referring to the implementation or abolishment of government tiers. The way, how these partial reforms are executed creates miscellaneous nature of central-local relations (for further discussion see Page and Goldsmith, 1987; Hesse and Sharp, 1991; John, 2001; etc.).

The reforms focusing on the central-local relations form only a fragment of all the reforms affecting the local self-government systems. The other types of reforms are concentrated on the intra-municipal relations and their actual performance.

2. Political administrative reforms

Decentralization of competences and transfer of financial resources call for specific arrangements of municipal internal structures in order to assure efficient and effective delivery of given duties. Thus while the decentralization was focused more on the input legitimacy (empowering local governments with more rights and responsibilities), the second set of local governance reforms – political administrative reforms – is
concentrating on the output legitimacy (quality of provision of local services). The management (administrative) reforms deal with a direct growth of the efficiency and effectiveness of service delivery, while the political reforms are supposed to treat the internal power structures — division of roles and responsibilities within the local government systems (Kersting et al.2009).

**Administrative/management reforms**
Hand in hand with the decentralization reforms the reforms of the administration or management of local governments arrived. These reforms are often grouped within the New Public Management (NPM) doctrine, which, indeed, could be perceived also as a driving machine of the decentralization reforms. NPM is generally understood as “the transfer of business and market principles and management techniques from the private into the public sector,” (Drechsler, 2005). Drechsler further argues, “NPM is based on a neo-liberal understanding of state and economy. The goal, therefore, is a slim, reduced, minimal state in which any public activity is decreased and, if at all, exercised according to business principles of efficiency. NPM is based on the understanding that all human behaviour is always motivated by self-interest and, specifically, profit maximization,” (p. 5). NPM is, therefore, often connected with concepts such as project management, flat hierarchies, customer orientation, abolition of career civil service, de-politicization, total quality management, and contracting-out of public services.

Due to this doctrine, countries experienced set of partial reforms focusing on financial issues (see Rubin and Kelly, 2007), performance measurements; human resources development (Ingraham, 2007); and finally improvements in service delivery by using market-like practices (public competitions or consumer choice) (Jacobsen, 2005). Overall, the
main idea of NPM is to follow the principles of efficiency and “value for money”.
All these business-like modifications might look very good on the paper but their implementation often fails. “[…] several analyses (e.g. Pollitt and Bouckaert 2000 and 2004, Lane 2000) clearly indicated that NPM strategies are not just positive multidimensional tools and the NPM as the simple dominating ideology was not the best basis for public-sector reforms anywhere,” (Nemec, 2010, p. 40). As opponents claim, there is no evidence for improvements of service delivery. The main criticism is a lack of consistency, chaotic operation, contradicting practices, but the most importantly lack of focus on human beings. The focus on economic numbers won over the actual citizens’ needs (see Drechsler, 2005). Nevertheless, practices of NPM “code of belief” became an eagerly followed fashion around the OECD countries and this implementation was steered mainly by Anglo-American think tanks and financial institutions (e.g. World Bank) (ibid.).

Political reforms
The implementation of administrative reforms (although they might not always have only positive effects) can be achieved only by proper division of roles and tasks inside the municipal office. Since the administrative reforms were focused on strong usage of managerial practices, the reforms shaping the political attributes had similar character. One of the main concerns of the political reforms was to improve the executive leadership, which would assure better performance of public services and citizen’s satisfaction (Copus, 2004; Wollmann, 2004). These intends often caused reforms reducing the size of municipal councils, reorganising the political bodies and professionalizing leading politicians through increasing the number of full time, paid politicians (Vabo 2002a cited in Jacobsen, 2005). Additionally, other politicians were supposed to be relieved from detailed
administrative tasks for being able to concentrate on strategies, visions, objectives and performance control (Vabo 2002b). Hence, the role of municipal bureaucrats consequently was supposed to be empowered (see Mouritzen and Svara, 2002), and political bodies should have taken on the form of ‘corporate headquarters’ (Jacobsen, 2005).

**Summary**

Putting it very simple, the main reasons of local public management reforms was to bring the public services as close to citizens as possible and improve the service delivery by increasing the quality and decreasing the costs. In order to achieve this, the local governments (meaning politicians and civil servants) had to become more “economic” – instead of just following the laws and creating regulations, they had to start to think about how to produce services in a more efficient way (to be more productive without using more resources).

Now the question is, how municipal leaders – in the context of this paper mayors – perceive this transformation from traditional “doing politics” to modern “doing management”. Did this transformation influence their perceived capacity (formal and informal sources of power) to change the municipal development? Do they believe they have more or less chances to shape the future according to their expectations? It is evident that it is not possible to find universal answers for these questions, since the institutional structures (despite the attempt of their unification via NPM and decentralization reforms) of and interpersonal relations in local governments vary from one country to another, from one municipality to another. Therefore, it would be too ambitious to search for general conclusions. Instead, in the following paragraphs I will just present opinions of nine Slovak mayors in order to see their reflection of past reforms and what (if ever) where the perceived impacts of these reforms on their ability to influence the future. But before, I will sketch the development of the local government reforms in Slovakia.
3. The Local Government Reforms Development in Slovakia

After the velvet revolution in 1989, the Slovak communist society (as in all the other states from the former Soviet empire) started the state transformation according to the principles of democratic regime. This process of transformation was supposed to encompass both the economic, political, and socio-cultural system, and reintroduce market economy, pluralist democracy, meritocratic principles of social stratification and western value systems (Baldersheim & Illner, 1996). The main idea of the renewed democratic political system was to bring the decision-making of public issues as close to citizens as possible. The operationalization of such vision, however, required a deep reorganization of central-local relations. Thus, from strictly centralized state led by one hegemonic political party had to become decentralized and horizontally governed democratic state with possibilities for pluralistic perspectives allowing freedom of choice. This desire required a number of public administration reforms treating, except other issues, central-local relations. One of such reforms was a decentralization reform.

1. Decentralization in Slovakia

The decentralization process did not start in Slovakia immediately after the velvet revolution. Instead, this process was postponed due to nationally driven requests of the Czech and Slovak political elites. The political negotiations led to peaceful division of two countries and in year 1993, two separated fully independent nation states started to build their own new future.

1. De-concentration, delegation and devolution of competences

The decentralization reform (1993-2005) significantly transformed the position of self-governments in the structure of public administration. The
Slovak local governments experienced big and fast transfer of competences. From very weak local authorities, with only few competences and little share on total public expenditures and incomes (Baldersheim et.al., 1996) became fully responsible and strong public actors. At the end of 90’s, the local governments were responsible only for services assuring the basic run of municipality, meaning lightening, garbage cleaning, fire protection, and the like (Baldersheim, Gejza, Horváth, Illner, & Swianiewicz, 1996). While between years 2000-2004, new 400 competences were transferred to self-governments (Sedláková, 2008) and nowadays, municipalities are supposed to manage all scale of welfare and other services (preschool education, primary schools, health and social care, etc.).

It has to be reminded that by the end of 2003, the State decentralization extended only to the stage of delegation of competences. For ten years, municipalities remained strongly dependent on the State financial resources provided in forms of specific grants and shares in central taxes (personal income tax) (Baldersheim et. al., 1996). This situation was apparently neither sufficient nor efficient for proper management of public duties. Thus, the reform of the state finances was a highly demanded step made by the central government.

The fiscal decentralization of 2004, preceded by changes in the budgetary system, brought expected changes in the possibility to perform autonomous government of local communities. The transfer of resources from shared personal income tax has risen up (Čavojec & Sloboda, 2005) due to modified division of shares. The State takes only 6.2%, the regions 23.5%, while municipalities can enjoy 70.3% of this personal income tax. Nowadays, local governments can freely decide about the use of financial sources for original competences and they have a right to set the level of municipal taxes#. In addition, the expenses, total local tax incomes, and number of employees operating
these amenities have tripled between years 1993 and 2006 (there are more employees in the self-governments than in the state administration) (Nižňanský, 2006).

2. Territorial Reform

Even though according to the theoretical principles the current local self-governments should be much better off in comparison to the past – by obtaining freedom in governing their communities –, the reality is not that optimistic. The main obstacle is the settlement structure of the country. Historically, Slovakia is characterized by big fragmentation of self-governments, typical for countries from the Central-Eastern and Southern Europe. This status quo, however, does not bring good predispositions for performing big amount of public duties in efficient way. Also experiences mainly from the Nordic countries show that in order to achieve economically efficient and qualitative provision of public services, the served population should be quite big. Therefore, many of these countries during the last decades of the 20th century experienced strong process of municipal amalgamations. For example in Finland (by population similar to Slovakia), last 20 years caused fuses of around 200 municipalities and now we can find only 346 well-functioning local governments taking care in average of 14,000 inhabitants.

Also Victor Nižňanský (former Government Representative for the State decentralization reform) agrees that in order to achieve successful decentralization of competences and finances, the structural changes should have preceded these reforms (2009). However, as he further argues, this process of amalgamations was not possible due to several reasons: 1) high resistance of municipal structures against the change; 2) bad experiences from the former systems of ‘central cities’; and 3) fear that by the process of amalgamations the process of decentralization and democratization can be postponed.
Therefore, instead of decline of municipalities we have observed an increase of municipalities. Only between years 1988-1991, the number of (mainly) villages has raised by almost 600. Thus, we can find five million inhabitants being governed within 2,891 self-government units, out of which 95% takes care of less than 5,000 inhabitants (Sloboda, 2004) and the average size is 1,870 inhabitants per local government (CEMR-DEXIA, 2009). It can be said that the distribution of powers is, at this time, really very close to citizens and since all the municipalities obtained the same rights and responsibilities in terms of provision of public services, the democratization is assured by equal treating of all the citizens, as well. However, the question is, if really all the citizens are receiving the same public services regardless of the size of their municipality. The reality shows that this is not true, and many villages have to face severe problems to assure at least the basic services for their citizens. Sopóci, Hrabovská, and Bunčák (2006) even argue, “A number of communities (even large ones) cannot afford to employ administrative staff for lack of funds, leaving the mayor to carry the entire burden of responsibilities. Financially starved small communities often employ and remunerate their mayors as part-time public officials, since they cannot afford the level of remuneration specified in the law. For similar reasons, the scope of services offered to the residents is rather limited. All this contributes to the complications that accompany the transfer of authority from the state to local government,” (p.357). Therefore, the reorganization of settlements, i.e., communal reform, is highly requested, even though it is not, unfortunately, on a governmental program of the current liberal-conservative four (six)-coalition government.

3. Inter-municipal Cooperation

It has to be mentioned that one of the alternatives to municipal amalgamations is the inter-municipal cooperation. The Slovak
Local Government Act 369/1990 offers various possibilities for municipal cooperation in order to provide at least basic public services. Self-governments can perform this cooperation in form of contracts, agreements or even by establishing joint-municipal authorities. The concept of joint municipal authorities (spoločné obecné úradovne) is similar to the one of “central cities”, however, municipalities can voluntarily joint this inter-communal cooperation, and only the municipal representatives decide which services will be provided jointly and which separately. Nevertheless, for preparing and implementing developmental projects, or for keeping citizens and attracting new businesses, this municipal cooperation is often not sufficient, because municipal representatives do not have enough human nor financial resources for performing all obligatory activities. Moreover, as Balážová (2005) pointed out, many municipalities are not even willing to join this inter-municipal cooperation because of their fear of not fair decision-making.

2. Political Administrative Reforms in Slovakia

As theory suggests, in order to achieve well-functioned modern self-governments the decentralization has to go side-by-side with the reform of political and administrative issues. These reforms modified the Slovak local authorities as well, although they were concentrated mostly on the management aspects, since the strong executive leadership assuring “appropriate” public participation was established already from the beginning of the modern era of local self-governments. Yet, in the following paragraphs, first I will present various administrative/managerial reforms affecting the local governments, in general. Second, I will present the Slovak municipal political system with reflection on changes that touched the formal decision-making power of the mayor.

1. Administrative reforms
Regardless of its criticism, New Public Management penetrated to the Slovak public discourse with a big enthusiasm at the beginning of the millennium. “Before 2003, the reform was dominantly incremental and legalistic, with few NPM ideas realized. During the second legislation of liberal Prime Minister Dzurinda's government (2003–2006), radical NPM changes were realized, such as massive decentralization and introducing performance-financing schemes,” (Bouckaert et al. 2009 cited in Nemec, 2010). The main reason for this reform was the well-known call for transforming the non-transparent, inefficient, poor quality provision of public services. The Slovak academics, think tanks (e.g. Transparency International), consultant companies (e.g. Hayek consulting), media, and the state representatives all have been talking about the inevitability to improve the public management by using the private company-like practices. Privatization, contracting-out, public-private partnerships, budgeting reforms, management by objectives, benchmarking, or cost-benefit analysis, all these tools, except others, were supposed to be a panacea for the above-mentioned problems of service delivery.

**Legislation for NPM reforms**

The features of NPM came also to the legislation. The most important legislative amendments fostered by these business-like principles focused on three managerial areas: planning, budgeting, and (competitive) production. For example, in order to improve the strategic planning the Slovak local authorities became obliged to prepare the Socio-Economic Development Programs (*Program hospodárskeho a sociálneho rozvoja PHSR*). This law came into force by Act 503/2001 and its consequent improvement in Act 351/2004. The significance of this program is to not only forecast and visualize the future, but it is a tool allowing applying for the EU funds needed for covering the municipal development projects during the period 2007-2013.
The improvements in the initial budgeting practices (incremental budgeting) were supposed to be assured by the requirement of using the program budgeting. This law came into force in 2009, though on the national level it was used since 2004 by following the Act 523/2004 about the budgetary rules. The main idea of program budgeting is to find balance between strategies (visions, goals, and objectives) and the use of financial resources for implementing those strategies. In order words, program budgeting helps to link inputs to outputs, outcomes and results, and, if properly implemented, it can significantly increase “value for money” from public expenditure (Nemec, 2010).

The last mentioned legislative regulation, Act 523/2003 about the public procurement, is directly connected with the actual provision of services. This legislation creates predispositions for contracting-out based on market-oriented practices of public competition, striving to produce the best quality for the best value. Closely related to the contracting-out procedures is the creation of public-private partnership likewise used for improvements in service delivery.

Other practices, such as benchmarking, offices of the first contact, or client-approach are presented to local self-governments by consultancy agencies via vocational trainings. Hence, municipalities have a chance to implement them on the voluntary basis.

2. Political Reforms – focus on Mayor

In many countries, due to the NPM, the executive leadership had to be empowered. In Slovakia, however, this did not need to happen, since from the very beginning (when the first free communal elections took place in 1990) the State legislation created predispositions for very strong executive mayors (Bennett, 1993; Soos & Price, 2002). Mayor was given a responsibility for three functional areas – legislative, executive, and administrative. He or she became head of the council, head of the execution, and head of the municipal office; moreover,
citizens directly elect him or her. Since mayor signs resolutions made by all those organs, he or she takes full legal responsibility for the run of the municipality, without a right to vote during the decision-making process. Thus, mayor is a strongly personalized face of the municipality.

By following these formal criteria the Slovak local governments could belong to the group of countries with very strong mayors, following the example of American or Southern European municipalities (Baldersheim et al., 1996; Mouritzen and Svara, 2002) allowing authoritative leadership. However, important feature limiting the performance of authoritative/individualistic leadership is strong position of (usually) pluralistic municipal council. Mayor and council are on the same hierarchical level with independent decision-making powers, and the relationship between these two bodies have been designed to achieve the necessary balance of powers and sharing responsibilities in managing public affairs (Sopóci, Hrabovská, & Bunčák, 2006). Thus, the municipal policy-making is *de jure* shared between these two organs in order to strengthen the principles of representative democracy (Belajová & Balážová, 2004). This system, consequently, requires skills of collective and consensual decision-making and democratic (participative or even facilitative) leadership.

The influence of this institutional system on mayor's negotiation position is quite clear. If the election produces harmony between elected bodies, (mayor and majority of councillors are from the same political parties), then mayor usually does not have problems to pass his or her proposals, or to make developmental decisions. Different situation is when mayor and majority of councillors are from different political arenas. Then the council's position is almost absolute. Just for illustration, the strength of the council is reflected mainly in a possibility to block mayoral policy proposals or to accept proposals, which are not in line with mayor's interests. Even though the mayor has a right to veto council's
resolutions, if after this veto the three-fifths of councillors affirm the decision, mayor is obliged to execute such decision, even though he or she might not agree with it. This arrangement assures the democratic principle of following the decision of majority. But, except positive this might have also some negative sides. For example, in case the council's decisions do not consider objective and vocational foundations, but rather follow just party/personal interests, then mayoral, potentially, good incentives are hardly realized; even though, these proposals might provide the most objective and the most efficient solutions. This, apparently, may limit the overall municipal development. However, in case the direct mayoral election yields the mayor who is not fully competent, then the power of the collective decision-making body, potentially representing the opinions of the majority of citizens, is highly legitimate and can save the community.

On the contrary, very important feature allowing mayor to perform strong executive leadership is the professionalized character of this position. Mayor is a full-time and relatively well-paid municipal officer with strong connections with administrators, which brings him or her good basis for managing a big amount of public services. It is also mayor's responsibility to decide which managerial practices will be applied in the provision of these services (though the council must approve the financial aspects of municipal operations exceeding agreed amount of Euros).

Furthermore, since it is mayor's duty to prepare and present policy proposals to the council, it is inevitable that he or she has strong support among bureaucrats; because the detailed elaboration of those proposals is in their hands – expected professionals in public administration issues. The law allows mayor to be in charge of the composition of the municipal office, which assure civil servants' loyalty toward the municipal leader. Thus, in case the composition of the council in not in favour, mayor can
benefit at least from having profound vocational arguments – prepared by bureaucrats –, for convincing the opposition in the council.

In bigger municipalities (towns and cities), local governments usually establish position of Chief Executive Officer – CEO (prednost obecného úradu). This CEO becomes responsible for the overall run of the municipal office, thus mayor can devote saved time for political functions (creating visions, and development goals). This means that while in smaller municipalities, the mayor is expected to be an executive and administrative professional, who assures the run of the community life, in bigger municipalities the circumstances lead to performing more political leadership allowing mayor to be focused on doing politics. This might be also one of the reasons, why the party affiliation of mayors from smaller municipalities does not play such crucial role in the communal elections, anymore.

**Legislation for Political Reforms**

During last 20 years, the intra-governmental relations experienced only few reforms or amendments in the Local Government Act. Two of them, however, caused strengthening of mayoral position in the municipal decision-making. One important legislative amendment of 2008 was a transfer of right – from the council to the mayor – to appoint the CEO. Before, mayoral strong relations with bureaucrats were constraint by, often, politically appointed head of the administration (Soos & Price, 2002). Council had a chance to use this official for controlling mayor's executive actions. It is not surprising that this arrangement often led to conflicts between these two leading officials, and mayor's ability to influence the run of the municipality, for which he takes full responsibility, was quite drained.

The second amendment caused decrease of the number of municipal councillors. The initial Local Government Act 369/1990 assigned that the municipal council decides how many councillors the council has. The
minimum was 9 and maximum 60. In case the municipality had less than 40 inhabitants, the council must have had at least five councillors. This very loose specification often led to waste of time and financial resources. Therefore, in 2002, this practice was regulated and nowadays, the minimum amount of councillors is 3 and the maximum 41. In addition, the number of councillors is based on 10 categories depending on the number of inhabitants (see Table 1). The current course of events shows that due to the financial crisis many municipalities (usually based on mayoral/administrative proposals) try to decline the number of councillors even more (by selecting the lowest possible alternative from the particular category range) in order to transfer saved money for provision of public services.

<table>
<thead>
<tr>
<th>Population</th>
<th>Number of Councillors</th>
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<tr>
<td>&lt;500</td>
<td>3-5</td>
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<tr>
<td>501-1.000</td>
<td>5-7</td>
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<td>1.001-5.000</td>
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<td>5.001-20.000</td>
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<td>20.001-50.000</td>
<td>15-25</td>
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<td>50.001-100.000</td>
<td>19-31</td>
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<tr>
<td>&gt;100.000</td>
<td>23-41</td>
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Source 1: Modified from the Local Government Act 369/1990

4. The Impact of Reforms on Mayoral Decision-Making Power

1. Good Potentials in the Institutional System
The previous presentation of proceeding local public management reforms showed that the current Slovak local governments operate with big number of public services assured by relatively well defined distribution of public resources – the financial discretion is high –, and at the same time, there is a chance of using various modern tools and techniques for providing as efficient services as possible. That means that the local authorities arrived to the last stage of decentralization called devolution and several New Public Management practices are present in the management of public duties. In addition, the negotiation position of executive local leaders has been empowered due to amendments in the political system, which increased their possibilities to lead the community in the way they wish. Especially the legislation about decreasing the number of local councillor significantly affected mayor’s decision-making power. Except the economic, this amendment had also managerial and political implications. The managerial argument is that fewer councillors fasten the decision-making process, since small group of people come to the agreement faster than a big group. This causes faster problem solving and consequently higher citizen satisfaction. From the political point of view, smaller municipal council creates easier negation position for professional mayor, who needs to convince less potential opponents. Thus, with his or her potentially good expert knowledge in administrative issues he or she can easier achieve acceptance of the proposals. This, not surprisingly, does not meet with sympathy among councillors whose main argument is that having fewer councillors invades the principles of representative democracy. However, this situation leads to classical conflict between efficiency and democracy and bring about a question, “What is more important? Having satisfied citizens, who can enjoy good quality of public services made by using more efficient means, or strictly follow principles of representative
democracy, which at the end of the day might not produce expected results due to conflicts between too many interests?"

The other legislative amendment in Local Government Act, treating the appointment of the head of the administrative office (CEO), gave mayor another significant advantage in the municipal decision-making. The praxis shows, that mayor's full responsibility to select his or her own CEO changed a character of this position. While before 2008 political nominees filled this post, nowadays professionals with strong technical knowledge about the public administration issues occupy this vacancy. This fact further empowers mayor's position, hence the strong cooperation and tight relations with CEO help him or her to have even better knowledge, and confidence about the administrative issues (Sopóci, Hrabovská, Bunčák, 2006) needed for political deliberation. On the other hand, it allowed him or her to delegate all the administrative tasks to civil servants and thus fully concentrate on doing politics.

This leads to the conclusion that the Slovak mayor has a possibility to perform two types of leadership: technocratic or political one. The technocratic leadership can be achieved by having strong access to the technical knowledge needed for creating profound policy-proposals and thus lead the community based on the performance measurements. On the other hand, the political leadership can be achieved by possibility to delegate administrative / managerial tasks to CEO and other civil servants, who are mayor's nominees, so mayor does not need to take care of those administrative issues anymore and can focus merely on political activities. Thus, it is fully in mayor's hands to decide which leadership type he or she prefers to use. The system is set in such a way, that both leadership types can assure good provision of public service, if all the managerial means and techniques are properly used.

Overall, the changes of the institutional system caused that the Slovak mayors have big number of technical and political tools for shaping the
municipal development according to their goals. Therefore, the past local public management reforms positively affected mayor’s decision-making power to influence the future.

But, do municipal representatives perceive the strong potential of this system? And did these reforms help them to perform better provision of public services?

2. Empirical experiences

Various current empirical researches already provide answer on the second question. The authors (Kováčová, 2005; Balážová, 2006; Hrašková, 2007; Nemec, 2010) usually claim that the quality of implementation of all new managerial practices did not bring expected results. In spite of well-defined legislative system, during last 20 years the management of provision of public services has not significantly increased. Instead of using objective (quantifiable and measurable) information, municipal representatives repeatedly follow only political interests; the private interests win over the public ones; transparency is not appropriate (Kováčová, 2005). Municipalities are not willing to use the inter-municipal cooperation for providing services; they lack the information about the alternative ways of service delivery, the elected officials do not support changes and they invest very little in human resources (Balážová, 2006). Public procurements are often tailored for “the right” subcontractor, thus the competitiveness is impossible; and corruption is still quite active player in public-private partnerships and other purchases (Nemec, 2010). Thus, in line with the results from the other Western as well as developing countries, the NPM practices are not successfully implemented in the Slovak local governments. One of the often-mentioned reasons is poorly defined guidelines for implementing the practices and not readiness of civil servants' and elected officials' for using the business-like way of thinking. Nemec
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(2010) even summarises it while saying that, “the structures exist, but the behaviour is [still] 'semi-socialist'” (p.42).

This comparison of the potentials coming from transformed institutional systems and the experiences from the everyday life leads to the conclusions that the past local public management reforms (especially NPM), in reality, did not affect the way in which the local representatives perform their duties. This consequently yields the assumption that these reforms did not improve the ways in which municipal representatives shape the municipal development. Therefore, in general, it can be claimed that although the mayoral formal decision-making power to influence the municipal development has increased, the way in which is this power used is not positively reflected on the outcome of municipal performance.

To my best knowledge, however, the academic research has not provided, yet, answers on the first above-mentioned questions, if mayors perceive benefits from the system. There is no data mapping these opinions of the key municipal actors about the past reforms. Nor there is a study, which would track how municipal representatives perceive the influence of these reforms on their own ability to change the municipal development and satisfy their citizens. Attaining these personal perceptions and attitudes may provide additional explanations also for the question “why the performance has not changed although the institutional system has been modified?”

In order to gain demanded perceptions I decided to execute a content analysis of in-depth interviews conducted with eight Slovak mayors from medium-size municipalities (10-40,000 inhabitants) in spring 2009. Hence, the objects of this empirical qualitative research were the key municipal actors who have in hands all the tools for performing better management of services. The semi-structured interviews originally contained ten questions, but for the purposes of this paper, I analysed
only one, “How various institutional changes on the national and local level (e.g. decentralization of competences, fiscal decentralization, using NPM practices in provision of public services, politico-administrative relations, etc.) influenced your decision-making power?” By asking this general and open question, the intention was to create a room for respondents to reflect only on those reforms, which they consider the most important for influencing their own decision-making power. This, in a very natural (not forced) way, further allowed tracking respondents’ attitudes towards particular reforms.

1. Mayoral perceptions

The responses of the interviewed mayors expectedly form two categories. The first category contains mayors who perceived some influence of the institutional changes on their decision-making power and in the second one are mayors who did not perceive any influence. Those who perceived some influence can be divided also between those, who perceived this change negatively and those who positively.

From among all local government reforms presented in the previous section, the most common reforms mentioned by respondents were decentralization (of competences and finances), management reforms (application of NPM practices), and not-realized communal reform. Attitudes towards the decentralization reforms have double character: some mayors perceived very positive influence of these amendments on their personal decision-making power, while to others the transfer of competences brought more problems. If management reforms were mentioned, then they were perceived only with positive feelings. Both, the possibility to appoint the CEO as well as the decrease of number of councillors were positively reflected.

Decentralization and NPM = Room for Strong Managerialism
The content analysis revealed that those mayors with positive attitudes towards the decentralization reform see transfer of competences accompanied with the liberalization of finances as a strong factor influencing their formal decision-making power to change the municipal development. These mayors claimed that these reforms provided them better possibilities for implementing their ideas, visions, and for developing their municipalities both in quantitatively and qualitatively bigger extend in comparison to some ten years ago. They feel bigger independence from the state control because they can use formal decision-making power for developing their municipalities and not for “struggling with the state officers”. In addition, as one mayor defined, these new central-local relations also fostered number of changes in the municipal internal structures, managerial practices and the actual provision of public services. They also believe that nowadays municipalities have at least twice more money for constructing big public premises, such as ice-hall stadium, hospital, or industrial park. Mayors have better opportunities for improving the quality of provided public services from the technical and human resources point of view. They are eager to use benchmarking methods, e-government, offices of the first contact, or applied the quality certificates ISO9000, and the municipal employees are motivated to improve their professional skills by attending personal-development trainings. In addition, all mayors within this group agreed that they try to govern their municipality according to the principles used in private companies (such as hierarchical leadership, focus on teamwork, or client-oriented approach), because that is the only way, how to make the city work properly. Moreover, the political decision-making became less spontaneous and except the interests and ideas it contains also means of implementation (Slovak mayor, SN°3, 2009). Thus, the decision-making become more about “how to make things better” instead of only “what to do?” Accordingly, the external
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public administration reforms created an environment within which a good mayor, who is in the spirit of NPM able to handle all the competences and financial resources, has a great opportunity to shape the municipal development according to his or her wishes. The mayor from the central part of Slovakia nicely summarized the consequences of these reforms on his decision-making power:

"The fiscal decentralization is the law of the laws. It was the best decision, which the previous government did. Fiscal decentralization is a law, which provided to local government a possibility to show, if it is able to use the financial resources in a right way. It is not only about the levy of taxes, or about the level of fees, but it is also about the correct forecast of the market. Moreover, this reform gave us a room for liquidation of non-rational premises [for example some schools with little amount of students]. Even though, on the first sight these premises might look as social or humane, but for the town they are pronouncedly non-rentable. The fiscal decentralization gave huge power to municipalities. Who was able to use it is now successful," (Slovak mayor, SN°6, 2009).

The perceptions, language, and practical examples used by these mayors seem to be identical with perceptions and language used by Managers or CEOs from private sector. Therefore, I call those mayors “mayor-managers”, as they represent textbook examples how the decentralization and NPM reforms should have affected the perceptions of municipal representatives. These mayors are fully aware of the potential, which the past reforms brought and they are eager to use it.
Not surprisingly, one important common feature for all “mayor-managers” is their prior working experiences in the private sector and/or higher education in the field of economics. Therefore, their positive attitudes towards the decentralization and managerial reforms seem to have roots mainly in their prior experiences with private-sector practices. From the analysis of the interviews also flows that for these mayor-managers, more important than the political affiliation is professionalism and efficient performance. Therefore, it is not striking that most of them run for the mayoral office as independent candidates. The last but not least common feature is their very strong relations with Chief Executive Officers. All of them consider their CEO as very influential persons and instead of treating them just as “tools for implementing political initiatives”, they rather perceive them as partners needed for accomplishing common municipal objectives. For these mayor-managers is thus typical technocratic leadership allowing them to use all the business-like practices brought by the NPM reform.

The Political System Matters
On the other hand, according to the other group of studied Slovak local leaders the former institutional changes did not have any impact on their formal decision-making power, or the possibility to make municipal decisions and influence the future municipal development. Their perceived formal decision-making power remained the same or if it has increased, it was due to the development of their informal (personal) power sources (experiences, knowledge, communication skills, etc.). Some of these mayors also stated that the institutional changes (mainly the decentralization of competences and fiscal decentralization) have happened before their arrival to the office, so they take it as granted and
they consider it as something to which they just have to accommodate their behaviour.

“[The past reforms] brought only new competences and I try to deal with it systematically. So, my decision-making power has not been changed. I think that the reforms did not change my decision-making process, either. Maybe some opinions were influenced, or something like that. But, all in all, nothing has changed, because those competences which were transferred to the municipality were very crucial for the municipal office and they solved some problems, which were not dealt for many years,” (Slovak Mayor, SN°2, 2009).

In addition, in terms of changes inside the municipal structures (administrative reforms), mayors claimed that they delegated the implementation of new managerial practices to CEOs,

“All the managerial practices or organizational changes, which have happened in the municipal office, are CEO’s responsibility. So you have to ask him about those changes,” (Slovak Mayor, SN°1, 2009),

or these changes did not occur in their town halls at all. Yet, no external and (potentially) internal reforms had any impact on ways, how these respondents perceive their execution of formal decision-making powers. Since the utterances of these respondents with neutral attitudes towards the past reforms did not reveal topics connected with managerial practices, rather they showed to a certain degree unfamiliarity with particular practices (benchmarking mixing with brainstorming, program budgeting mixing with accrual accounting, etc.), I called this group of mayors “political-mayors”. Thus, their power to influence the municipal
development stands on other factors shaped most likely by the political system (particular composition of the council, good relations with bureaucrats, etc.) and personal/political skills to influence the opposition.

Another typical feature for all these mayors is that their prior working experiences are from the public sector (teachers, civil servants), they have higher education in different field than economics, or they have lower than university degree. Thus, their motivation or interest in new managerial practices might not be that big, since they do not have prior experiences with those practices. Therefore, it is not surprising, that they rather benefit from the possibility to delegate managerial activities to CEO and other civil servants, who are trained for management of public duties. Even, the opinion that civil servants are just “tool for implementing political decisions” emerged in their responses more often. Therefore, these “political-mayors” incline to perform political, rather than technocratic leadership.

Nevertheless, affiliation to the political parties is not that important issue in this group of mayors, either. This can have explanations mainly in a general trend, according to which during last 20 years citizens have developed negative attitudes towards political parties, which means that especially in smaller municipalities they prefer to elect independent candidate, who are expected to promote particular local interests and not the interests of the political party. Thus, citizens believe that the independent candidate is more accountable to them than the mayoral candidate affiliated to some party. This goes also in line with opinions of mayoral interviewers who claim that communal politics is not about satisfying interests of political parties but about satisfying the needs of citizens.

The Communal Reform is a Must
At the end it is worth to mention also some negative opinions about the past reforms, which emerged during the interviews. According to respondents, these negative aspects did not have negative influence on their own decision-making power, but due to their significance for the overall future municipal progress I decided to mention them in this section.

One important factor emerging during the interviews and predetermining the successful run of the municipality is the well-known big fragmentation of local governments. Even though, all studied mayors come from municipalities, which have more than 10,000 inhabitants the topic of municipal amalgamations appeared in their responses quite often. As one mayor stated, in small municipalities - villages (less than 5,000 inhabitants) the benefits of the public administration reform are hardly achieved. This is due to lack of human, but mainly financial capital, which even by performing strong managerial practices based on the NPM concept might not bring expected results. Therefore, he is suggesting that the amalgamations should become another important component of the future communal reform.

“I think that the [concept of] self-governance talks about the fact that municipalities should govern themselves alone. But, what can govern a village with 400-500 inhabitants? Nothing! Except the municipal office, the mayor's salary and one administrator, nothing else. And this is not because the mayor would not want to do more but he simply does not have a chance to do more, because he would have to be a genius in order to be able to follow the development. Because he is alone for everything...those five councillors cannot help that much either due to lack of experiences and technical
knowledge...They are not able to prepare any rational strategic project, because they are not able to finance it, because they have only 15,000 € for investments per year. And from this money they want to develop a village?! This is simply impossible. It does not make any sense...The reform should have had some limits that the municipality with less than 2,000 inhabitants should not exist, because they are not able to provide either school, social premises, cultural events, nor the fire protection. Except yourself you do not govern anything!” (Slovak mayor, SN°5)

Therefore, as the mayor indicated, the representatives of small municipalities seem to have strong negative feelings towards the reform, because they lost the support from the state, and they were given number of new tasks, which they are not able to manage.

The content analysis of the interviews also revealed that not only the size of the municipality, but also the overall socio-economic environment within which the local government operates might influence the character of the perceived external institutional reforms. Good example provides one mayor from relatively big municipality (30,000 inhabitants) but with high unemployment rate (almost 25%), poorly developed industry, and aging and decreasing blue-collar population, who perceived the current central-local relations quite negatively. Even though he mentioned that this reform did not influence his personal ability to make decisions, it certainly brought him problems:

“The state is getting rid-off of its worries and it is throwing them on municipalities without economic coverage and without providing us more personnel. For example, now we have to take care of the houses
for the elderly people, but we have so many problems with that. Not even to mention small municipalities. For them this law is very tough. But, it is given by law, so we all have to provide this service,” (Mayor, SN°4, 2009).

Not surprisingly, this mayor belong to the group of above defined “political-mayors”, with previous working experiences in the public sector (teacher), with a need of protection provided by the state and a lack of entrepreneurial way of thinking. It would be interesting to see what kind of attitudes would present the “mayor-managers”, if they would have to perform their duties in this specific socio-political situation.

5. The strong became even stronger

In the conclusion can be stated that based on the documentary analysis the past local government reforms transforming the central-local relations, political-administration relations and implementing business-like managerial practices to the provision of public services in local governments had positive impact on mayoral formal decision-making power. Mayors received more competences, more financial resources, their dependency on the State control decreased, they have less potential opponents from among councillors, they have full control over the municipal administration, and they have various managerial tools for satisfying citizens' needs. Thus, the transformed institutional system provides strong potential for leading the municipality and shaping the municipal development according to mayors' goals and wishes (which are potentially in accordance to the wishes of the majority of citizens).

But, do municipal leaders perceive the strong potential of this system? Do they think that the past reforms changed their decision-making power? The empirical research revealed that from among all interviewed
mayors, only few perceived these reforms as a positive factor affecting their ability to shape the municipal development. Thus, these “mayor-managers” demonstrated that they certainly benefit from the potential, which the new institutional system brought them. On the contrary, the rest of the interviews did not perceive that the last past reforms would affect their formal decision-making power. One mayor was even against the decentralisation reform. For these “political-mayors”, more important than the institutional changes was their personal development (gained experiences and knowledge) needed for influencing the municipal development. Both attitudes towards the past reforms further lead to defining the leadership type used by studied mayors. Those who expressed positive attitudes towards the transformation tend to perform technocratic leadership, while the rest inclines to the classical political leadership.

Overall, the past institutional reforms made strong municipal leaders even stronger, regardless of mayors’ perceptions. For the future municipal development, if it would continue following principles of NPM doctrine, it would be convenient, if the number of mayors with positive attitudes towards the past public administration reforms would be constantly growing. This can be achieved only by further education of elected leaders but also by increasing the awareness among citizens that that having competent and experienced local leader is one of the preconditions for improving the municipal development. However, without inevitable communal reform, these improvements will never be achieved, because keeping highly educated people in small villages with lack of financial resources is almost impossible.

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6. References


