

Decentralisation in a Unitary State

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Landmarks in the historical development

- The foundations were established in 1862
- The expansion of the welfare state during the second half of the 20th century gave new tasks
- Two amalgamation reforms 1952 and 1974 created the present structure

Number of municipalities 1951-2013

- 1951:2 500 municipalities. Most of them founded in 1862
- 1952:1 000 municipalities. Small towns in the country side were amalgamated with small countryside municipalities
- 2013:290 municipalities. Median size 15 000 inhabitants. Great variation.

What constitutes a local-self government?

- A wide competence: Authority to meet the need and demands of the local population
- Financial resources: Right to levy taxes and charger fees. Block grants rather than special grants
- A democratic organisation based on active participation and accountability of the elected representatives

Local self-government in the Constitution of 1974

- Local authorities are subordinate only to law by Parliament
- The taxation power of local authorities and county councils is protected by the Constitution
- The principle of local self-government is to bear upon every activity delegated to the local authorities and the county councils

Size and function

Options for relating size to function:

- Amalgamation of municipalities
- Inter-municipal co-operation
- Creating regional levels for functions above the municipal level
- A variable division of functions
- Re-centralisation to the State level

Tasks appropriate for decentralisation to the municipal level-Swedish experiences

- Obligatory tasks
 - Education
 - Elderly care
 - Childcare
 - Support for disabled
 - Spatial planning and building permits
 - Refuse collection and waste disposal
 - Water supply and sewerage
 - Rescue services

Tasks appropriate for decentralisation-Swedish experiences

- Voluntary tasks
 - Leisure activities
 - Cultural activities
 - Housing
 - Energy supply
 - Support of industrial and commercial activities

Health care and medical services

- Open medical services may often be organised in small local units
- Specialized medical services often needs a larger region to be efficient
- In Sweden all parts of the medical services are organised in county councils. The ideal pop.size of counties is 1-2 million people

National interests set limits to decentralisation

- The need for economic stability and development
- The citizens' demand for equal opportunities and services
- The need for a rational, uncorrupt and efficient government

The metropolitan regions

- A special solution for the Stockholm region: The county council is responsible for regional spatial planning, regional transportation and medical services
- For the Gothenburg and Malmö regions the regional councils are responsible for regional economic development, regional transportation and medical services

Principal forms of revenues

- Income taxes
- Property taxes
- Charger fees
- Block grants
- Grants for specific purposes
- Equalization of costs and revenues

Principal sources of revenues

- Income taxes or property taxes with power of the municipalities or the regional councils to set the level is preferable from decentralisation point of view
- Block grants in combination with equalization of costs and revenues increases the freedom of the municipalities and the regions

The national equalization system

- Income equalization: Municipalities and county councils with tax bases above an national average are required to pay a charge. Those with below average tax bases get grants.
- Expenditure equalization: Compensates municipalities and county councils for expenditures over which they have no or little control eg. age structure and climatic conditions.
- The system is determined administered by the State

State grants

- The general State grant is paid to all municipalities and county councils at one and the same rate per capita
- Earmarked grants stand for a minor proportion of State grants. Payments of this kind include grants for special programmes launched at the local level or compensatory payments to municipalities for measures on behalf of refugees and so on.

Principles of financial management in the 1991 LGA

- The basic principles of sound financial management include:
 - Financial balance every year
 - Revenues from selling fixed assets shall be reinvested in other fixed assets
 - Contracting loans to cover current expenditures is not permitted.
 - Low degree of risk-taking
 - Funding of pensions obligatory-the forms may vary

Auditing in local government

- Layman-auditors are appointed by and report to the local council/county council
- The council also appoints a "layer" auditor for each municipal enterprise
- The elected auditors must involve professional auditors in the auditing process

Follow-up and evaluation

- National agencies follow up the performances of municipalities and regions(sometimes through its regional branches)
- Performance indicators, widely published, will show how well municipalities and regions perform in relation to national objectives

NPM in local government in Sweden

- A rapid expansion of private service-providers since the 1990's. Especially in education, care for elderly and disabled and in health care
- Two models are being used:
 - a) The entrepreneurial model; The municipality is contracting private providers to perform certain kinds of services
 - b) The customers choice-model. The user choose their own provider from a list of providers supplied by the municipality or the county council

The democratic structure

- Representatives of the people are elected to the local councils and the county councils every four years according to the proportional principle
- The members of the executive board and the committees are elected by the councils. The parties get the same proportional share as they have in the council.
- A sharp demarcation line is drawn in the legislation between elected representatives and employees

Strategic issues in a decentralisation process

- The regulation of local-self-government in the Constitution
- Size and function-what is the optimal structure for decentralisation ?
- What tasks are appropriate for decentralisation?
- How to secure a reasonable freedom of municipalities to dispose of their own economic resources ?
- How to organise evaluation and control of the activities of the municipalities and the regions without intruding too much on the local self-government ?
- How can the local democracy be strengthened ?

THANK YOU FOR YOUR ATTENTION !