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TOWARDS THE IMPLEMENTATION OF THE BEST PRACTICE FROM ABROAD – STRENGTHENING THE COOPERATION AMONG SLOVAK MUNICIPALITIES

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Intermunicipal cooperation represents a tool for facilitating the delivery of services for municipalities. The intermunicipal cooperation is used by many European states, struggling with fragmentation of local structures. In Slovakia, the intermunicipal cooperation is used rather for unnecessary delivering of competences which cannot be delivered by a single municipality. Therefore, in this article, we aim to address the best practices from selected countries to the conditions of Slovakia. The research includes the attitudes of mayors from responded municipalities in the Nitra region toward extending the cooperation with other municipalities and preferable areas for cooperation.

Keywords: delivery of services, European countries, intermunicipal cooperation, Slovakia

Intermunicipal cooperation (IMC) is used by many countries for facilitation of the performance of competences provided by small municipalities. Sørensen (2007) understands the cooperation among municipalities as a concept that encompasses a variety of forms and usually takes the form of joint cooperation where the different municipalities involved shared ownership and production (Norway, Finland, Spain, the Netherlands, Italy). There are different forms of intermunicipal cooperation worldwide (horizontal and vertical, formal and informal). In the conditions of Slovakia, the intermunicipal cooperation is not regulated by law (except for the Act No 369/1990 Coll. on establishment of municipalities) and is based on a voluntary principle. This is one of the reasons, why we often witness unnatural boundaries of intermunicipal cooperation. The strength of the intermunicipal cooperation can differ. We recognize three models of intermunicipal cooperation, according to the Council of Europe: highly integrated model (France, Spain, Portugal), more flexible model (Bulgaria, Czechia, the United Kingdom) and combination of the two mentioned models (majority of countries). The process of amalgamation (Denmark, Finland) can also be understood as a form of intermunicipal cooperation. Municipalities in these countries were integrated into larger units. The aim of this article is to demonstrate the functioning of intermunicipal cooperation abroad and to propose the implementation of the best practices into the conditions of Slovakia.

Material and methods

The paper analyses the situation in intermunicipal cooperation in Slovakia and in European countries. The main aim of this paper was to present the best practices from foreign countries which could serve as examples for

Slovakia in the future. In the paper, we used the legislation which governs the intermunicipal cooperation in Slovakia (Act 369/1990 Coll. on municipal establishment). The Report of the European Committee on Local and Regional Democracy from 2007 served as a baseline for the project. The report deals with good practices in intermunicipal cooperation throughout Europe and to our knowledge, represents one of the most comprehensive reports in this field on the EU level. Our effort for improving and strengthening the intermunicipal cooperation in Slovakia was demonstrated with the attitudes of mayors of selected municipalities in the Nitra region. The motivation of our research, carried out among mayors was to investigate the attitudes of mayors to extend the intermunicipal cooperation and to extend the field of possible cooperation in the future. The research took the form of questionnaires and was realized in August 2015 – March 2016 on a sample of 135 municipalities (38%), out of the 354 municipalities in the Nitra region. The municipalities were selected according to the criteria matrix set by the author. The criteria matrix included various criteria, in order to include different municipalities in the sample. The criteria were as follows:

- ☐ A representative sample of the municipalities from each district.
- ☐ A representative share of municipalities which associate with other municipalities in performance of competences.
- ☐ A representative sample of municipalities in each of the size categories.
- ☐ A representative sample of municipalities acting as a seat of a joint municipal office.
- ☐ A representative sample of municipalities performing the competences without associating with other municipalities.

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In total, 69 questionnaires were responded. The total response rate is 51%. The research was realized by greater extent; however, for the purposes of this paper we selected only the relevant part. The results of the research create an important base for the further and deeper research in this field.

Results and discussion

The experiences of “West” countries proved that the consolidated structures (larger municipalities) are able to perform better and effectively the capacities and responsibilities with adequate financial sources. This statement is confirmed by the authors Hasporová, Drábik and Žák, (2012): “Intermunicipal cooperation is a classical compensation of small municipalities and their inability to perform social services individually”. According to Mäeltsemees, Lõhmus and Ratas (2013), “IMC should function to support local democracy because the centralization of responsibilities at the central government level can be avoided in that way. On the other hand, however, the main objectives of IMC are connected with administrative capacity and cost-efficiency, i.e. with such aspects that are at odds with the principle of local democracy”.

The cooperation can exist not only between the municipalities, but also between the municipalities and upper tiers. This cooperation was described by Hulst et al. as a vertical level of intermunicipal cooperation. In a number of countries, institutionalized cooperation between local government and upper level government institutions is gaining popularity. This is the case in Spain, France, the United Kingdom and Belgium (Otolá, 2010). The first is the need to gain access to resources from upper level government, either financial resources or technical know-how. This factor seems especially relevant for Spain (Hulst et al., 2009).

In European terms, there exists co-operation between the authorities closest to the community, often municipalities, with a view to joint management of matters regarded to as of general interest to all the participants. Nevertheless, the optimal size for service delivery provision is still questioned. Intermunicipal cooperation is mainly used by small municipalities for facilitating the delivery of certain competences.

Facilitation is often understood as financial ability to deliver services at the cost-efficient level. According to Sloboda (2004), along with the prices liberalization, changes in the system and transfer to higher efficiency and economy as in private sector as well as in local self-government are necessary. The scale economy is achieved when average cost decreases while production increases and scope economy is achieved when average cost decreases while number of produced services increases.

The potential economy savings resulting from intermunicipal cooperation were surveyed by many authors. Bel, Fageda and Mur (2011) in their research study proved the scale economy of services' delivery by intermunicipal cooperation in comparison with private companies. Municipalities associated in a intermunicipal cooperation were able to deliver services with lower transaction costs and fewer concerns for competition.

The economy of scale was confirmed by Bel and Warmer (2014) in their research. The study included small municipalities and excluded large municipalities. The authors pointed out the benefits of small municipalities and passivity of larger municipalities to cooperate. Small municipalities are more likely to achieve a reduction of the average cost of service delivery. The research was provided on solid waste collection as this service is often provided by intermunicipal authorities. The result of the research was a statement that intermunicipal cooperation can be used as a formula to exploit returns to scale, as it allows an increase in service output and the population using a service or infrastructure.

Intermunicipal cooperation as a tool for effective services delivery

One dimension of services delivery is the efficiency of the local governments, another dimensions is the effectiveness (quality) of the delivered services. Each country emphasizes the effectiveness of the services delivery and the European Committee (2007), in the guideline: Good practices in intermunicipal cooperation in Europe reported the effectiveness as a main reason for developing intermunicipal cooperation in the EU states – especially in the Netherlands, France, Sweden and Finland. In the Netherlands, the research on effectiveness, decision-making capability, speed of decision-making and the cost-benefit ration of cooperation showed that two thirds of municipalities are satisfied with service delivery and administrative performance and two thirds are dissatisfied with policy coordination.

The researches in Sweden proved that intermunicipal cooperation is economically viable and effective in environment, planning, construction and public works as the cooperation generates scale economy (Tavares, 2014). More importantly, the broader population base created by intermunicipal cooperation makes it easier to find competent staff and managers. On the other hand, as less effective appeared the cooperation in welfare assistance and individual care, as these services must be provided in the places where people live.

Experiences showed that in small municipalities, a lot of services are not provided at all, nor is it realistic to expect these municipalities to deliver certain competences by themselves (schools, health care facilities etc.). These services could be delivered by an IMC institution.

We would like to underline the close connection of decentralization and intermunicipal cooperation in the conditions of Slovakia, proved by the statement of the European Committee (2007) “the decentralization of state functions to the municipalities has created a greater need for specialists at the municipal level, which is an incentive for small municipalities to practice cooperation”

The cooperation of the municipalities may decide to function to achieve various goals. It can be economy saving, quality increase or better marketing what brings the municipalities together. Worldwide, there exist various kinds of intermunicipal cooperation with various aims and goals. In this paper, we tried to bring a brief overview of them.

The differencing factor is the institutionalism – whether the IMC is governed by law – formal cooperation, or not governed by law – informal cooperation (in Table 1).

Table 1 Forms of intermunicipal cooperation

Formal Cooperation	Informal Cooperation	
Slovakia	the Netherlands	Switzerland
Portugal	Spain	Russia
Italy	Austria	Sweden
Finland	Belgium	Luxembourg
Hungary	Slovenia	Czechia

Source: European Committee, 2007, own processing

Some countries, e.g. Finland, Russia, the Netherlands, Sweden, Norway and Italy have opted for mixed public-private intermunicipal cooperation. An interesting example is Norway, where number of intermunicipal co-operation bodies is governed by private law (electricity companies). The case of federal component like Austria and Germany is worth a remark, with separate policies for each federal segment and a difficulty to generalize (EC, 2007).

The other differencing factor of IMC is the purpose. IMCs may be single-purpose or multi-purpose. In our research we found out that the states cannot be exclusively categorized into single-purpose or multi-purpose cooperation. Based on the research realized by Hulst et al. (2009) we characterized the purposes of selected countries: Belgium – predominantly single-purpose, Finland – exclusively single-purpose, France – both forms, Germany – almost exclusively single-purpose, Italy – predominantly multi-purpose, the Netherlands – both forms, Spain – both forms, the United Kingdom – predominantly multi-purpose. In order to keep the natural borders of the state's territorial division, for example in Austria, the municipalities can associate only within a province while in Slovakia, the law does not regulate any specific limitation and the municipalities can freely associate. The total freedom and voluntary principle is criticized by many authors (Nižňanský, Sloboda) and often causes the municipalities preferring their own motives rather than municipalities goods. Another example of limitation brings Germany, as Tichý, (2005), states, in the Lower Saxony, municipalities with less than 400 citizens associate compulsorily, while in the associated municipality there can be a maximum of 10 original municipalities and the number of inhabitants cannot exceed 7 000. Italy used the intermunicipal cooperation as a tool for the compulsoriness of fusion: municipalities were fostered to create IMCs but then they had to merge within 10 years. Except for very few cases, no municipality chose the path of what they saw as an irreversible loss of identity through a compulsory merging with some other nearby local authority (Bolgherini, 2011). The intermunicipal cooperation in France was established as a call to various unsuccessful efforts for the communal reform. The strong local patriotism of local municipalities makes the France the most fragmented local structure in Europe. The situation was improved by giving the municipalities a motivation, which would be based on a voluntarity principle. The intermunicipal cooperation is governed by the Chavènement act and recognizes three types: Town communities, Municipal communities and City communities. Each type was entrusted a set of basic

competences and additional (at least three) competences must be selected (Švec, 2009). The institutional frameworks of the cooperation of municipalities in Hungary were overruled by the legislation adopted in 2010. The typology formerly offering four kinds of association bodies became even narrower, the only kind of association available for cooperation now is the so-called association with legal entity, the highest level of institutionalization. This association is authorized for the foundation of bodies of its own in the forms regulated by public and private law, in fact, in the form of non-for-profit organization. A very successful intermunicipal form of cooperation is considered water and waste management municipal associations when over 3200 successful projects were implemented. Intermunicipal cooperation in Poland is based on a voluntary principle. The laws of self-government do not envisage any special benefits (e.g. subsidies) for actively cooperating units of local or regional government. On the other hand, there are no direct sanctions for the municipalities, counties and voivodships that are passive in this field. Due to a relative high level of fragmentation, in 2012, Poland started enhancing inter-municipal cooperation and included it as one of the main aims into Long-term Strategy Good Governance, as one of the major objectives for the policy addressed to local and regional governments. The strategy calls for new institutional forms of cooperation (Good Governance Strategy, 2012).

Intermunicipal cooperation in the conditions of Slovakia as a result of reforming process

The current state of local structures from the point of view of fragmentation is critical in Slovakia. From the total amount of 2891 municipalities, in over 66% of them live less than 1000 citizens and in 40 municipalities only live more than 20 000 citizens (SO SR, 2014). The critical situation rises by the currently decreasing number of inhabitants in the municipalities with less than 1000, posing the question if it is sustainably possible to maintain the current municipal structures. The negative attitudes to high level of fragmentation of local structures result not only from the inability to deliver the services effectively and efficiently, but these attitudes are based on the influence of high level of fragmentation on macro-economic indicators (HDP, unemployment rate, etc.) as well. The demonstration of this statement is illustrated by the following figure 1.

With the decreasing size of municipality in the sense of number of citizens, the unemployment rate with small deviations also increases in the case of the Trenčiansky

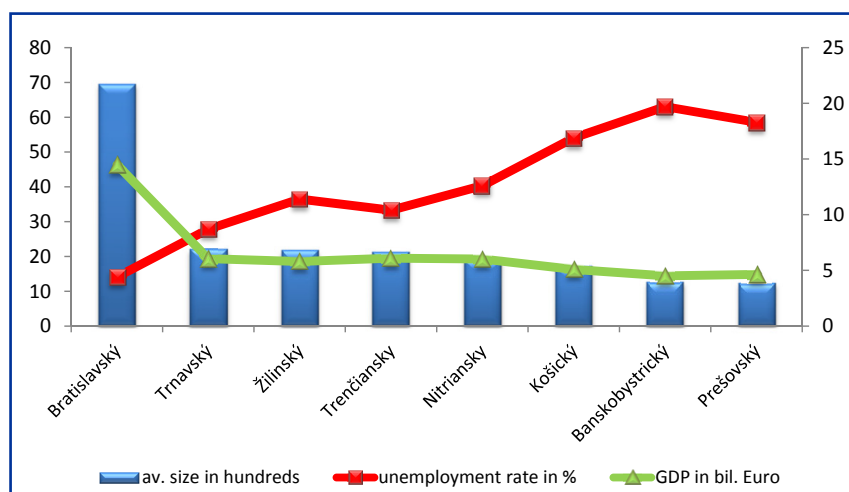


Figure 1 Comparison of the selected indicators with the average amount of citizens per region
Source: own processing based on SO SR, 2014

region. As for the GDP¹, with the decreasing size of municipality, the GDP per region decreases, with small deviation represented by the Žilinský region. In general, we can conclude that there can be identified some relation between the fragmentation of settlements and GDP and unemployment rate.

The institute of intermunicipal cooperation in the conditions of Slovakia was not used by municipalities widely before 2003. The municipalities were not motivated to cooperate. The situation changed by implementation of the Act No 416/2001 Coll. on the transfer of some competencies from state to municipalities and Higher Territorial Units (Act on transfer of competences), which transferred over 300 competences to each local unit with no reference to size. Since every municipality is supposed to execute the same competences, municipalities looked for options to ensure effective and efficient provision of services. The act on transfer of competences stipulates that the municipalities are obliged to perform the transferred competences only in the case that the state provides adequate financial sources. However, as demonstrated

by Nižňanský, (2005) for example in a case of the construction order, before the decentralization, in this field had worked 440 people as state employees. Therefore, it was more than obvious that the state will not support financially professionals in every municipality. Žárska et al. (2010) defines the main aim of the joint municipal offices (JMO): "the main aim of associating into the JMO is to create geographically larger units of local self-government, which will allow higher effectiveness and optimization of provided different public services".

The increase of motivation of municipalities to associate after 2003 was connected with the impact of decentralization of competences. According to Klimovský et al. (2014),

most of the JMO's borders copy the borders of the registered microregions in Slovakia.

Tichý (2005) in his research focused on the differences of behaviour of municipalities in the frame of associating into the joint JMOs. The results of his research indicate that larger municipalities tend to associate less than small municipalities – the formula was proved by calculation of the index of associating and the indexes were compared among the regions with a reference to fragmentation level. The intermunicipal cooperation in Slovakia was a subject to research of the former Commissioner for decentralization (Nižňanský, 2009). In principle, the author mentioned that it is positive that the municipalities started to cooperate and thanks to that more services can be delivered to citizens. More importantly, these services are provided at higher quality. Nevertheless, the author concludes a lot of negative factors which cannot be overseen and which result from the voluntariness principle:

- Amount of performed competences causes a decrease of quality.
- Unwillingness of some municipalities (centres of microregions) to become parts of JMO.
- Problems with properties of JMO.
- The seat of JMO bears higher costs.

Based on the results of the author's research we would like to stress out the absence of legislation in the sense of governing the intermunicipal cooperation and in the

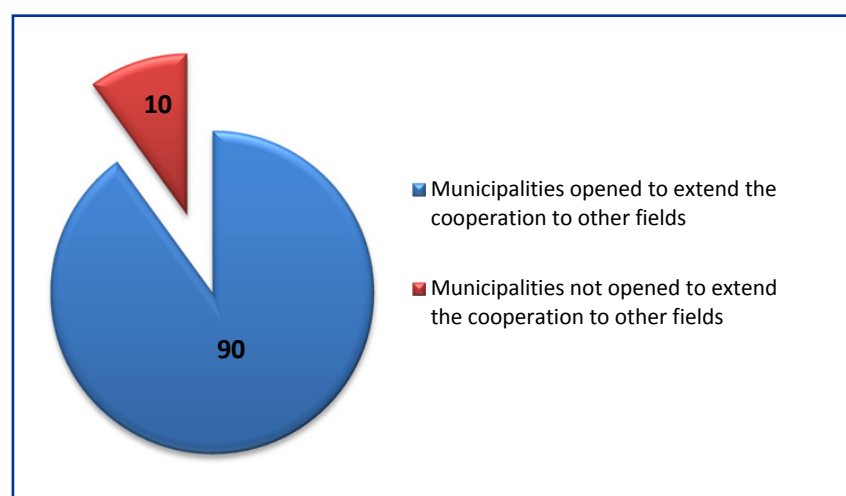


Figure 2 Attitudes of mayors of the Nitra region to extend the intermunicipal cooperation
Source: own processing based on qualitative research

¹ According to OECD: GDP is defined as an aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs)

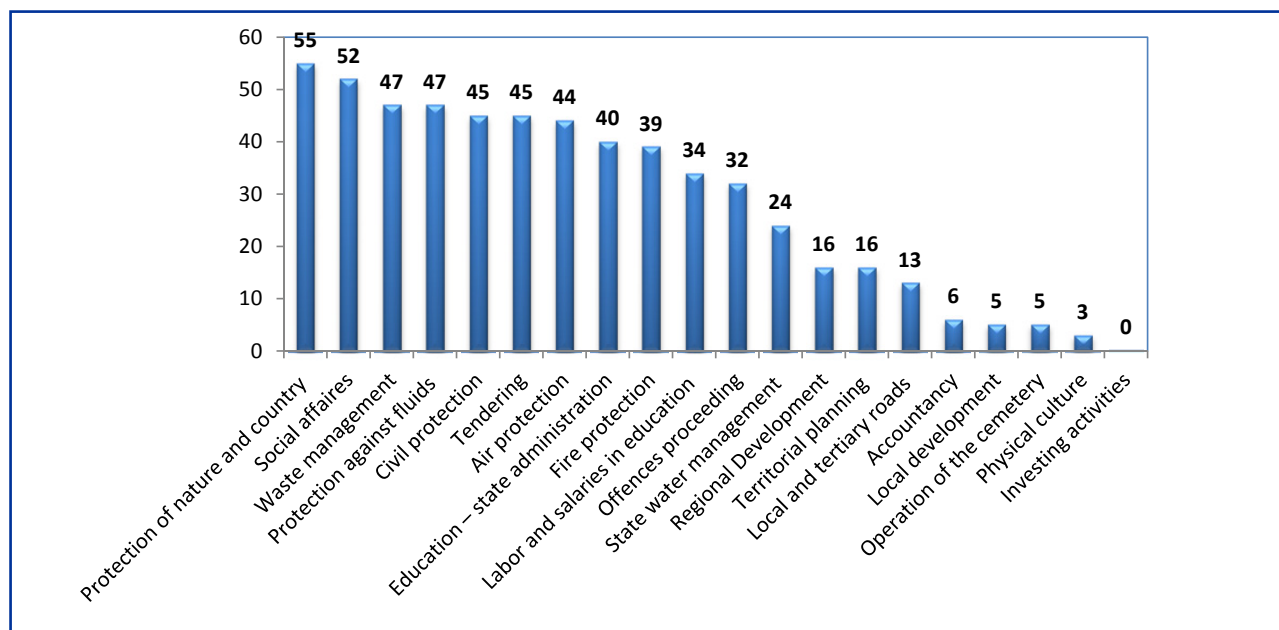


Figure 3 Attitudes of mayors of the Nitra region on areas of future intermunicipal cooperation

Source: own processing based on qualitative research

sense of financial motivation. It is undoubtable that in the conditions of Slovakia the intermunicipal cooperation can serve as a tool for facilitating the delivery of the services. However, from our research realized among the mayors of the municipalities in August 2015 – March 2016 in the Nitra region resulted that small municipalities disagree with the mandatory associating into the JMO. The reason is that these municipalities are afraid of the ascendancy and loss of sovereignty in favour of larger municipalities. On the other hand, the research showed that the larger municipalities would agree with the mandatory associating into the JMO. This way the powers of larger municipalities would extend. The motivation of our research among the mayors was to investigate the attitudes of mayors to extend the intermunicipal cooperation and to extend the areas of possible cooperation in the future. The results are presented by the following figures 1 and 2.

From the figure above it is clear that 90% mayors of the responded municipalities (69 municipalities) are open to extend the cooperation in other fields of competences performance realized by joint municipal offices. These municipalities assume that certain kind of competences require vocational education and municipalities (mainly small once) have limited number of employees (1–2). This way, the professionalism and efficiency of the performance would be increased. 10% of municipalities are not open to extending the cooperation, since the municipality can provide the performance by extracting the companies. We would like to point out that associating into the JMO may create the potential for rivalry and competition between neighbouring municipalities.

Municipalities which were open to extending the cooperation by JMO in other fields (62 municipalities) responded that they would mainly prefer the cooperation in the field of protection of nature and countryside (55%), social affairs (52%) and waste management (47%). The proposal of one of the municipalities to extend the cooperation

in the field of neighbours' disputes and complaints is of importance, too.

Conclusion

The intermunicipal cooperation in Slovakia serves to municipalities as a tool for facilitating the delivery of services. Especially small municipalities, after the decentralization process in 2003, are not able to perform all the competences within their own scope. Intermunicipal cooperation is gaining popularity in many European states since the municipalities keep their identity and sovereignty alike in the amalgamation process. It was proved by many authors that municipalities, involved in the intermunicipal cooperation, benefit from scale economy and we would argue that from higher quality services delivery as well. These statements were proved in a questionnaire survey aimed at mayors of selected municipalities in the Nitra region. They proclaimed that intermunicipal cooperation increases the vocational performance and professionalism of services delivery. We would like to point out the good practices from other European countries. Austria serves as a good example, as municipalities have to associate within a province in order to follow the administrative division and identity of a certain province. Germany stipulated that municipalities with less than 400 citizens shall associate. Maximum size of an association is 10 municipalities and 7 000 inhabitants. Poland motives their municipalities to cooperate by financial benefits. We would like to conclude that undoubtedly, the cooperation among the municipalities does bring a lot of cons, therefore it shall be used as a tool for facilitating the delivery of services in Slovakia. Nevertheless, we suggest keeping the voluntariness principle, except for small municipalities up to 199 citizens. We also suggest motivating the municipalities to cooperate by provision of financial subsidies. Nevertheless, it is important not to overregulate the cooperation. The change must be realized with lots of empathy, since we assume that the mandatory

cooperation could result in an aversion of municipalities and the situation could eventually become worse (experiences from past, before 1989).

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