

DYNAMICS OF ADMINISTRATIVE CAPACITY IN SLOVENIAN MUNICIPAL ADMINISTRATIONS

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A suitable quality level of the main functions and tasks of municipal administrations is a fundamental condition for the existence and development of every activity, not only for market-oriented organisations but also the public sector. Municipalities in Slovenia have not adopted a general policy on quality and it is therefore difficult to speak of the optimisation of work in a municipal administration, the efficiency and rationality of work, cost reduction, nor to evaluate the performance of an administration and the individual civil servants it employs. The authors of this article present the results of an empirical research project on administrative capacity carried out among the directors of Slovenian municipal administrations in both 2007 and 2012 and an analysis of the topic in the context of reorganisation of local administrations. By means of the Administrative Capacity Index (ACI), they evaluate the degrees of individual municipalities' administrative capacities and establish at what size (according to its population) a municipality can be regarded as capable of administration.

1 INTRODUCTION

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

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

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funding for the administration. According to scholars of administration (Vlaj 2004: 254), it is necessary to adapt the administrative organisation of Slovenian municipalities to their size and, considering examples from abroad, to design different models for various sizes of municipalities. Already, the differences between municipal administrations in the country are immense as the number of employees varies from one to almost 600.

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

It is precisely due to this impression of inefficiency that, on one side, there is today worldwide demand for more efficient public expenditure and cost reduction (Chaskim 2001), and that, on the other, the administration faces calls for greater efficiency, more expedient operations and the provision of services that are better quality and more citizen-friendly. In the context of modernisation, the municipal administration should satisfy numerous objectives and, in particular, ensure the better and more efficient organisation of work, economic expenditure (and fundraising intensity), motivate its employees, direct itself towards the citizen, develop the principle of competition among public service providers, achieve the higher quality work, effectiveness and professionalism of the administration, improve public openness and the transparency of work, the informatisation of administrative tasks, efficient joint resolution of matters of a wider scope, efficient co-operation with smaller parts of the municipality and the building of the most positive possible image of the municipality. Local administration is part of the public sector, which in turn is dealing with new challenges. Citizens demand a user-oriented, efficient and effective administration (Svava 1991), while even greater demands come from the municipal council and mayor. Municipal servants and the administration must be market-oriented and have a high degree of autonomy. Based on the example offered by the private sector, the public sector has developed different approaches to the measurement of quality. At the level of state structures and the public sector, in our country and abroad one speaks of the introduction of new public management principles which seek the introduction of entrepreneurial concepts into the public administration. This calls for the introduction of principles of measurement, adaptability, efficiency, effectiveness, coupled with autonomous and high-quality work of the administration (Knafelc 2003: 73). The demands of modern society force the (municipal) administration to search for more efficient approaches to leadership, management and operation and the develop systems for performance monitoring and determining efficiency and effectiveness. The effectiveness of an organisation is

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equalised with the attainment of goals, but otherwise this is a broad term encompassing five key elements (Žurga 2000): (1) effectiveness as goal attainment; (2) efficiency as a comparison between input and outcome; (3) the economy and efficiency of the use of budgetary funds; (4) organisational adaptability to the environment; and (5) effectiveness as the social acceptability of organisational goals and performance.

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

2 MEASURING THE ADMINISTRATIVE CAPACITY OF A LOCAL COMMUNITY

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

The measurement of results and of the attainment of goals is important for various reasons: if results are not measured, success and failure cannot be discerned; if achievements cannot be identified they cannot be rewarded; if failures cannot be recognised nothing can be learnt

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from them; if poor performance cannot be identified then it cannot be improved; if results can be displayed, public support is more easily gained. The basis of establishing whether a system is efficient and effective is the measurement of its performance. Performance measurements have to be introduced at the level of individual employees, both in terms of scope (quantity) as well as quality of the work done, per time unit. Individual processes and their results ought to be defined given that customers – the users of individual results – are both internal and external. Based thereon, one can establish the efficiency and quality of someone’s work, and, through this, the efficiency and effectiveness of an individual organisational unit, the whole organisation and the entire system of the administration. By virtue of the measurement of work results and efficiency, the heads of individual organisational units and/or individual organisation gain an oversight of the qualities and abilities of individual employees and can hence make reasoned decisions as to the allocation of the (most) demanding tasks and projects. The measurement of work performance and efficiency at the individual level has to be coupled with rewarding of the individual’s work, and with funding at the level of an individual organisation or organisational unit.

2.1 The Administrative Capacity of Slovenian Municipal Administrations

Considering that the organisation of the local community, as well as its bodies, their tasks, competencies and responsibilities are stipulated in a legislative act, there is not much ‘room for manoeuvring’ as regards changes in the static part of organisation that can be undertaken without any legislative amendments. Hence, all Slovenian municipalities are more or less (depending on their size) organised according to the same model, with the same names of departments and working posts in their administrations. Nevertheless, it is possible to abandon, at least for the operative part, the otherwise well-rooted bureaucratic or line-of-command organisational structure. In the aftermath of local government and public administration reforms, municipal administration has had less and less ‘bureaucratic’ administrative tasks and ever more tasks of a service enterprise. Accordingly, this demands the introduction of more modern methods of organisation such as project groups and the like. Municipal administration can be organised in accordance with modern organisational theories that include an ever growing number of organisational variables, especially those related to the human factor within organisations. There are many possibilities for changing the municipal administration in the dynamic part of its organisation. In the context of these possibilities, the administrative capacity of local administrations can be measured using various indicators tied to different aspects of the work process, personnel and organisational aspects, the introduction of principles into the municipal administration and to co-operation with other institutions.²

² In order to display the current administrative capacity and capability of Slovenian municipal administrations, we quote the results of two empirical research projects, first *‘Upravljaljska sposobnost in koalicijsko povezovanje v slovenskih občinah’* – *‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’*, which was conducted by the Faculty of Social Sciences in 2007, 118 directors of municipal administration (out of possible 210) agreed to participate in this research; second *‘Upravljaljska sposobnost slovenskih občin’* - *‘Administrative Capacity of Slovenian Municipalities’*, which was conducted by the Faculty of Social Sciences, Centre for the

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Personnel and Organisational Aspects

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

Table 1: Basic Properties of the Organisation of Municipal Administrations (2007)

	Organisation of a MA ³		Sharing of organs of MA	
	(N=)	%	(N=)	%
Unitary MA	91	77.1		
Divisionalised MA	27	22.9		
Total	118	100		
MA with at least one common organ with another municipality			57	48.3
MA has entirely its own organs			61	51.7
Total			118	100

Source: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007).

Data concerning the number of employees was submitted by 111 municipalities in 2007 and 92 municipalities in 2012. These municipalities have an average of just over 24 employees in 2007 and 26.7 employees in 2012 (the standard deviation is a high, 56.7 and 67.7 respectively, entailing a large degree of variation in the number of employees between individual municipalities), whereas the two smallest municipalities employ only one or two persons and the largest one employs 584. Just over one-half of the analysed municipalities had less than 10 employees in 2007 and just over one-half of the analysed municipalities had less than 11.5 employees in 2012 (see Table 2). We can observe that between both surveys (2007, 2012) the number of employees in Slovenian municipal administration actually increased for about 10%, despite the fact that this was the time of global economic crisis that also impacted Slovenian economy.

Table 2: Number of regular employees across Slovenian municipalities

Value	Value	Comment
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Analysis of Administrative-Political Processes and Institutions in 2012, 98 directors of municipal administration (out of possible 211) responded to this research.

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

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	2007	2012	
(N=)	(111)	(92)	
Min	1	2	The lowest number of employees in a municipal administration
Max	555	584	The highest number of employees in a municipal administration
Average Number of Employees per municipal administration	24.15	26.70	
Median	10	11.5	50% of cases of MAs have less employees and 50% of cases of MAs have more employees than the specified number
Modus	4	8	The most frequent number of employees per municipal administration
Standard deviation	56.68	67.68	The variation in the number of employees from the average value

Sources: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007) and Research Project ‘Administrative Capacity of Slovenian Municipalities’ (Faculty of Social Sciences, Centre for the Analysis of Administrative-Political Processes and Institutions 2012).

Approximately three-quarters of the directors of Slovenian municipal administrations (henceforth DMA) expressed their opinion in 2007 that the number of those who are regularly employed by their municipalities is insufficient to perform all the tasks of their administrations; in 2012 survey slight majority (52,6%) of DMA agreed that the number of those who are regularly employed by their municipalities is sufficient. Pearson’s correlation coefficient shows a moderate correlation between the number of employees and the assessment of the (in)sufficiency of the number of those regularly employed (Pearson’s correlation coefficients in 2007 and 2012 were – 0.234 and -0.08). We can also observe that those municipalities with more employees are more likely to state they need additional staff than municipalities with a smaller number of workers. An even stronger correlation existed in 2007 between the numbers of employees and the desired numbers of additional staff (Pearson’s correlation coefficient is 0.338); in 2012 there was no such correlation to be found. Based on statistical significance, we can estimate with 99% probability that those municipalities with more employees more often desire additional staff for the uninterrupted performance of their work than municipalities with lower employee numbers at the outset. We can also observe that trends have in fact changed in the period from 2007 to 2012, as majority of DMA have now expressed their content with the existent number of employees, and minority of DMA that still believe that they actually need some additional staff to perform all tasks of their municipal administrations, now desire smaller numbers of additional employees in comparison with the survey from 2007.

The acquisition of suitable personnel⁴ poses a great challenge to a municipal administration. In this context, the DMA could choose from different options regarding the most common

⁴ As far as the educational structure of staff is concerned, the majority of municipalities (59.5%), predominantly employ civil servants who have finished high school education, followed by 23.3% of municipalities where employees who have finished secondary education prevail, while 17.2% of municipalities have a majority of

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obstacles to the acquisition of suitable staff, whereby multiple answers were possible.⁵ 55.9% of the DMA think the problem of gathering high-quality personnel in municipalities is a consequence of the non-stimulating public sector environment (lower salaries, a less convenient system of promotions etc.), 20.3% add the poor supply of personnel in the labour market and 11.9% offer various other reasons. On the other side, 24.6% of the DMA who answered this question claim they do not have any problems finding staff (see Table 3).

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

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

Source: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007)

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

Apart from the systematisation and organisation of work, it is imperative to suitably reward work results and further stimulate employees so they perform their work tasks more efficiently. This reciprocal relationship should on one side benefit an individual organisation

employees who have finished university education or more. The education structure clearly indicates a relative shortage of highly educated staff in municipal administrations who could be up to the challenges of developing the local environment in the circumstances of very limited, especially financial, resources.

⁵ This question was only raised in survey from 2007.

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as it would attain a greater *output* and, on the other side, it should be beneficial to the personnel as they would obtain additional advantages. Some of these include a variable part of their salary, additional options for education, the granting of a company phone and car and the like. The survey (2007) reveals that a variable part of a salary is offered in 45.8% of Slovenian municipalities as an important incentive, in 71.2% of Slovenian municipalities an element of stimulation is said to be additional education, 39% of municipalities that responded to the survey allow their employees to use company mobile phones and company cars, while 14.4% also use various other forms to encourage greater work quality (see Table 4).

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

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

(N=118) *Source: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007).*

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

The control of the quality of work in the public administration represents an ever more salient element of the very operations of the public administration. It is only suitable control over work quality that enables the effective evaluation of the work done and, as a consequence, leads to suitable rewards on the basis of individuals’ work results. A mere 25.6% (2007) and 23.5% (2012) of municipalities claim they employ different forms of control over municipal administrations’ performance. Of these municipalities, only 16.7% and 17.4% say that quality is assessed on the basis of the ISO standards (see Table 5), and we can observe that none of the different mechanism of quality control is prevalent.

Table 5: Control over the Quality of Work in Slovenian Municipal Administrations

		Yes, we do perform		No, we don’t perform anything	
		(N=)	%	(N=)	%
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Do you perform any form of quality control in your municipal administration and what kind is it? – 2007	(30)	25.6	(87)	74.4
Do you perform any form of quality control in your municipal administration and what kind is it? – 2012	(23)	23.5	(75)	76.5

ISO standard (2007)	(5)	16.7
CAF (2007)	(10)	33.3
Other (2007)	(10)	33.3
Don't perform, Don't know (2007)	(5)	16.7
Total (2007)	(30)	100
ISO standard (2012)	(4)	17.4
CAF (2012)	(3)	13.0
Quality Barometer (2012)	(0)	0
Other (2012)	(16)	69.6
Total (2012)	(23)	100

Sources: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007) and Research Project ‘Administrative capacity of Slovenian municipalities’ (Faculty of social sciences, Centre for the Analysis of Administrative-Political Processes and Institutions 2012).

In a period of intensive informatisation at all levels of societal life which aims at facilitating the everyday life of both an individual and work processes, municipal administrations are no exception when it comes to the adaptation and use of information technologies and tools. However, only 33.9% (2007) and 48.9% (2012) of Slovenian municipalities use information and organisation software systems to assist in the organisation of work in their administrations. Among the different software packs available at the market, the most frequently used is the SAOP, (18.9% and 23.4% of municipalities, respectively), followed by the SAP, Vasco, Birokrat and other software packs with less than 10% share. 65.8% (2007) and 87.2% (2012) of municipalities say they use other software, which may lead us to conclude that they use the most fundamental software such as the MS Office pack. In sum, we can conclude that the above described state of work organisation is not very encouraging, but we can also observe some positive trends when comparing results from 2007 and 2012 surveys.

Another important element of the informatisation of administrative processes, this time in relation to users, is the use of electronic mail for communication with customers. According to the survey⁶ results, 46.6% of municipal administrations regularly use e-mail to communicate with citizens, 48.5% use it occasionally and 5.1% of municipalities do not use e-mail in order to communicate with citizens.

The Introduction of Entrepreneurial Principles into the Municipal Administration

⁶ This question was only raised in survey from 2007.

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The aforementioned introduction of entrepreneurial principles into municipal administration has, apart from concrete objective aspects, an important subjective component of the attitudes of the DMA to different aspects of the introduction of entrepreneurial principles. The DMA generally agree with the statement that the way in which work is performed in the municipal administration has to be adapted to entrepreneurial principles, yet relatively high individual deviations can also be detected. The DMA are a little less inclined to the idea that the execution of public services should be left to the private sector. A high level of agreement persists among DMA regarding the statement that the leadership of municipal administrations should dedicate more time to their employees; the same is true of the statement that the leading personnel in municipal administrations should pay more attention to developing their own managerial abilities (see Table 6).

In survey conducted in 2007 DMA agree strongly that they must be independent in their decision-making and that expert decisions must not be affected by any political influence. Also, in both surveys conducted in 2007 and 2012 they quite uniformly agree that the introduction of competition would contribute to greater operational efficiency. However, when estimating the possibility of handing over the provision of services to the private sector one could say that the DMA see mutual competition within the public sector as the more appropriate form of competition than the actual ceding of services to the market. The DMA also express a relatively high level of agreement with the statement that the work of municipal administrations’ employees should be precisely stipulated by legislative and sub-legislative acts. Interestingly, they agree the most that employees of the municipal administration must act to the benefit of residents, indicating an awareness of the importance of bringing their services closer to users. Also, they partly agree that users/residents should have a decisive influence on the definition of work results. Answers to the questionnaire indicate that respondents agree in part that users’ needs must be defined according to predetermined methods and that services should be suited to their needs as much as possible. The DMA partly agree that a user’s satisfaction with a service is a more important criterion of their success than the revenue a municipal administration creates by performing its services. Partial agreement can also be found as regards the need to know the costs of every service provided, whereas the degree of agreement is somewhat less as to whether a system for the quality monitoring of the municipal administration’s work should necessarily be set out in written form.

Table 6: Attitudes to Introducing Entrepreneurial Principles into the MA’s Work

	2007 Arithmetical Mean of Answer	Standard deviation	2012 Arithmetical Mean of Answer	Standard deviation
The way the municipal administration operates must be adapted to entrepreneurial principles as far as possible.	2.88	0.804	3.15	0.747
Operative execution of services should be left to the private sector to the greatest extent possible.	2.32	0.849	2.27	0.870
The superiors must dedicate more time to working with employees.	3.35	0.686	3.35	0.681
The superiors must pay significant attention to the growth of their managerial abilities.	3.47	0.794	3.51	0.615

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The director of the administration has to be independent as regards decisions within his/her jurisdiction.	3.61	0.601	-	-
Expert decisions must be free of the influence of politics.	3.85	0.406	-	-
The introduction of competition into the municipal administration’s operations would help increase the employees’ work efficiency.	2.92	0.822	3.06	0.868
The work of employees within the municipal administration has to be precisely set out in legislative and sub-legislative acts.	3.34	0.722	-	-
The motto of conduct of the municipal administration’s employees must be ‘to the benefit of residents’.	3.85	0.400	-	-
The expected work results have to be clearly defined in advance.	3.48	0.581	-	-
Service users must have a decisive influence on the definition of results.	3.01	0.625	2.66	0.738
The exceeding of results has to be additionally rewarded.	3.79	0.452	3.71	0.521
The determination of service users’ needs must be based on predefined working methods.	3.15	0.567	3.05	0.649
Services ought to be suited to the individual’s needs.	3.03	0.656	2.86	0.829
User satisfaction has to represent the criterion of the effectiveness of the work of employees in a municipal administration.	3.35	0.686	3.27	0.703
The income created by individual units or sections of a municipal administration must not be a criterion of their operation’s effectiveness.	3.12	0.863	3.22	0.757
One has to know the actual costs of every service of a municipal administration.	3.23	0.770	3.34	0.693
There should be a system of quality monitoring defined in written form for services performed by municipal administrations.	2.99	0.778	2.95	0.855
Co-operation among municipal administrations is critical to the success of their operations.	3.16	0.705	3.67	0.516
Teamwork is the most suitable way of working in a municipal administration.	3.55	0.565	3.44	0.596
The state has to delegate powers for the provision of services to local communities.	3.05	0.881	2.93	0.861
Employees in constant contact with users must participate in decision-making on important matters.	3.34	0.707	3.24	0.680
If services were provided by the free market, the style of employees’ work in municipal administrations would have to be fundamentally altered.	3.12	0.763	-	-
The way a municipal administration works ought to be directed to the provision of resources for its own operations.	2.41	0.921	-	-
The services performed by a municipal administration should be subject to the style of work seen in the private sector.	2.36	0.876	2.84	0.759

* A measuring scale of 1-4, whereby the value 1 entails ‘completely disagree’ and 4 stands for ‘completely agree’.
 Sources: *Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007)* and *Research Project ‘Administrative capacity of Slovenian municipalities’ (Faculty of social sciences, Centre for the Analysis of Administrative-Political Processes and Institutions 2012)*.

Generally, the DMA agree that, in order to ensure successful operations, every municipal administration must co-operate with other municipal administrations. At the same time, they support the idea that those employees in constant contact with users should take part in

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decision-making on important matters to a greater extent. Equally, the DMA agree that the state should delegate more competencies for service provision to local communities.

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

Cooperation with Other Local Communities⁷

Because of the fragmentation of Slovenian municipalities, inter-municipal co-operation at various levels is the key to the co-ordinated development of a wider local environment. The great importance of cooperation is also indicated by the fact that 97.5% of municipalities that answered the question on cooperation with their neighbouring counterparts indeed undertake such cooperation. Most municipalities (75.2%) cooperate in the provision of a suitable public utilities infrastructure, followed by health services (59.3%), road network (50.4%), organisation of organs of joint municipal administration (46.9%); 36.3% of the municipalities also cooperate in the provision of primary and kindergarten education while 15.9% of municipalities cooperate in various other fields (see Table 7).

Table 7: Cooperation of Municipalities with Neighbouring Municipalities (Multiple Answers Possible)

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

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

(N=118) Source: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007).

Municipal administrations of different sizes and qualifications can offer assistance to each other in various ways, e.g. by performing another municipal administration’s tasks in those

⁷ Questions regarding the cooperation with other local communities were only raised in 2007 survey.

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fields where one municipal administration has sufficient staff and expertise capabilities and the other lacks such the requisite capacities to perform normally in a certain field. Such a form of cooperation is carried out by 43.1% of the 116 municipal administrations that responded to this question. Among these, the biggest share (38.8%) concern the performance of inspection controls, while in 36.7% of cases the cooperation is about the joint provision of public services, 22.4% of municipalities assist other municipalities with personnel training, 4.1% cooperate in the introduction of quality control, whereas 22.4% of municipalities offer assistance in various other matters (Table 8).

Table 8: Offering Assistance to other MAs (Multiple Answers Possible)

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

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

(N=116) Source: Research Project ‘Administrative Capacity and Coalition-Building within Slovenian Municipalities’ (Faculty of Social Sciences 2007).

2.2 Administrative Capacity and Size of the Municipal Administration

As already stated, how the local community is organised is prescribed by the law (as well as its administrative bodies, their tasks, competencies and responsibilities) so there is little room for manoeuvre in changing the static part of the organisation, provided there are no legislative amendments. Regarding the fairly high degree of variety (in terms of their size and average number of inhabitants) of Slovenian municipalities, the performance of more or less the same tasks proves exceptionally difficult for the small municipalities and precludes the larger ones from creatively shaping the local environment. Given the 2012 average of 26.7 civil servants per a municipal administration and less than 11.5 employees in over half the municipalities, one can clearly see that some municipalities find it far more difficult to provide for the performance of administrative tasks. Evidently, a municipality’s size and its administrative capacity are correlated. In order to show this correlation, let us first assess the administrative capacity of an individual municipal administration. The degree of administrative capacity can be determined with the help of the *Administrative Capacity Index*, the *ACI* (in Slovenian, *indeks upravljaljske sposobnosti, IUS*), which is composed of six indicators:

- *1st indicator*: the number of regularly employees is sufficient for the performance of all tasks of a municipal administration;

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- *2nd indicator:* quality control is performed within a municipal administration;
- *3rd indicator:* a municipal administration employs informational and organisational software systems in the organisation of its work;
- *4th indicator:* municipal administration in the process of providing public services includes users;
- *5th indicator:* municipal administration has pre-defined objectives and expected operating results of the work;
- *6th indicator:* municipality has sufficient financial resources available to ensure all statutory duties.

A municipal administration that positively answered up to two indicators has a low level of administrative capacity; an administration with three to four positive answers has a medium level of administrative capacity; and a municipal administration with five or six positive answers has a high level of administrative capacity. We established that over half the analysed municipalities (55.1%) have a medium level of administrative capacity and almost a third (27.6%) have a low level of administrative capacity. Only 17.3% of Slovenian municipalities have a high degree of administrative capacity.

Table 9: Size of a Municipality and Degree of Administrative Capacity (%)

Municipality Size (number of inhabitants)	Degree of Administrative Capacity (in %)			
	Low	Medium	High	Total
Up to 2.000	33.3	66.7	0	100
2.001 – 5.000	34.1	54.5	11.4	100
5.001 – 10.000	33.3	52.4	14.3	100
10.001 – 20.000	11.8	47.1	41.2	100
Above 20.000	0	75.0	25.0	100

Source: Research Project ‘Administrative capacity of Slovenian municipalities’ (Faculty of social sciences, Centre for the Analysis of Administrative-Political Processes and Institutions 2012); N=98.

If the levels of administrative capacity are compared with the sizes of municipalities (according to the number of inhabitants), a conclusion can be drawn that small and also medium municipalities (with up to 10.000 inhabitants) tend to have either a medium or a lower level of administrative capacity, and larger ones (with more than 10.000 inhabitants) have a middle to high level of administrative capacity (Table 9). The limit at which a relatively low administrative capacity turns into a medium to high administrative capacity can be set to 10.000 inhabitants, which is also the number very close to the average Slovenian municipality⁸ in terms of population. Very small municipalities (with less than 5.000 inhabitants) prove to be especially problematic in this respect as 90% of them show a low or medium level of administrative capacity. It is interesting to note that in group of

⁸ Average Slovenian municipality had 9720 inhabitants in 2011 according to the National Statistical Office data.

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municipalities with over 20.000 inhabitants we didn't find single municipality with low level of administrative capacity.

3 CONCLUSIONS

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

Based on the collected and presented data we may conclude that Slovenian municipal administrations are still very slightly understaffed since the number of current employees does not suit the range of tasks they have to perform, whereby municipalities are aware of the limited employment prospects. They primarily see the problem of gathering new personnel in the light of public sector employment. Municipal administrations use reward methods that are not necessarily stimulative and, in the vast majority of cases, do not control performance quality. The use of modern organisational and administrative tools in Slovenian municipal administrations has not yet become permanent feature of majority of municipalities, while communication with citizens with the use of e-tools is slowly starting to become a standard. DMA favour a greater level of autonomy of their administrations from politics within a municipality and the enhancement of their work independence in relation to the mayor. The sole entrepreneurial principle seen to emerge is the consideration of citizens' suggestions in the management of a municipality as the directors hold on to the classical bureaucratic stance on other issues. Municipalities generally co-operate with their neighbouring counterparts, especially in the areas of traffic and public utilities infrastructure that often demand co-ordination simply because of their nature. Less than one-half of the municipal administrations offer other municipalities some sort of assistance, especially in the areas of inspection controls and the joint performance of public services. In addition, the relatively limited administrative capacity of smaller municipalities, especially those under 5000 inhabitants, supports those who are critical of Slovenian municipalities' fragmentation.

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The smaller the municipalities are the lower is the probability that their municipal administrations could operate in an uninterrupted fashion, which would enable the fulfilment of citizens’ needs and implementation of local public policies. After all, it may not be a coincidence that 5000 inhabitants is the limit set by the legislature for a new municipality to be established.

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