

Local governments and institutions in regional policy – regional overview

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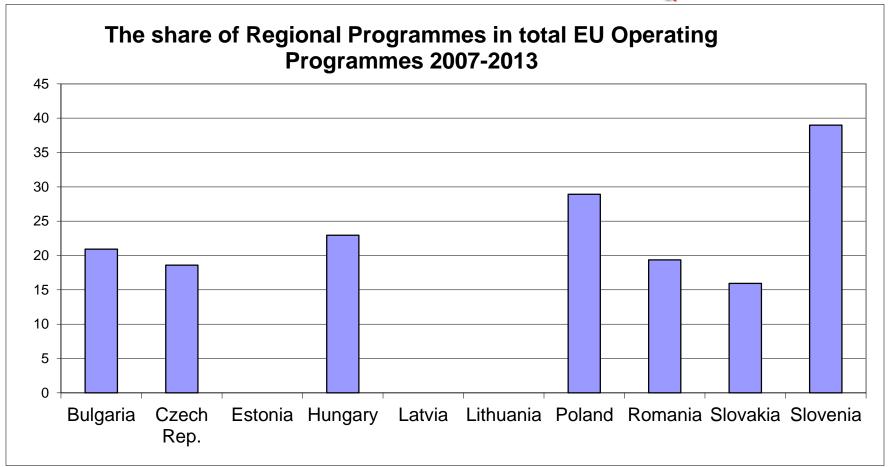


Institutional conditions for sub-national governments to play a role in regional policies

- Functional decentralization
- Financial decentralization
- Territorial arrangements fitting with functions and finance

- But not only institutions
 - Culture matters (social capital as an example of cultural factor)





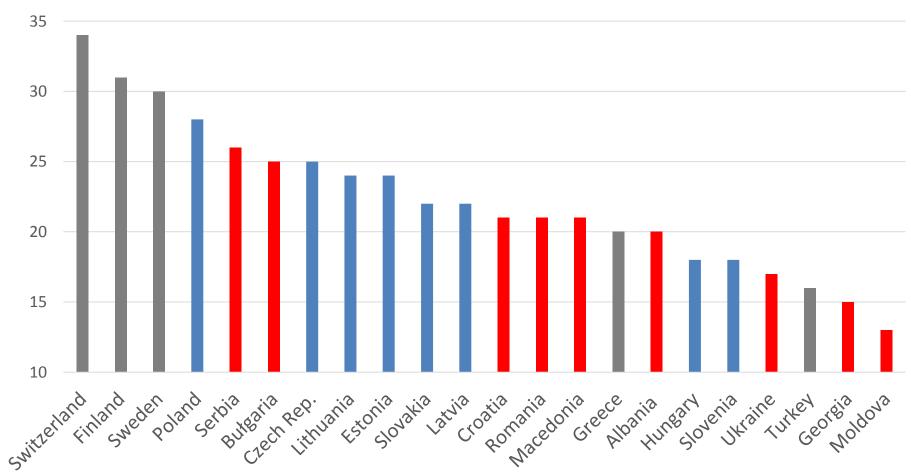
Implementing institutions:

- Elected regional government Poland
- Special purpose institutions Czech Rep., Hungary, Slovakia
- IROP Bulgaria, Romania
- Single regional programme, implemented by central government Slovenia



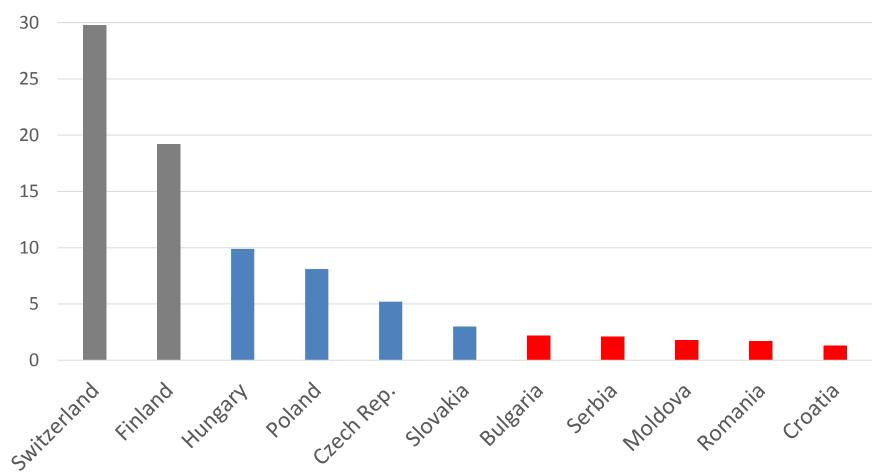
Local Autonomy Index (2014 tentative values)

LAI 2014 (draft)



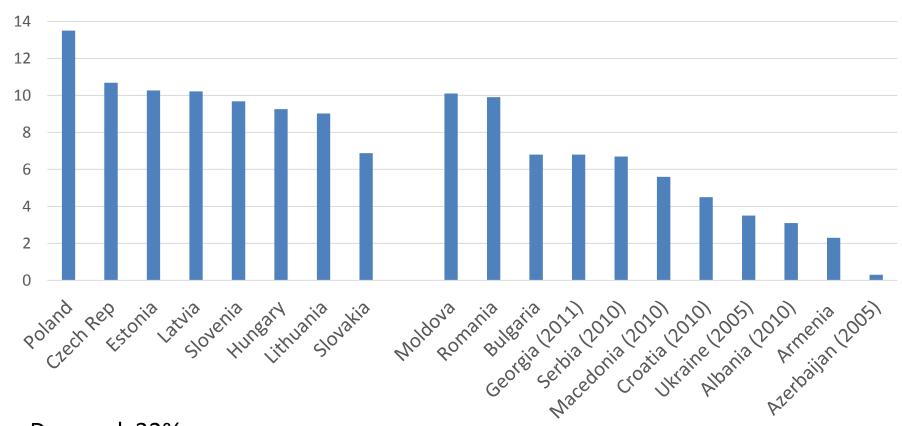


Ivanya & Shah (2012) decentralization index





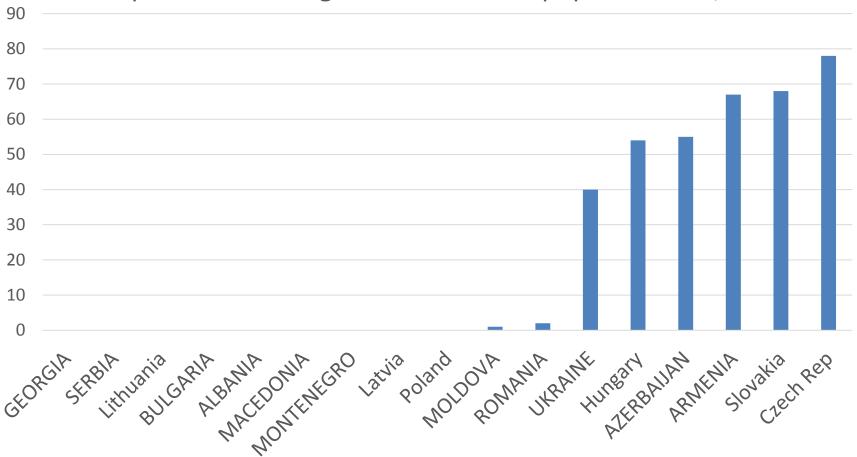
Local government spending as proportion of GDP



Denmark 32% Sweden 25% Switzerland 21%

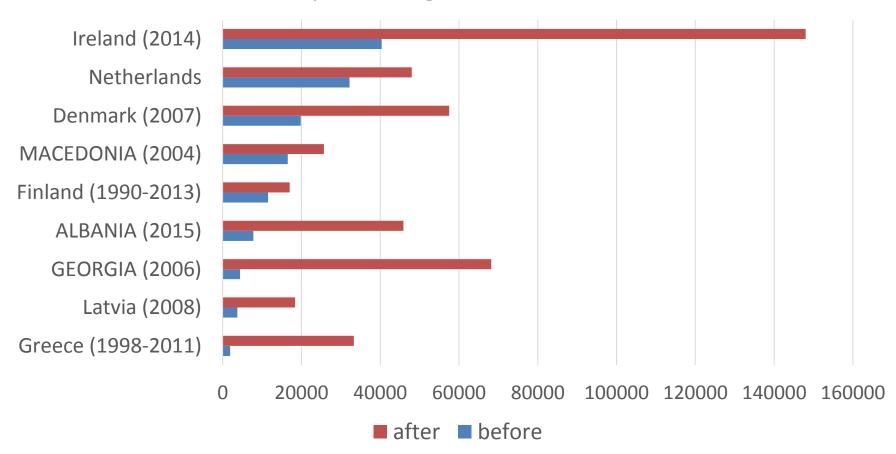


Proportion of local governments with population < 1,000





Mean population size of municipal governments in countries experiencing recent territorial reforms





Challenges and conditions of the successful territorial reform

- One step top-down or two-steps with semi-voluntary phase?
 - Trust in stable policy and determination in the implementation
 - Consensual versus majoritatian political culture
 - High level of bridging social capital among political elites and local communities
 - High level of local autonomy which helps local governments to realize that performance challenges cannot be met without a change,
 - Clear incentives for the change
- Searching for a political consensus since very beginning of the reform design process
- Integration of territorial, functional and financial reforms
- Using "window of political opportunity"



IMC as viable alternative for territorial reform?

- Indeed, in some countries main motive of IMC (Slovakia, Slovenia, Hungary)
- Necessary incentives
 - Functional
 - Financial
 - EU funds as an incentive
- Clear legal framework
- Transparency and accountability issues (democratic deficit)
- Cooperative culture



Development funds management and the vicious circle of mistrust

