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Changing Decision-Making Power of Municipal Leaders

Comparative Experiences from Finnish,
Spanish and Slovak Municipalities



ACADEMIC DISSERTATION

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In Tampere, 6th June 2012

Abstract

One of the main objectives of European policy-makers at the local level is to achieve an efficient and effective delivery of public services within the democratic system. In order to accomplish this, New Public Management (NPM) suggests executing a set of reforms focusing on three areas: implementation of generic managerial tools; empowerment of municipal managers responsible for appropriate usage of those tools; and involvement of other public or private actors in the implementation of service delivery. In addition, it requires that municipal leaders search for new co-operative practices, which are usually theoretically discussed within the concept of Governance. Application of all of these reforms leads to a new distribution of powers between politicians and civil servants, this means that leaders' decision-making power is changing.

The intention of this doctoral dissertation, is to contribute to academic knowledge by investigating how municipal leaders – elected Mayors and Chief Executive Officers (CEOs) – in three different European countries perceive their decision-making power (DMP) and how they think this power has changed due to the impact of recent local government reform directions of NPM and Governance. Knowing how municipal leaders perceive these changes in their powers is a valuable source of information for policymakers and scholars who wish to evaluate the impact of current local government reforms on municipal performance.

For fulfilling the purpose of this research project, at first, I defined DMP as an actor's capacity to make decisions by influencing other actors involved in the collective decision-making process. This definition allowed me to create a Decision-Making Power Matrix, which develops four ideal types of DMPs: Absolut DMP, Facilitative DMP, Expert DMP, and Ceremonial DMP. This Matrix is based on a combination of formal and informal powers used by local leaders. In order to indicate, which type of DMP is used by studied leaders, firstly I conducted a historical institutional analysis of case countries for determining leaders' formal powers. Secondly, I conducted a qualitative cross-cultural comparative research in studied countries for obtaining leaders perceptions about their own (changing) DMP and for determining leaders' informal powers.

A realistic approach to the interview data, and the application of the triangulation method, led me to make the following conclusions. The majority of Slovak and some Spanish Mayors perceived the term DMP from the positional point of view, which, especially among the Slovak respondents, causes feelings of great responsibility. The majority of Finnish and some Spanish Mayors perceived DMP from the personal ability point of view, which causes feelings of honour (among the Spanish Mayors) or neutral feelings (among the Finnish Mayors). The studied CEOs perceived DMP from both points of view without clear country specifications.

The NPM developmental trend had a positive impact on those Slovak Mayors, who act with Absolute DMP, and those Spanish Mayors who act with Ceremonial DMP. Those Spanish and Slovak CEOs who act with Facilitative and Expert DMP also perceived that their DMP was positively affected by NPM. Governance practices affected some Finnish CEOs, who act with Expert DMP. Other respondents claimed that NPM or Governance development trends did not have any impact on their changing DMP. All these perceptions are dependent on several factors, but the main factors were the institutional system, shared cultural values and interpersonal relations between political and administrative leaders.

Key words: Decision-making power, Decision-Making Power Matrix, local government, NPM, Governance, politico-administrative relations.

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List of Acronyms

CEE - Central Eastern Europe

CEO - Chief Executive Officer

DMP - Decision-Making Power

EU - European Union

GT - Grounded Theory

LGA - Local Government Act

NPM - New Public Management

PDM - Participative Decision-Making

1. Introduction

1.1. The Purpose of the Study

This dissertation thesis is about the changing decision-making power of Finnish, Spanish and Slovak municipal political and administrative leaders. I am studying this topic at a time when European local governments have experienced more than 20 years of reforms aimed at improving the efficiency and effectiveness of public service delivery, as well as improving the democratic legitimacy of public decisions. These goals have been, in most cases, conducted by applying the tools of New Public Management (NPM) and Governance development trends. One of the main contributions of the implementation of NPM practices is to emphasise the importance of managerial powers within the local governments and separate politics from management. This focus on managerialism leads to the strengthening of the position of city managers, who are supposed to be professionals in the management of municipal offices and the provision of services. Concurrently, the democratisation of local governments, which is fostered by the decentralisation of powers, calls for stronger political leaders. By the decentralisation of powers, I mean the following: bringing more external actors to the municipal decision-making and maintaining the networks and partnerships with various stakeholders, such as other governmental organs, private companies, or non-governmental organisations. This cooperation is needed in order to assure an efficient and effective service delivery in very complex and demanding circumstances. Therefore, political leaders are expected to possess a capacity to do cooperative politics, in the realm of network Governance.

It is known, that leaders perceive and consequently implement these practices in quite different ways. In some municipalities, the implementation of modern management practices is very successful. Whilst for some other municipalities, the usage of these tools is not familiar. One of the explanations for such differences can be found in the existence of different institutional systems within which the local leaders operate. Traditionally, European countries are often divided into five state administration traditions containing Nordic, Anglo-Saxon, Continental (Germanic), Napoleonic (Mediterranean), and Transition (Central-Eastern European) countries.

For the Continental and Napoleonic tradition, it is typical that the nation-state is united, the state serves the general interests, the administration is centralized, hierarchical, uniform, accountable and controlled, and the state officials are trained and highly qualified (especially in public law) (Kickert, 2008, Peters, 2000a). One of the main differences in these two legalistic traditions is that in the Germanic model, the strong bureaucracy, equally and fairly applied to all state subjects, was applied by strong emperor with absolute powers. On the other hand, in the Napoleonic tradition, the principle of legality was the expression of the general will (*volonté general*) of the people established via parliamentary democracy (Kickert, 2008). Another important differences, is that the Germanic tradition permits, or even encourages, federal solutions, whereas the Napoleonic tradition relies more on the direct imposition of central state authority over its citizens (Peters, 2000a). The best representatives of these two traditions are Germany, respectively France. The Mediterranean states, such as Portugal, Greece or Spain, were also strongly affected by the Napoleonic legalistic system. However, “political control of administration, relations between politicians and bureaucrats, political nominations of officials, party patronage and clientelism, fundamentally differ from the political practice that in the rest of Western Europe” (Kickert, 2008, p.226). Nevertheless, these systems apply strong legalism and formalism, as a counter-balance against political interference, which, in a consequence, are the main reasons for rigidity and inefficiency of Southern bureaucracies.

On the contrary, the Anglo-Saxon/Anglo-American tradition is an antithesis to the Germanic tradition. As Peters (2000a) commented, “the state commonly is conceptualized as arising from a contract among members of society. The boundaries between state and society are therefore more distinct, and perhaps more flexible and bargainable”. Importantly, the civil service is not assigned a constitutional role, and tends to be subject to structural changes produced by the government of the day (Hood 1990; Aucoin 1990, Scott, Bushnell and Sallee 1990 quoted in Peters, 2000a). The strict politico-administrative dichotomy is prominent in a good deal of thinking about governance in the Anglo-American tradition. However, possible bureaucratic dominance of public policy has been most salient in the Anglo-American democracies (Peters, 2000a).

The Nordic tradition has been influenced by both, the Anglo-Saxon and Germanic traditions. All the Nordic states, Denmark, Sweden, Norway, and Finland, have extensive commitments to the social and economic well-being of their populations. This means, in turn, that even if the state is strongly decentralized, it also has extensive responsibilities as well as extensive rights as it deals with those populations. These rights are political as well as social and economic, so that there is a strong participative ethic in the society and government (SOU 1992 quoted in Peters, 2000a). In line with mentioned, the welfare sector is large, social rights of citizens are basic, most public services are provided by the state, and Social-democratic, egalitarian values dominate (Arter 1999; Elder et al 1982; Heidar 2004 quoted in Kickert, 2008). The Nordic states are the best examples of the model of consensual and corporatist democracy where compromise, co-operation and consensus are its characteristics.

Finally, the Transition countries represent, perhaps the biggest and the most heterogeneous group of countries of the Central-Eastern Europe (CEE) region. They share a common history during the communist regime, fostered by strong centralization, homogenous state authority (Illner, 1998), restriction of private ownership in the realm of socialistic values. This means that no contradictions could, by definition, arise between the “real” interests of the state and the interests of its state subsystems because they were all supposed to express the interests of the working class (Illner, 1998). However, in the actual practice, the state centralization was not as strict as one expected. The centralist command system often fell into a client-based structure. The bureaucratic system of vertical subordination was ineffective and degenerated into a system of networking and negotiation where lines of personal influence and negotiating skills played an important role (Coulson 1995b, 9 quoted by Illner, 1999 p.12). After the fall of communism, countries of the CEE region experienced strong process of regime transformation by following the patterns of the old democratic Western states. This transformation cause new differentiations of countries in the CEE region.

All these different traditions of state administration affected also a creation of different models of local governments. In the Nordic countries, local governments play a crucial autonomous role in assuring and managing public services. Also, their

political leadership is shared, and there is a strong focus on managerialism. In Southern Europe, the local governments do not benefit from a large amount of freedom in providing public services, they emphasise individualised political leadership, and managerialism is only slowly recognised. Assumably, countries in the geographical centre provide a mixture of both approaches. The local governments are rather small, but they have more decentralised responsibilities, thus the managerialism needs to be applied. However, strong political leadership also plays a crucial role in this region.

The case countries studied in this research project are representatives of three of these traditions: Finland – Nordic, Spain – Southern-European, and Slovakia – Transition or Central Eastern European.

Despite the differences in the studied countries, the current trends of globalisation, Europeanisation and internationalisation have caused the consolidation of rules and norms in the local governments. For this reason also, all of these countries have been, more or less, influenced by the above-mentioned development trends of NPM and Governance. The extent and direction of this development, however, is not as uniform and straightforward as many would wish for. Instead, the interpretation and implementation of these reforms is rather country-specific. Already at the beginning of the millennium, in his comparative study Peter John (2001) concluded, “There is no uniform pattern [in the reform development]. There is a massive variety of political arrangements and practices across and between local political systems in the first place; flexibility, networks and fragmentation compound the variations,” (p.175).

Nevertheless, it is possible that the first decade of the 21st century already brought bigger approximation of these systems. The discussions about “new” democratic and economic principles have been on-going for a relatively long time, giving a chance to policy-makers internalised with those values. The level of understanding of these values and their consequent implementation to local government systems, became similar among the European countries. One example, is the spread of the adoption of direct mayoral elections and the empowerment of the individual political leadership in countries with a tradition in performing more collective political leadership. England, Wales, Germany, Poland, Norway, and Ireland

(Klimovský, 2009) provide good examples of the phenomena. Another example is an intensive – either legislatively legitimatised or mimetically adopted – usage of generic managerial practices, such as Management by Objectives, customer orientation, or the de-politicisation of public management throughout the European countries. Both of these examples bring additional powers to political and administrative leaders, and such powers can be used for supporting their proposals in the municipal decision-making process. But how do local leaders from different countries perceive these external changes in reflection to their ability to influence the run of the municipal development? What is the perceived dynamic of, or shifts between, the politico-administrative power relations in different countries?

Knowing, whether the local leaders during last 10 years have reconciled to their changing roles in municipal decision-making could help the (European) reformers and scholars to tailor the mechanisms and content of the reforms to particular local conditions. Answers to these questions could also show whether the local government reforms have fostered the “ideal” strict politico-administrative dichotomy (politicians setting directions and administrators implementing them) in the reformed municipal organisational structures, or the complementarity or dominance of one of the roles prevails.

1.1.2 Institutional Theory

The explanation, why the institutional traditions play so significant role in the leaders' perception of new development trends, can be found in the institutional theory. According to this theory, the exogenous or indigenous factors transforming the institutional systems cause changes in the behaviour of actors operating within those systems. This is because, as Scott (1993, 2001) explained, institutions consist of cognitive, normative and regulative (constitutional) structures (pillars) and activities that provide stability and meanings to social behaviour. Those three pillars are the main means providing legitimacy for the institutions. The normative pillar involves social obligations, norms and values. The regulative pillar emphasises the rules setting and sanctions. Finally, the cognitive-cultural pillar involves symbols, beliefs, and social identities. Regulative legitimacy comes from following the rules;

normative legitimacy develops through complying with internalised morals; cognitive legitimacy evolves from doing things the way they have always been done (Scott, 1995, p. 33). The current local government reforms driven by decentralisation, democratisation, NPM and Governance directly affected the regulative and normative pillars. It is relatively common and easy to set new rules and apply new sanctions, which would be in line with the expected outcomes. However, the cognitive pillars, and corresponding legitimacies, change quite slowly (see Hofstede, 2009). The expected outcomes of the new institutional system might not materialise immediately. The perceptions about what is right and what is wrong, and what is the leaders' new position in the changing society are very hard to change from one day to another. Therefore, there might be an inconsistency between those three abstract pillars at a certain period of time.

In addition, the identification with the new institutions can be affected also by the way in which these new systems were created. According to DiMaggio and Powell (1983), the process of institutional reproduction follows three basic directions: coercive, normative and mimetic. Coercive factors involve political pressures and the force of the state, providing regulatory oversight and control; normative factors stem from the potent influence of the professions and the role of education; mimetic forces draw on habitual, taken-for-granted responses to circumstances of uncertainty (Powell, 2007, p.2). Hence, if the local government reforms have mostly coercive character, the local leaders' response to the new system might not bring the expected outcomes due to lack of commitment and personal identification with new circumstances. If those reforms follow the normative factors, the local leaders' commitment to a new system might be higher, however, the process of achieving the change requires more time. Finally, the mimetic reproduction might provide the biggest commitment and identification in particular local governments, since it has a bottom-up drive; however, the lack of control and coordination in this process from the central state might cause inequalities in the overall public administration system.

Based on these theoretical assumptions, I expect that due to recent local government reforms (affecting the role of local governments and decision-making powers of their representatives both in the coercive and normative way) the behaviour and the value system of political and administrative leaders related to their new powers must

have changed. How intensive is this change at a certain period of time and what are the differences in those changes in different countries in reflection to the politico-administrative relations is a task for a further investigation.

1.2 Research Question

Taking the previous discussion as a starting point, the purpose of this research project is to find a new perspective on (and produce additional knowledge of) the impacts of local government reforms on leaders' perceived ability to influence the running of the municipality in the reformed environment. This perspective consequently opens the door for a discussion about the changing politico-administrative relations in local governments. As this rather broad topic offers plenty of curious research options, I narrowed the focus down to the following research question:

- **How Mayors (political leaders), and CEOs (administrative leaders) in three different European countries perceive their decision-making power (DMP) and how it changed due to impact of different institutional factors, especially recent local government reform directions of NPM and Governance?**

I intend to achieve the comparative aspect of the main research question by providing answers on the following sub-question:

1. What are the main differences and similarities in the perceptions of changing decision-making power of Mayors and CEOs in selected countries?

In order to be able to interpret respondents' opinions about their various perceptions of (not) changing decision-making power, it is essential to know also the environment within which they perform their public duties. For that reason, by following the contingency approach, I supported the main research question by four additional sub-questions:

2. What is the institutional (central-local and intragovernmental relations) and cultural (value system) context within which selected Mayors and CEOs operate?
3. What are the decision-making powers these systems provide to selected Mayors and CEOs?
4. How (and if ever) has the institutional context changed during the last 10 years due to NPM and Governance development trends?
5. What particular shifts are happening in the decision-making power of selected Mayors and CEOs in accordance to the emergence of NPM and Governance development trends?

1.3 Why Study the Changing Decision-Making Power of Leaders from the Qualitative Comparative Perspective?

Changing decision-making power of local leaders caused by recent local government reforms has not been a very common topic among public administration scholars. A large number of studies have focused on 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 (Peters, 2001; Drechsler, 2005; Nemeč, 2010). There are several studies about the consequences of reforms on political leadership, yet they focus only on the effects of direct Mayoral election (Wollmann, 2004; Fenwick & Leacock, 2005; Fenwick, Elcock, & Janice, 2006; Mager & Bertrana, 2007), or participative governance (Geniey, Ballart, & Valarié, 2004; Getimis & Grigoriadou, 2005). But, since the successful implementation of public administration reforms requires strong support from actors involved in the municipal development, it is necessary to study municipal leaders directly. Also Sotarauta (2007) encourages, “we should pay more attention to those agents, organisations and/or individuals who play transformational roles in institutional change,” (p. 2). Local political and administrative leaders are the most significant initiators, advocates and implementers of most of the

organisational, operational or development changes. Knowing how these leaders feel about the past reforms in reflection to their ability to influence the municipal development is essential.

Several researchers have devoted their interest in the leaders' attitudes, towards mentioned reforms. Some inspiring examples provide Christensen & Lægveid (2008) in their study investigating the Norwegian state civil servants' attitudes towards the NPM and post-NPM reform elements. The authors found out that ministerial civil servants were in general, quite reluctant towards these managerial reforms. Authors acknowledged that the attitudes strongly depend on the character of the reform element, the actor's formal position in the organisational structure, and the particular administrative culture. In general, however, studied officials were not very positively tuned with new changes. Similarly, although with a focus on local governments, Nyholm and Haveri (2009) were investigating the attitudes towards the Governance practices in Finnish municipalities. The authors concluded that negotiations and other participative mechanisms are still favoured less among the Finnish political leaders, for many reasons. Above all, the most important reasons seem to be the specific institutional system of Finnish local governments preventing leading politicians from intensive participation in networks and retaining strong role of officials. Despite of their ethnocentric character, these studies acknowledge that the acceptance of new power sources coming from the implementation of NPM and Governance practices is not very strong among the political-administrative respondents. This argument is emphasised also in the Egner and Heinelt (2006) cross-cultural comparative research. The authors analysed the mayoral attitudes towards the necessity of public administration reforms in general and changes in politico-administrative relations in particular. Researchers learned that it is not possible to reveal general conclusions from the attitudes which Mayors have towards these reforms, because they are (again) very much dependent on the institutional systems within which the local actors operate. Yet, authors provided quantitative evidence that the institutional system is a significant factor explaining the attitudes towards recent governmental changes.

The impact of a changing local government environment on the politico-administrative relations was indirectly studied also by Mouritzen and Svava (2002).

According to the results of their extensive survey, which investigated municipal CEOs in 14 countries, the relations between local politicians and administrators were not strictly dichotomous, as the proponents of NPM would prefer to see. These relations were neither in strong favour of one or another actor; rather administrators claimed to work as partners with politicians, while complementing each other's work. From the traditional government perspective, in which politicians lead and administrators merely follow, these results presented that the municipal CEOs' influence in governing local governments was already in the 90s, quite strong. Unfortunately, this study did not clearly connect the CEOs' relatively strong position with the implementation of NPM practices or other elements of the local government reforms of that time. As with all the other studies, however, this particular study showed that the traditional government models have a significant impact on this politico-administrative partnership. Thus, in some systems, the partnership is stronger, in others weaker, depending on what kind of organisational (power) rules are applied on those systems.

Alba and Navarro (2006) followed on from Mouritzen and Svava's study and in their research about European Mayors tried to reflect on Mayors' perception of politico-administrative relations due to the recent local government changes. Their quantitative analysis also showed that politicians and administrators work in partnership. Yet, the authors were more specific and added, "the clash between technical effectiveness and democratic responsiveness seems to be moving towards a solution through, on the one hand, a salience of politics that places Mayors in a more prominent position to steer the government's action and, on the other hand, a complementarity of functions between the elected leaders and the executive officers," (p.308). In other words, political leaders (Mayors) due to the exogenous pressures, asking for efficient and democratic solutions, are becoming more powerful and influential actors over other governmental bodies (executive board, or council), but their cooperation and interdependence with leading civil servants remained the same.

All of the mentioned studies have made an important contribution to the discussion about the impact of changing local government systems on local leadership and leaders' attitudes towards recent reforms and associated powers. However, all these

studies focus on this topic only from the perspective of one or another actor. Either they empirically investigated opinions only of politicians or only of administrators, but never together. Excluding Nyholm and Haveri's research, these investigations have a strong quantitative tone. And finally, they often reflected only on the regulative or normative aspects of the organisational systems (Mouritzen and Svara is an exception), while the cognitive aspect (conveying a nationally shared set of cultural values) was often omitted. Perhaps, direct comparison of the opinions of both actors at the same time, stronger qualitative essence of the research methodology, and employing also cultural elements to the local leaders' perceptions could bring a richer knowledge to the discussed phenomena.

1.3.1 The Comparative Aspect

One could argue that comparing respondents' perceptions of DMP and politico-administrative relations in local governments in three considerable different European countries – Finland, Spain, and Slovakia – is senseless. On the national (macro) level, all these three studied countries have only a few things in common, not even to mention the municipal (mezzo) or personal (micro) level, where the differences can be far bigger. However, as Steyvers with colleagues (2005) claim, “by comparing the dynamics of change in different European countries the interplay of general reform tendencies with different traditions, institutions, cultures and political challenges is brought out, providing implicit clues to an understanding under which circumstances different or equal patterns of change might occur,” (p.12). Alternatively, the previously mentioned consolidation trend in European Union inspires researchers for continual observations of the approximation of these different systems. Therefore, asking Mayors and CEOs from these different countries about their perception of decision-making power (potentially) influenced by these reforms has its significance.

Alongside the challenges in comparing different institutional systems, some may see it as extremely challenging to compare the opinions of actors, who have different roles and different positions in the municipal organisational structures. By following the common sense, the personal approaches of political and administrative leaders to

studied phenomena will differ. These differences, however, can bring additional knowledge to the discussion about factors influencing the DMP in general, and can enlighten the actual understanding of power relations between politicians and administrators in particular.

1.3.2 The Qualitative Aspect

The research methodology based on qualitative techniques provides an opportunity to observe the micro-relations, grasp the respondent's personal opinions, and provide deeper and more complex information needed for enriching the above-mentioned quantitative findings. This can be achieved mainly by being personally in the "field", having face-to-face interaction with local elites, and by using the qualitative data analysis from the interviews. It is not necessary to challenge already existing comparative clusters or to create another one. Instead, more beneficial would be just to observe and describe the development steps in countries from three institutionally different groups, and enrich already existing clusters with new cultural perspectives.

The additional reason for building the research paper on a qualitative comparative analysis is included also in the main research question. For researching people's perceptions, it is more convenient to conduct qualitative rather than quantitative research, since it is possible to obtain data that is more relevant with more profound explanations of respondents (Silverman, 2005, 2009). The studied literature showed, that the respondents' perceptions can be studied also by using quantitative techniques, for example, by asking on their attitudes towards certain topics (see Mouritzen and Svara, 2002; Bäck, Heinelt, & Magnier, 2006; Soos, 2006; etc.). However, in my opinion, I believe, that the interactive qualitative techniques can bring more authenticity to the studied social phenomena.

1.4 Research Design and Paper Structure

Based on the previous discussion, determining the relevance of using qualitative comparative research, I somewhat tried to follow on from the previous researchers

work, and decided to divide my research project into three phases, which are also composing the basic structure of this manuscript. The first phase (**Chapter 2**), builds upon the literature review with a closer look on publications dealing with leadership, cross-cultural analyses of local governments' institutional systems, power, decision-making, and the implication of local government reforms driven by NPM and Governance. This theoretical background, serves for showing the interrelations of studied concepts, defining the decision-making power, and creating the Decision-Making Power Matrix (**Chapter 2.4.2**). The Decision-Making Power Matrix was used in the analytical part for comparing different DMP types possessed by studied respondents.

In the second phase, I performed a comparative content analysis of official documents describing the institutional systems of case countries (**Chapter 4**). This analysis is a crucial foundation of knowledge about the formal power sources shaping the overall DMP belonging to Mayors and CEOs in studied municipalities. I divided this official document analysis (analysis of the institutional systems) into three phases. First, the attention is on assessing the central-local relations in selected countries, the intragovernmental, as well as politico-administrative relations in selected municipalities before the year 1999 (**Chapter 4.1**). Second, the focus turns on the presentation of public management reforms directly affecting local governments and their leaders during the last 10 years (**Chapter 4.2**). Finally, the analysis goes back to the static description of the central-local, intragovernmental as well as politico-administrative relations in the year 2009 in order to illuminate the potential institutional changes in all studied countries (**Chapter 4.3**).

In the third phase, I conducted an empirical field research in 30 Finnish, Spanish and Slovak municipalities. I interviewed around 30 Mayors and 30 CEOs from medium-size municipalities. The interviews contained open-ended and semi-structured questions. I recorded the interviews and later, with the help of research assistant, transcribed and translated them. For achieving comparable data, I applied purposive sampling with set criteria: a) both representatives must have been in their leadership position for at least two electoral periods, and b) the municipalities must have fallen within the scale of 10,000 and 40,000 inhabitants. For selecting the case municipalities, I used the EUROSTAT, expert pre-research, and e-mail survey as a

source of information. In addition, I employed a snow-ball method for getting access to appropriate case municipalities. More details about the data collection and data analysis are in **Chapter 3**.

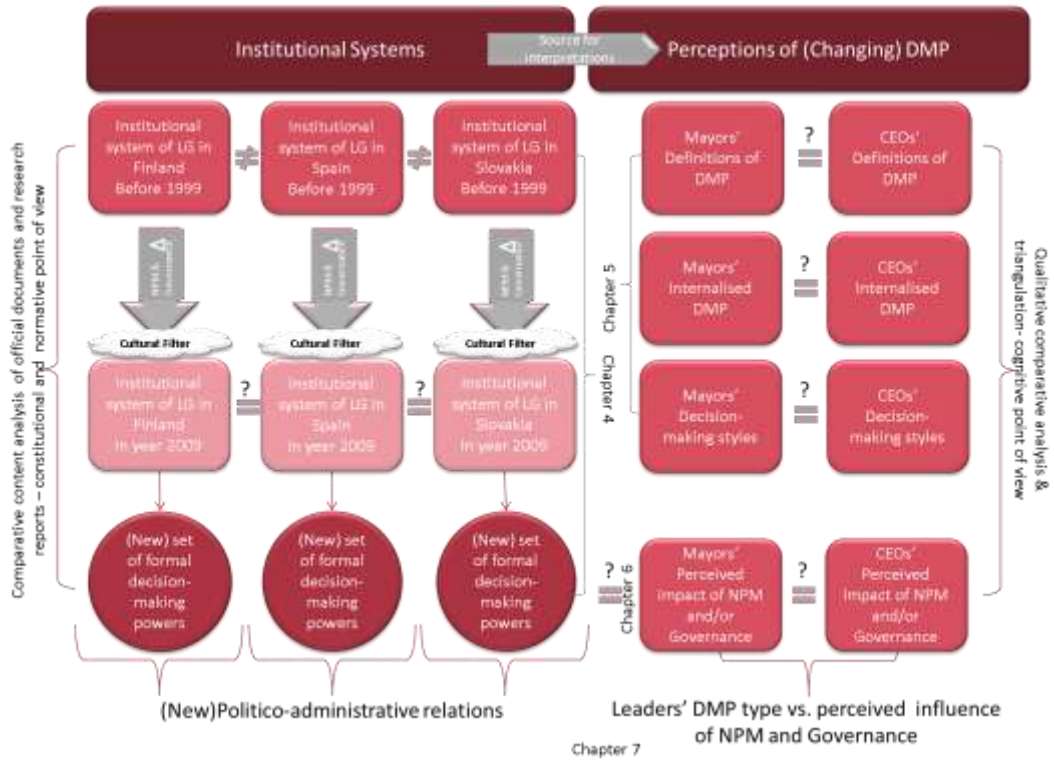
The results of the qualitative data analysis are reported in **Chapters 5 and 6 – Analysis of leader’s perceptions**. By using the methodological triangulation, and a ‘realistic approach to interview data’ (Silverman, 2005) I try to answer the main research question, and naturally compare similarities and differences in respondents’ answers. Although the interview data provides much more information, for the purposes of this research project, I decided to concentrate on three main themes:

- General and internalised understanding of the term DMP;
- Respondents decision-making styles – with reflection on power sources used by respondents in the collective decision-making process;
- Perceptions of changing DMP with enlightening the main factors influencing this change.

In the final chapter (**Chapter 7**), I summarise the institutional developments in studied countries with a focus on leaders’ formal powers. Then, I present the main similarities and difference in perceptions of own decision-making power and reflect on the politico-administrative relations in selected countries. Finally, according to the Decision-Making Power Matrix, I determine the character of decision-making power used by respondents and try to observe the relationships between the decision-making power type and perceptions about the impact of NPM and Governance on respondents overall DMP.

I tried to visualise the research strategy in the following diagram:

Scheme 1: Research Strategy



2. Theoretical Background of Key Concepts

Dedicated to my father

Before studying the changing decision-making power of local leaders, first it is important to clarify basic theoretical concepts, in order to know what the decision-making power is and who the local leaders are. Building on the institutional theory, I structured the theoretical framework of this research project into the general concepts of leadership, power, and decision-making applied within certain institutional systems and affected by the external factors of local government reforms. Based on my understanding of these concepts, the following scheme presents their interrelations:

Scheme 2: Conceptual Framework



By taking for granted that local leaders function within certain institutional systems (constructed by regulative, normative and cognitive pillars), I consider leadership to be an umbrella concept containing concepts of power and decision-making as its

vital elements. I follow the definition which says, “Leadership is a process whereby an individual influences a group of individuals to achieve a common goal,” (Northouse, 2009). In my understanding, the process refers to collective decision-making, and the influence represents a set of formal and informal powers which leaders use in this process. Decision-making power is a derived concept – a combination of power and decision-making. Hence, decision-making power is in this paper understood as the capacity of an actor(s) to make a decision (produce an outcome) by influencing other actor(s) involved in a collective decision-making process. The term capacity refers to formal (shaped by institutional factors) and informal (shaped by personal factors) resources, which actors use for affecting (influencing) others. I determined the type of used decision-making power by using a newly created Decision-Making Power Matrix. The Decision-making Power Matrix serves for determining the type of decision-making power which studied leaders possess. This decision-making power type is generated by comparing the (amount of) assigned formal powers together with leaders’ reported decision-making styles (based on informal powers). I expect that the type of reported decision-making power might have a rather strong influence on leaders’ attitudes towards recent local government reforms.

By following the classical organisational structures of governmental institutions and reflecting only on formal authority, municipal leaders should be represented by Mayors (leading elected politicians), while CEOs should be part of the followers’ group, together with councillors and other local government employees. CEOs – leading municipal office managers – should play a formal leadership role only in relation to municipal employees. My understanding of leadership, however, shows that a leader is the one who comes up with the most appropriate combination of decision-making powers (coming from his/her personality and position and role in the organisation) which he or she is willing (and at the same time able) to use during the collective decision-making process. This means that in certain situations, CEOs can go from mere followers up to being leaders, whilst Mayors can be relegated from being a leader down to a mere follower. This dynamic in leadership can also explain the reported common occurrence of complementarity or partnership (Mouritzen & Svara, 2002; Alba & Navarro, 2006) among political and administrative leaders in various countries.

In the following paragraphs, presented theoretical concepts are elaborated in more detail.

2.1 Leadership

As Northouse (2007) writes, “As soon as we try to define leadership, we immediately discover that leadership has many different meanings” (p.2). For example, Leach and Wilson (2000) define leadership as a combination of a positional and behavioural perspective. They argue that leadership is a “way in which the leaders (those, who are appointed or elected to a leadership position) behave... So the leadership comes across a synthesis between position and behaviour.” Similarly, Eglie (1995) proposed a similar interpretation by claiming that (political) leadership is a process in which political leaders matter, shaping the course of the decision-making process but are, simultaneously, themselves shaped and constrained by a set of factors. Schein (2004), who focuses on organisational (cultural) change and the evolutionary perspective, sees leadership as a process, in which leaders impose their own values and assumptions on a group. This process further defines the overall organisational culture of the group, in which those values and assumptions are automatically accepted, thus all group members are supposed to act according to them. In a case where the group experiences organisational changes which disrupt the original assumptions and values, leadership comes into play once more (p. 2). Finally, Northouse (2009) says, “leadership is a process whereby an individual influences a group of individuals to achieve a common goal,” (p.3). This definition contains components, which are, according to the authors, central to the phenomena: a) leadership is a process; b) leadership involves influence; c) leadership occurs in a group context; d) leadership involves goal attainment.

It is evident, that all these definitions have bases in different approaches to leadership, or a combination of approaches. In the following paragraphs, the discussion covers several perspectives which deal with this phenomenon.

2.1.1 Dimensions of Leadership Theories

Referring to Bass's (1990) research, Northouse (2007) mentions that leadership theories can be divided into four dimensions. In the first dimension, scholars see leadership from a *personality perspective*, which suggest that leadership is a combination of distinctive traits or characteristics that individuals possess. Furthermore, the possession of such traits enables individuals to induce others to accomplish tasks. Thus, leadership is not a result of socialisation or learning but rather, it is intrinsic to a given individual (Denis, Langley, & Rouleau, 2005). Only those, who were born with "the" right combination of traits, can be leaders. Thus, after synthesising extensive lists of different traits suggested by various scholars during the last century, Northouse (2007) found five traits, which seem to be central to all of these lists. In first place is intelligence, following on are the traits of self-confidence, determination, integrity and finally sociability (p.19).

Others define leadership as an *act or behaviour*; thus the focus is on what a leader does in order to make a change in a group. This behaviour was often studied via questionnaires which inquired about the perception that followers have of the behaviours of their leaders. Authors suggest that leaders with "high levels of both consideration and initiating structure had the best leadership style," (Bryman, 1996 p. 278 cited in Denis, Langley, & Rouleau, 2005). Among other things, critics, however, have questioned the lack of consideration for different contexts for the exercise of leadership (House and Aditya, 1977). Therefore, other researchers, who use the contingency approach, tried to explain the variations in leadership behaviour by taking into consideration also situational or contextual factors. The contingency approach led to the creation of a complex set of leadership effectiveness models, such as path-goal theory, vertical-dyad linkage theory, cognitive resource theory and leader-member exchange theory (see in House & Aditya, 1997; Denis, Langley, & Rouleau, 2005, Northouse, 2006). This approach became influential also among researchers from the field of local governance or urban studies (Elgie, 1995; Leach & Wilson, 2000; Getimis & Grigoriadou, 2005).

Additionally, leadership has been defined in terms of *power* relationships that exist between leader and followers. From this view, leaders have power, which they use in order to achieve change in the group (Northouse, 2009). Not surprisingly, the

bases for this approach lies in studies of power and decision making (French & Raven, 1959, Pfeffer, 1992; Svava, 1990). Those with the power (formal and/or informal, positional and/or personal) and ability to make acceptable decisions for and on behalf of others, become leaders. This relational approach led other researchers to see leadership as a *transformational process* that moves followers to accomplish more than what is expected of them. In this view, leadership is described as a process of institutionalisation of meaning, which is achieved by a process of influence and transformation of the inner values of followers. Steven Lukes' (1974) initial understanding of power would fit into this intellectual stream. Transformational leadership is based on portraying the leader as a model for others; "who provides a plausible and attractive vision of the organisation's future, and is able to pay attention to individual's specificities," (Denis, Langley, & Rouleau, 2005, p.448). On the contrary, *transactional leadership* pays more attention to the exceptions in order to improve or adjust the behaviour of subordinates (ibid.).

Although, transformational leadership devoted more attention to leadership change than other conceptions, it did not take into consideration the informal and complex dynamics that are the building blocks for achieving influence and sustaining legitimacy (ibid.). Therefore, as Bryman (2002) observed in his review of leadership theories, research started to focus more on alternative approaches to leadership. One such approach, is to see leadership as a "dispersed" capacity emerging among various actors within an organisation. For example, Sims and Lorenzi (1992 cited in Bryman, 2002) developed a concept of *SuperLeadership*. This Superleadership perspective, although it highly resembles the transformational leader perspective, it considers leadership as a process during which the leader is encouraging subordinates to lead themselves without dependency on a formal leader. Such an approach, is supposed to develop leadership capacity in subordinates as well as developing their talents and motivations which are needed for achieving common goals. Katzenbach and Smith (1993 cited in Bryman, 2002) went a step further. They focused on leadership within small groups of people with "complementary skills who are committed to a common performance purpose, performance goals, and approach for which they hold themselves mutually accountable," (2002, p. 283). In this view, all group members are leaders in particular situations and instead of top-down commanding, leaders are facilitators who cultivate the group and its

members. Kouzes and Posner (1993 cited in Bryman, 2002) also provide a similar perspective, when they claim that a credible leader is one who develops a capacity in others; meaning he or she is liberating others so that they can use their abilities to lead not only themselves but others as well. Bryman (2002) recognised another approach to study leadership. The author suggests that there should be more attention to the leadership process and the skills which may or may not be allocated to formally designated leaders. Thus, a leader should have appropriate organising and networking skills, and an ability to involve and maintain “the right” people in the decision-making process. In this, the cultivation and exercise of wider social influence is a key ingredient.

One may argue that in such diffused systems, without having clear, formal leaders, it is hard to define who takes the overall responsibility for the made actions. However, as Vanderslice’s (1988 cited in Bryman, 2002) investigation showed, the functions of leadership can exist without formal leaders since authority and responsibility in a collective are rotated and are “dependent on the task at hand rather than on a formal leader”. Thus, the collective is not necessarily leaderless but “leaderful”, since the functions of leadership are dispersed throughout this cooperative body.

These presented examples, lead Denis, Langley, and Rouleau (2005) to conclude that nowadays, leadership is “considered less as an attribute of single individuals, but more as a collective process, where individuals negotiate their position with respect to others in more unpredictable ways than rational view of organizations would suggest,” (p. 449).

2.1.2 Leadership in Local Government

One of the most intriguing, and simultaneously, one of the most challenging aspects emerging out of the studies of leadership in the field of public administration (either on the national, regional or local level), is the dual character of this system. On the one hand, it is a platform for providing public services to its citizens while maintaining the basic rules and values for shaping and protecting citizens’ lives. On the other, it is an arena for presenting new visions, setting new developmental

directions, and creating a new set of laws and standards, which are supposed to improve or change citizens' well-being. The first set of public functions is by tradition held by appointed civil servants, the other set of functions is usually reserved for democratically elected politicians. Now, the question is, what is the appropriate balance between political and administrative function? Alternatively, are administrators intervening also in political activities, or politicians in the administrative field? The ability to answer these questions would help us to better understand leadership in public administration.

2.1.2.1 *Who is the Leader?*

Neither theory nor practice provide an easy answer to the question “who is the leader in governmental institutions?” For example, Page (1992) argues that in the governmental systems: “both officials and politicians rule”. Aberbach and Rockman (1998) responded in a slightly more complex way. They distinguished between the formal and informal point of view. From the formal perspective, it is evident that politicians lead as they are democratically elected to be the community leaders. From the informal perspective, it is not that clear anymore as civil servants hold “valuable knowledge about how Government works” (Aberbach and Rockman, 1998, p.1). If I look at it from the point of view of leadership as a power game, this knowledge consequently serves the civil servants for shaping the political proposals in order to assure their feasibility. Therefore, at the end, the final policy proposal is not purely created by politicians but by civil servants, who thus become informal leaders because they are able to use their expert power (knowledge) for influencing (changing) the character of certain decisions.

The challenge in approaching the prior question, “who leads the public administration?”, lies mainly in three interrelated theoretical problems. The first one is a theoretical inability to define a clear line between decision makers and implementers. One can even argue, however, that such a distinction does not even need to exist, as far as the main goal of public administration – satisfied citizens – is maintained. The second problem lies in a theoretical inability to accept one definition for these notoriously controversial social science concepts of *power* and *influence* (Page, 1992 cited in Rabrenovic, 2001). Is the leader the one who has

formal powers for making decisions, or the one who is just able to influence others and create followers of his decisions, even without legitimate institutional support? The third problem lies in the political system itself because it constantly creates a “clash between dual and conflicting imperatives of technical effectiveness and democratic responsiveness” (Aberbach, Putman and Rockman, 1981 cited in Alba and Navarro, 2006). Therefore, it is not surprising that if the theory is not able to provide clear answers, the practice is probably even more complicated.

Since it is rather difficult to define who in reality leads the public administration systems, many scholars at least tried to describe a variety of potential politico-administrative power relations, yielding to several politico-administrative models. These models were at first theoretically described for the national governmental level, and only later transformed to match the local government conditions. In the following paragraphs, I will first present the original ideas of politico-administrative relations and later their adjusted versions for local governments.

Classic Model of Politico-Administrative Dichotomy

Current scholars of political and administrative science consider Woodrow Wilson, Frank Goodnow, and Max Weber as being the ‘fathers’ of the politico-administrative relational models (Aberbach, Putman, Rockman, 1981; Rabrenovic, 2001; Mouritzen & Svara, 2002). Their ideas were shaping the strict **politico-administrative dichotomy** – the first and the most fundamental concept – which has been favoured (Gulick, 1937), condemned (see Svara, 1985, or for more discussion Rabrenovic, 2001) and even misinterpreted (Svara, 1999) almost from its very origins. The basic premise of this dichotomy is to sustain principles of democracy, where elected executive politicians create policies (set visions and directions) and administrators implement them. Hence, both actors are supposed to live in separated worlds, honouring different values, norms and performing different tasks. In such a way, corruption could be limited and efficiency increased (by elimination of politicians’ greater involvement in the details of administration) (Svara, 1985 cited in Rabrenovic, 2001). According to some interpreters (for example Peters, 2001), it is typical of this model that there is a superiority of executive politicians, who use civil servants “just” as a professional tool for implementing their political decisions. Moreover, this model does not expect

administrators to question “the sagacity of [political] decisions” (Peters, 2001, p.5). This is mostly due to democratic political accountability, which determines that once citizens legitimise politicians to govern an assigned area, nobody else should intervene in their political decisions. These ideas are in line with Peter Drucker’s¹ famous distinction between leadership and management, which he was suggesting for the private sector. The author says, “Leadership is to do the right things, while management is to do the things right.”

In the late 90s, James Svara claimed that Woodrow Wilson’s work was misinterpreted (Rabrenovic, 2001; Alba & Navarro, 2006). Svara argues that Wilson was calling for strict separation of politics and administration but only in a sense of the “neutral competence” of civil servants. This means that civil servants should not be affiliated to any political party because partisan views might lead them to be disloyal to a government party or party coalition (Peters, 2001). Svara further argues that in his work, Wilson made no mention of the “comprehensive model of dichotomy which would preclude close interaction of administrators and elected officials, and administrative interference in the policy process” (Rabrenovic, 2001, p.13 referring to Svara, 1999).

On the contrary, Luther Gulick, one of the founders of management studies and defenders of scientific organisation, supported the idea of clear definition of roles and functions in order to generate efficient organisation (Rabrenovic, 2001). This notion survived until present days and it is spread mostly by proponents of New Public Management, especially those calling for managerialism in the field of public administration (Rabrenovic, 2001; Alba and Navarro, 2006). For them, the separation of roles is needed in order to achieve a feasible and efficient provision of public services. This is mostly because administrators believe that politicians (who are normally elected only for a 4 year electoral period) do not have experiences of, or expertise in, the implementation of policies (Peters, 2001). It is for this reason, that it is more convenient when politicians do not intervene at all in the administrative work.

¹Peter Drucker’s book, *The Age of Discontinuity* (1969), formed the basis of New Public Management framework.

To sum it up, one can find two main streams dealing with separate roles between politicians and administrators - those looking at politicians' needs and those looking at administrators' needs. Those, advocating the politicians' perspective, i.e. supporters of democratic values, request a separation of roles in the sense of political accountability to citizens. In contrast, supporters of administrative interests ask for dichotomy in order to achieve feasibility, efficiency, and professionalism in the provision of public services. This traditional, strict separation of politics and administration has had many supporters in both the old and new democracies (Peters, 2001). However, the reality shows that this theoretical concept of isolated roles is simply unmanageable. The main argument, is that this concept simply overlooks the mutual collaboration between politicians and administrators during the policymaking process. As both actors work on achieving one common goal – to provide appropriate public services for their citizens – the mutual, i.e. two ways interaction should be present all times. Thus, this requires new theoretical models which are more realistic than the strict dichotomy.

New Approaches to Politico-Administrative Relations

There have been several attempts to re-conceptualise the politico-administrative model in terms of actors' involvement in policymaking (even though none of these are yet well developed (Rabrenovic, 2001)). One of the first efforts to create a model of the 4 ideal images, is presented in Aberbach, Rockman and Putman's (1981). These images look at the degree of administrators' involvement in policymaking. The first image (*policy/administration*), describes the classic discourse about strict dichotomy between politicians and bureaucrats without possible intervention of administrators to policymaking. The second image (*facts/interests*), goes a bit further and stresses that both politicians and administrators participate in policymaking but with different contributions. Politicians bring interests and values, while administrators bring facts and knowledge. This, in other words, means that politicians emphasise the responsiveness of policies to relevant constituencies, while administrators emphasise their technical efficacy. The third image (*energy/equilibrium*), deals with a more realistic situation. "Both bureaucrats and politicians engage in policymaking, and both are concerned with politics" (p.9), though still with separate roles. "Politicians seek publicity, raise innovative issues, and are energizing to the policy

system, whereas bureaucrats prefer the back room, manage incremental adjustments and provide policy equilibrium” (p.9). The fourth image (*pure hybrid*), eventuates into a blurred distinction of actions in policymaking. The bureaucracy is becoming more and more politicised and politics bureaucratized. Policy and politics is thus a common space of collaboration or exchange of ideas between two spheres (Alba & Navarro, 2006).

Another theoretical model, is provided by Guy Peters (1987), who built his ideas on previous images. However, Peters goes a bit deeper into the micro-power relations between politicians and civil servants. In this regard, Peters focuses on the tone of the relationship, power winners, mode of conflict resolutions, the approach in improving policies, and the results of mutual interaction. With regard to Peters’ work, I focus only on the idea of power winners. The model creation starts again with the Wilsonian approach of separate roles – *Formal-Legal model*, where politicians dominate over administrators. When it comes to conflict between these actors, usually political masters solve them by commands. The second model, so called *village life*, reflects on the integration of the values of both actors. The main goal of the actors, is to maintain the fluent functioning of the executive tasks. Conflict resolution is based on bargaining; as both actors are virtually on the same co-operative levels. The third – *functional village life* – model sees politicians and administrators in a co-operative relationship because they share the same functional areas. Here, the relationship is treated with respect to the external environment, where the political and administrative elite from one functional area create an alliance against political and administrative elites from different functional areas. Again, actors solve conflicts by bargaining. The fourth, *adversarial model* puts actors in a competitive relationship, where both are trying to get control over policy. This is a situation where a bureaucrat is openly presenting his/her political interests during the policymaking process. Thus, not surprisingly, politicians and bureaucrats can solve their conflicts only by arguing with each other. Finally, the last model – *administrative state*, presumes a domination of bureaucracy over the decision-making process. This model is typical for situations where especially newly elected politicians, or those who are not professionalised, do not have the expert capability for solving complex policy problems. Therefore, bureaucrats have the decision-

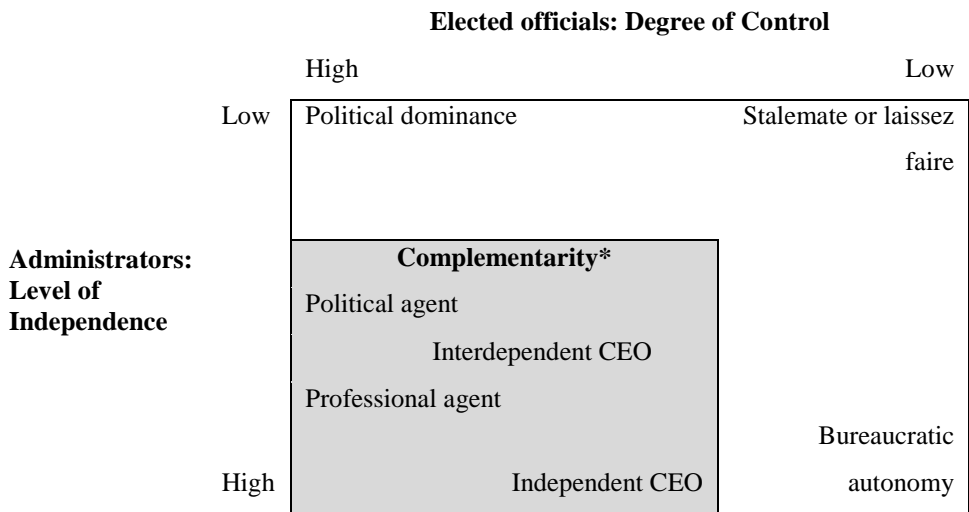
making power over policies. A conflict situation in this kind of relationship can only be solved by the abdication of one of the actors.

Specific Model of Politico-Administrative Relations for Local Governments

To the best of my knowledge, so far, there has been only one typology which elaborates the politico-administrative relations particularly on the local governmental level. Mouritzen and Svava (2002), hold this primacy, by presenting their 4-fold typology. Their first model again deals with the *separate roles* of politicians and administrators but does not provide as strict a separation as Aberbach et al. presented in their legal-formal model. Mouritzen and Svava in contrast, point only to particular situations, when bureaucrats are just technical advisors, while politicians are expected not to intervene in administrative work. Hence, there is a division of work but not a complete separation (Alba and Navarro, 2006). The second model of *autonomous administrator*, represents a situation when an administrator assumes an equal or greater role than elected officials in the policy process, while elected officials remain restricted from the administrative arena. In this form, politicians are primarily involved in approving policy proposals prepared by administrators and in providing general oversight of administrative performance, although they are dependent on top administrators for relevant information (Alba and Navarro, 2006). The third model, talks about the *responsive administrator*, when the administrator is subordinate to elected officials and political norms dominate administrative norms. The last politico-administrative model often refers to *partnership or overlapping roles* when both the administrators and elected officials are influential (reciprocal influence) and they share administrative and political functions. According to the authors' empirical results, this last model is the most frequent in all studied countries.

In their further analysis, the authors extended these basic models to more complex typology of politico-administrative relations. Based on the empirical evidence, they concluded that the politico-administrative relations should be studied by assessing the level of administrator's independence and degree of control executed by elected officials. Based on these two dimensions, they provided a matrix (shown below) in which the aspects of complementarity between politicians and administrators should prevail over the 'unbalanced' power relations.

Scheme 3: Variations in the Interaction between Politicians and Administrators



Source 1: Mouritzen and Svava (2002, p.275)

For governmental forms with political dominance, it is typical that the elected officials possess a very strong control over the administrators. This is particularly true in situations when there is a concern for loss of administrative competence and the potential for political corruption. ‘Bureaucratic autonomy’ in the bottom right corner (grey rectangle) represents a situation in which the administrators are self-controlling and they advance agency interests rather than the public interests. In both situations, the reciprocating value is not present: the politicians do not respect administrators, or administrators are not committed to accountability. The top right corner (low independence and low control) presents a possibility to produce a “live-and-let-live” attitude among officials, which however, may lead to a stalemate situation. The largest zone, is the zone of complementarity, when elected officials have a moderate to high level of control and administrators have a moderate to high level of independence. These elements can be achieved mainly by reciprocating values: elected officials have some respect to administrators; and administrators have some level of commitment to being accountable to politicians. The authors further defined that within the complementarity zone, it is possible to find three types of administrative leaders (CEOs): dependent, independent and interdependent. Those who are dependent, are further divided between political agents and professional agents.

- The **dependent CEOs** are subordinate to elected officials – both in administrative or political issues; they do not promote substantive ends

on their own [they do not have decision-making power], nor do they see themselves as the driving force in government; they are internally oriented; they are not inclined to be entrepreneurs who seek support and resources from other governments; they are less involved in policy innovation and political advice; they accept a high level of specific direction from elected officials;

- *Political agents* prefer full accountability to elected officials and they hold policy views congruent with the political majority; they most likely support strong political linkages between representatives and their party and constituents.
- *Professional agents* prefer to hold noncongruent views, and/or be accountable to citizens.
- **The interdependent CEOs** are expected to be more active in advocacy, networking, policy involvement, and advice to politicians. They are expected to find congruency less important and are more likely to be public servants than the dependent CEOs; they are less supportive of the idea that council members should represent political parties and adhere to campaign promises, and they prefer less direction from elected officials.
- **The independent CEO** operates under political control but has the greatest capability to set his or her own course of action. This CEO has a significant influence in budgeting and he/she interacts with a political leader who has less influence. These officials could be committed to promoting their own interests, or they could be committed to advancing professional perspectives with less attention to political considerations and a lower regard for the political values of & Svara, 2002, p. 234-235).

It is widely acknowledged, that none of the above-described models with their corresponding administrative leaders, exist in its pure version. In some situations, or at a particular moment in time, one model might fit better, whereas for other situations a different model might be more convenient. Everything also strongly depends on various external (environmental) factors, within which the leading actors operate. Following the theory of constitutional institutionalism, some of the most

important factors shaping these relations are the legal framework, the degree of local autonomy, the strength of political parties and the involvement of interest (pressure) groups (Rabrenovic, 2001). And, taking in to consideration the power theories, the personal attributes of involved actors, mutual trust, the ability to cooperate, liking each other, etc. (Pfeffer, 1992) also play a very important role in this regard. All these factors further help to define formal and informal leaders in local governments, as well as their decision-making powers. In the following section, these environmental factors shaping the local leadership and politico-administrative relations are presented from the cross-cultural comparative perspective.

2.1.2.2 The Contingency Approach to Local Government Leadership

The contingency approach (Burns & Stalker 1961; Lawrence & Lorsch 1967), means to comprehend the phenomenon of leadership as a combination of the leader's behaviour and the environment within which this behaviour is performed (Elgie, 1995; Mouritzen & Svava, 2002; Getimis & Grigoriadou, 2005; Getimis & Hlepas, 2006; Steyvers, Herwig, Delwit, & Pilet, 2009). The contingency approach claims that there is no best way to organise a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is dependent (contingent) upon the internal and external situations. This approach thus allows one to determine (formal and informal) power sources – contingencies – which local leaders in studied municipalities can use for making decisions.

Concerning the environment, the literature was interested mainly in the central-local (vertical) and intragovernmental (horizontal) relations. Firstly, the focus was on relations determining the level of local governments' autonomy, their strength to govern the assigned area independently, but also their role/function within the entire public administration system. Secondly, some scholars turned their attention to determining the role and functions of particular actors within the boundaries of the municipal authority. From a comparative perspective, they tried to define how local governments are internally organised, how political leadership is performed, and what the power relations are between intragovernmental bodies. All these formal predispositions are accordingly reflected in various leadership types – a potential which the institutional system can offer to local leaders.

Vertical Dimension

One of the first studies interested in defining the environmental factors influencing local governments, was one concentrated on the territorial distribution of governmental powers. In particular, scholars focused on the level of decentralisation of functions and finances (John, 2001 refers to the work of Fesler, 1965 or Maas, 1959). The most influential study, however, was the empirical research done by Page and Goldsmith in 1987. This work elaborated in more detail the vertical (central-local) governmental relations in Western Europe. The authors used three comparative indicators for describing the similarities and differences in 6 studied countries. Firstly, they were interested in what kind of *functions* (services) are distributed between local and central governments. Secondly, what kind of *discretion* (autonomy) local governments have available to them, meaning to what extent local governments can make decisions about the provision of assigned services. Finally, what kind of *access* local representatives have to the upper level authorities; hence, what is the character of communication channels – the frequency and importance of contacts – between local and central governmental players. The authors believed that particular inter-relationship patterns between these factors strongly influence leadership roles and in particular, the division of tasks among municipal organs. Based on the analysis, the authors created two clusters: countries from Northern Europe (Sweden, Denmark, Norway, and Britain) and countries from Southern Europe (Spain, France, and Italy). For municipalities in the Northern group, it is typical to have a high amount of functions, a high level of discretion, and consequently, a low level of access to central government. In contrast, in the Southern group, the municipal representatives took responsibility for fewer functions; their autonomy was lower, and the contact with central authorities was more common. In other words, municipalities from the Nordic countries could enjoy a very strong and important role as service providers, thus a significant emphasis was given on the efficient work of civil servants. Politicians seemed to have quite weak relations with the central government, because they did not need to fight for resources for their municipalities, since citizens' needs could have been solved locally with a delegated set of responsibilities. On the contrary, Municipalities from Southern Europe placed a large emphasis on the role of politicians, who were expected to gain resources for their municipalities. The work of administrators was

crucial only in respect of the implementation of political initiatives, but due to fewer public services, they were not very active in the political sphere.

According to the authors the main factors influencing these distinctions, were the historical developments of the public administration systems and the religious traditions of both groups. In the countries of the Southern group, the public administration system was formed by a centralistic Napoleonic tradition, Catholic and feudal-clientelist politic culture, and the late introduction of the welfare state (Steyvers et. al, 2005). Also, a smaller size of local government, which was supposed to assure the community identity, was typical of these countries (Heinelt & Hlepas, 2006). In addition, in the Nordic countries, the local autonomy had a much longer tradition. The Protestant religion gave bases for more equalitarian treatment, which also affected the early introduction of welfare services. Municipalities were rather large, since the main purpose was to focus on the efficient provision of a large number of public services (Heinelt & Hlepas, 2006).

Despite of its clarity, simplicity, and resulting popularity, Page and Goldsmith's work also received some criticism. This was mainly due to the narrow selection of countries for the comparative set, which led to the authors neglecting other governmental systems, such as Anglo-American or Central European systems, identified by other scholars (see John, 2001).

A few years later, Hesse and Sharpe (1991) learnt lessons from the limitations of Page and Goldsmith's work, and added more (not only European) countries into their comparative research. They came up with three governmental groups: The Franco group (Spain, Italy, France, Greece, Belgium, and Portugal), the Anglo-Saxon group (UK, Ireland, Canada, New Zealand, Australia, and partly USA) and the Northern and Central European group (Scandinavia, Germany, the Netherlands).

Similarly, like their colleagues, Hesse and Sharpe also focused on the distribution of competences in service provision and the political influence of the local level in relation to upper-level government. The authors used these indicators for splitting Page and Goldsmith's Northern group into two groups, while the countries in the Franco group remained with the same features found in the previously defined Southern group.

Thus, fewer competences allowing higher involvement of “politics” in the run of the municipality were typical for the Franco group. Municipal representatives focused more on building or maintaining the community identity, leaving the management of services to the upper level government. For promoting particular local interests, municipal political representatives were expected to be good negotiators at the higher governmental level. This, consequently, empowered their position in the local governments. In the Anglo-group, local governments had a weak legal and political role but they played an important part in delivering public services. Therefore, the functional role dominated over the political one, which was enabled also by relatively high local government discretion. In addition, the weak position of political leaders left room for the increased visibility and involvement of executive officers in the running of the municipality. Finally, in terms of the Northern and Central European group, it was also typical to have a large amount of assigned services and a high level of autonomy. This factor, however, was assured also in the constitution. Consequently, in comparison to the previous groups, municipalities in the Northern and Central European group had better possibilities for acting as political entities, which put political and executive (administrative) officers on a relatively equal level of influence.

As well as Page and Goldsmith, Hesse and Sharpe did not include post-communist countries in their comparison. Additionally, both typologies were created prior to the fundamental changes in central-local relations; therefore, their applicability to current, modern circumstances might no longer be appropriate.

In 2001, Peter John returned back to Page & Goldsmith’s work and re-evaluated the Northern-Southern European dichotomy. He, however, extended the research sample and built his analysis on the comparison of thirteen “old” democracies with reflections on the on-going local governance reforms. The Northern group was in this case represented by Denmark, Finland, Ireland, The Netherlands, Norway, Sweden, and the UK; whilst the Southern group contained Belgium, France, Italy, Greece, Portugal, and Spain. John also discussed the position of Germany and Switzerland, but he could not include them in any group due to the fact that their federal systems contained states or cantons. As comparative indicators, the author used “dimensions of governance”. These dimensions also helped to examine the

dynamics of the local governments change caused by the (non) implementation of various public management reforms. These comparative dimensions were the following: 1) an urban regime – defining the extent of public-private cooperation, 2) usage of the New Public Management practices; 3) democratic renewal – participative decision making; 4) Europeanisation; 5) executive reforms; and 6) regionalisation – the formation of regions.

After analysing all thirteen case countries, John concluded that the division between Northern and Southern is still in existence but only in some dimensions. Examples include regionalisation, or executive reforms connected with the application of NPM and the democratisation of municipal decision making, though also here, the between-country distinctions are significant. In other dimensions, such as the dimension of an urban regime, and the dimension of Europeanisation, this Northern-Southern dichotomy has disappeared. This means that the development of local governments in Europe was going in diverse directions and not following the patterns suggested by scholars some decades ago. In his last lines, John further noted, “The comparative approach shows how governance takes various forms according to country and locality. There is no uniform pattern. There is a massive variety of political arrangements and practices across and between local political systems in the first place; flexibility, networks and fragmentation compound the variations. Politics has changed. Political systems have adapted to create new forms of political relationships” (p.175)

Together with the transformation of the systems according to the principles of democracy, liberalisation of markets, and continual accession of the CEE countries to the EU, more research focusing on comparisons of local governments between the old and the new EU countries started to appear. To the best of my knowledge, however, none of these studies tried to integrate or mix CEE countries into already existing “old” groups. Rather, they provided single country descriptions (Kersting & Vetter, 2003; Steyvers et. al 2005; Hoorens, 2008) or in creation of a new comparative typology, they left the CEE countries in one specific group (Heinelt & Hlepas, 2006).

Robert J. Bennett (1993) provided one of the first real attempts to include also the post-communist countries into the comparative studies of local governments. He

divided European nation-states according to the distribution of powers within the local governments, while keeping a focus on their connections with the state. Influenced by the work of Leemans, Bennett saw the European local governments in three administrative systems:

- The Napoleonic *fused system* was typical for most west European unitary and quasi-federal states. The provision of services is determined by local as well as upper-level governments and the Mayor takes the overall responsibility for the implementation of these services. The “new democracies” from Central Eastern Europe were classified as moving towards this system.
- The Anglo-Saxon *dual system* with a detached state hierarchy, was typical only for Britain and Ireland. The central government agencies and municipalities existed on the local level side by side. However, they operated with different competences, which provided a relative freedom in the delivery of services to the powerful local executive boards or committees. The state, however, kept overall supervision of the local functions.
- *Split hierarchy systems* or mixed systems were typical for Nordic countries, where the state kept the dominance as described in the fused systems. The executive powers, however, were in the hands of collective bodies which were expected to coordinate, supervise, and develop major strategies.

Bennett’s contribution to the local government comparative research, is significant mainly for his attempt to simultaneously describe the intragovernmental relations and central-local relations in Europe, yet the description was not of significant interest to the public administration researchers of that time (Mouritzen and Svava, 2002). However, as critics claimed, this typology has not been adopted widely in the past, mainly because of too simplistic a differentiation of vertical power relations as well as dramatic shifts in the modern local government development in the countries from the “fused systems” (Heinelt & Hlepas, 2006).

In their relatively recent comparative study, Heinelt and Hlepas (2006) followed up on the shortcomings of all of the previously discussed studies. The authors created an updated typology. This typology contained, in addition to all the Western countries, also some countries from Central Eastern Europe (Hungary, Poland, and

Czech Republic). The authors' main inspiration was Hesse and Sharpe's model. However, the authors focused on slightly different comparative indicators. Those indicators were: a) whether local governments provide social services, b) what is the financial autonomy of municipalities, and c) what is the level of municipal public spending measured by its proportion of GDP. In contrast to Peter John, Heinelt and Helpas's analysis confirmed Hesse and Sharpe's categorical division of Western countries between the old three categories (though probably due to recent governmental reforms Belgium and Italy are now closer to the Anglo-Saxon countries, rather than to the Franco group). Interestingly, after a few years of transformation, the Czech Republic seemed to approximate more towards the Franco group, Poland to the Anglo-Saxon group and Hungary to the North and Central European group. This acknowledges what Bennett's critics were saying, that many post-communist countries might not move only towards the fused systems, rather they will transform with more divergent patterns. It also clearly shows that the institutional transformation, based on the principles of democracy, approximated post-communist countries to the old Western European standards.

Despite of its evident institutionally-based similarities with the old Western countries, many authors still keep the post-communist countries in one Central Eastern Europe (CEE) group. This is mainly due to the common recent history – characterised by democratic centralism under homogenous state authority executed by the communist party (Baldersheim & Illner, 1996) – and a slower process of transforming the peoples' "software of the minds"² (Hofstede, Hofstede & Minkov,

² The "software of the minds" consists mainly of a set of symbols, heroes, rituals – all subsumed by practices – and values, which members of every cultural group (e.g. nation, enterprise or municipality) have for distinguishing themselves from other cultural groups. Geert Hofstede, with his son and colleague, argue that the culture of the group can change only if there is a change in all these attributes of the software of the minds. The order of the change, is as follows: practices -> symbols -> heroes -> rituals -> and values. Thus, it is relatively easy and fast to change, e.g. language, fashion, or any other basic patterns of life (symbols), as well as charismatic leaders (heroes), or ways of maintaining the political or business meetings (rituals). The slowest process is to change people's basic values about what is good and what is bad, about what is appropriate and what not, since those values are created in the early age of our lives and with aging people rather learn new practices than acquire new values (Hofstede, Hofstede & Minkov, 2010, p. 10). Therefore, we should not expect that only after 20 years – during one generational change – general acceptance of, e.g. private ownership, or entrepreneurship, or not acceptance of clientelism, nepotism, or cronyism will be considered as "normal" or appropriate among people from CEE countries, since during previous 60 years these values were treated as "abnormal" or not appropriate. Nevertheless, it is very interesting that current institutional arrangements in the old Western countries still fit to the "traditional" categorization, but studied CEE countries showed quite strong divergences among each other.

2010). This means that in this region, people's perception of the value system has not yet changed simply by imitating the Western European models. This is because people's perceptions can only truly begin to change once several generations have passed. Thus, although the physical barrier between the West and East was destroyed, the imaginary one is still strongly embedded in people's minds.

More importantly, Heinelt and Hlepas (2006) also confirmed that differences within this group are very significant. After the year 1989, the fall of the old regime and the arrival of the renewed democratic one caused divergent paths in the local development and central-local relations in CEE countries. The decentralisation of functions, the level of discretion, territorial structures, the electoral systems, as well as the actual management of services all became very heterogeneous.

Baldersheim with his colleagues (1996), already during the first years of the transformation process, compared four neighbouring CEE countries (Poland, Czech Republic, Hungary, and Slovakia) with other Western democracies. The authors built their comparative research on Page and Goldsmith's model. Their analysis showed that in terms of the range of functions, relations with the state, form of the executive and type of local politics, Slovakia seems to have many features in common with countries from the Southern countries, while Poland and the Czech Republic correspond to the North European countries. Hungary appeared to have something in common with both categories (Baldersheim et al., 1996, p: 23-41). Already, as can be seen at this early stage of democratisation, in countries which were historically, territorially, and culturally similar, the differences became very significant. And, if one looks at Heinelt and Hlepas' results from the year 2006, which already reflects on current administrative reforms, Hungary seemed to move further towards the Nordic countries, Poland started to have more in common with the Anglo-Saxon countries, and the Czech Republic moved down in between the Anglo-Saxon and Franco groups. Slovakia, unfortunately, was not part of this research.

It is evident, that the position and role of local government entities in the entire public administration system provide important power sources both for politicians and administrations. However, in order to define the actual formal powers of elected and non-elected leaders, it is essential to specify also the distribution of concrete

functions, and the responsibilities assigned to these actors within the boundaries of the town-halls. For these purposes, literature dealing with intragovernmental (horizontal) relations can provide the required theoretical bases.

Horizontal Dimension

Local government is not only about financial discretion, division of public functions, or territorial fragmentation. It is also about the people who manage, form, maintain, or change this complex set of tasks and responsibilities. It is a place for interaction between visions and interests, as well as the implementation of these intentions. Following the strict politico-administrative dichotomy, politicians are expected to provide visions in their electoral programs and civil servants are expected to execute and implement them in real life. However, the distribution of these tasks or their possible interchange, as well as the maintenance and expansion of these powers differs from one country to another, or even from one municipality to another. Several researchers have shown curiosity in a conceptual description of these relations also from the international comparative perspective. In the following section, I will present three of the most influential inter-governmental typologies, created mainly by Mouritzen and Svara (2002), Wollmann (2004) and Bäck (2005).

Based on principles of constitutional institutionalism, Mouritzen & Svara (2002) were interested in different power relations between Mayor, council, and municipal administration – constantly present elements in a municipal organisation. They wanted to show to what extent the council is controlled by one or more political actors and to what extent is the control over the executive in the hands of one or more political actors. Thus, by analysing 14 different governmental systems, authors created four governmental models: a) the strong Mayor form, b) the committee-leader form, c) the collective form, and d) the council-manager form.

- For the *strong Mayor form*, it is typical that the “elected Mayor” controls the council and is *de facto* and *de jure* in full charge of executive functions. The CEO serves at the Mayor’s will and can be hired and fired without the consent of any other politicians or political bodies. The Mayor can hire appointees to help with any functions. Countries in this group are Spain, Italy, France, Portugal, and the USA (with Mayor-council governments).

- In the *committee leader form*, one person is clearly “the political leader” of the municipality – with or without the title of Mayor. He or she may, or may not, control the council. Executive powers are shared. The political leader may have responsibilities for some executive functions but others will rest with collegiate bodies. These bodies, are standing committees composed of elected politicians and leading civil servants. Countries in this group are Denmark, Sweden, and the UK.
- The *collective form*, is represented by the central decision-making collegiate body - the executive committee, which is responsible for all the executive functions. The executive committee consists of locally elected politicians and the presiding Mayor. Countries involved in this group are Belgium, and The Netherlands.
- In the *council-manager form*, all the executive functions are in the hands of a professional administrator – the city manager – who is appointed by the city council, which has general authority over policy but is restricted from involvement in administrative matters. The council is a relatively small body, headed by a Mayor who formally has presiding and ceremonial functions only. Countries representing this group are the USA (council-manager government), Finland, Ireland, Australia, and Norway (Mouritzen & Svava, 2002, p. 55-63).

In connection to previously discussed central-local relations, and by comparing the distribution of countries within the above described four categories, one can observe one important attribute: countries with weak local government units (countries from the Franco group and partly the USA) seem to have strong political leaders not only due to requested strong relations with the upper-governmental authorities, or thanks to their societal function of “identity builders” (Stoker, 2011) but also due to the institutional system shaping the intragovernmental relations. In comparison to the other groups of countries, this system gives most of the formal powers to individual political leaders, who have a possibility to perform one-man (political) leadership. On the contrary, in countries with strong independent communities (countries from the North-Central Europe) whose societal function is mainly to assure a “welfare” system (Stoker, 2011), the attention is not on defining strong formal powers for political leaders but on providing enough executive authority to executive

(administrative) leaders. These executive leaders, also have a possibility to perform one-man (professional) leadership. In the middle categories, one can find countries which are typical service providers (Sweden, UK, Denmark, the Netherlands), but the influence of politicians is as significant as the influence of civil servants, since politicians play an important role in executive functions. The main distinction in these “in-between” categories, is that instead of individual (one-man) leadership, the leadership of collective decision-making bodies dominates.

Another very important contribution of Mouritzen and Svava’s research, is their analysis of the functions and roles of CEOs in these four local government forms. The authors defined three main roles which CEOs could perform in their local governments. The first role is that of *policy innovator*. For this role, it is typical that CEOs are involved in the political sphere. This is because they contribute to the formulation of visions and the promotion of new projects, they are well informed about citizens, and they are active in attracting new resources. The second role is *advisor to politicians*. For this role, it is typical that CEOs are expected to provide technical and political advice to the Mayor, create norms for relationships, as well as influence decision making. The final role is *classical administrator*. For this role, it is typical that CEOs do not intervene in the political arena and rather focus only on guiding subordinates, establishing new routings, dealing with fiscal management, or enforcing rules.

The authors further discovered, that in countries with the strong-mayor forms, CEOs believed themselves to be more classic administrators, while CEOs from the committee-leader, collective, as well as council-manager forms inclined towards the role of policy innovators. Interestingly, CEOs from the committee-leader form of government presented the least interest in assuring classical administrative functions, though one would expect that such attitudes would be common more among CEOs from the council-manager form. However, these professional, on the contrary, presented the second highest involvement in classical administrative functions (p. 109-118). In general, these findings are very important because they show that strict politico-administrative dichotomy is not a common practice in local governments. Rather, politicians and administrators cooperate in order to solve the problems of their citizens.

Mouritzen & Svara's typology gained honours by a number of citations and in the following years, it became a base for other comparative studies dealing with the intragovernmental relations (Steyvers, et. al. 2005; or Bäck et. al. 2006; Berg, 2006). As well as in the previous cases, one of the critiques, which this study received, is that it does not reflect the recent changes in studied local governments; hence, it is only a static description of the status quo in studied cases. In addition to this, it does not include all of the countries in the European Union for the comparison (Heinelt and Hlepas, 2006); therefore, it might not cover all the nuances of omitted – mainly CEE – countries. In addition, in the description of particular governmental forms, authors do not reflect on the different ways of Mayoral selections, even if they possess this kind of information. However, indicators provided by Mouritzen and Svara can be applicable to any country, and in case researchers applying these indicators find some significant deviations from this model, this can only enrich the knowledge of different governmental systems.

Other studies focusing on the institutional factors of local governments, are presented in Wollmann's (2004) research about the distribution of legislative and executive functions, and Bäck's (2005) development of the 'traditional' ideal types of comparative constitutional analysis.

Wollmann uses two different governmental models: monistic and dualistic. In the *monistic* model, the council is regarded as the only decision-making body and the local administration acts under the instruction and scrutiny of the council without its own decision-making powers. This model is typical for Britain and Scandinavian countries (Wollmann, 2004, 2008). In contrast, in the *dual* model, the decision-making powers are shared between two main actors: the Mayor and the collective body. The collective body is recognised as the prime decision-making body of local government, but the head/chief executive of the local administration is seen as possessing some ('executive') decision-making powers of his or her own that are not derived from the local council. This system is typical for continental Europe – represented by France and Germany (Wollmann, 2004, p. 151, and 2008, p. 283). From the Mayoral perspective, Wollmann further discusses that local governments can be distinguished also based on a) the role of the Mayor exercising (or not) the executive functions, b) exercising the executive functions alone or together with a

collective or collegiate body, and c) the form through which the Mayor is elected (Wollmann, 2004, p. 151-152). Although this typology deals with the basic division of politico-administrative functions in local governments, unfortunately this distinction between the monistic and dualistic system is not always very clear in practice. This is especially the case when the executive functions are spread out in various forms of committees; or in the dual model, when the council intervenes in the work of administrators by which it actually exercises the executive functions (Heinelt & Hlepas, 2006).

Despite of its drawbacks, Bäck used Wollmann's typology for creating a new model, which combines and compares monistic versus dualistic organisations with a majoritarian versus consociational (power-sharing) form of democratic decision making. In very general terms, for majoritarian decision making, it is typical that decisions are based on the principle of majority rule – a solution attracting the majority of participants wins. On the contrary, in the consociational decision-making process, participants are trying to achieve consensus by any means. The Bäck's typology is additionally mirrored with the Mouritzen and Svara's governmental forms:

- *Assembly Government*: is presented by situations where executive power is in the hands of a proportionally composed committee of the council, i.e. monism in combination with consociationalism. This is very close to what Mouritzen and Svara term 'the committee leader form'. According to Bäck, countries within this group are Sweden, Norway, Britain and Poland (before the implementation of direct Mayoral elections);
- *Parliamentarism*: is a combination of monism with majoritarianism, i.e. situations featuring a collective executive appointed by the council not using proportional techniques but some variations on the majority principle. Mouritzen and Svara would probably also classify parliamentarism as a 'committee leader form'. Countries in this group are Denmark and the Netherlands;
- In *presidentialism*, there is a separately elected Mayor who appoints his own cabinet of deputies without consideration of the party-political composition of the council. In this form, the dualistic and majoritarian

principles are combined. Countries in this group are Italy, Greece, New Zealand, and Poland (after the direct Mayoral elections);

- In *semi-presidentialism*, the Mayor is surrounded by a council-appointed collective executive. Here, the dualism is combined with consociationalism or majoritarianism depending on how the collective executive is appointed by the council. This model strongly resembles Mouritzen's and Svara's strong-mayor form. (Bäck, 2005, p. 82-83). According to Bäck's findings, Germany is the main representative of this group.

This description shows, that by his typology, Bäck did not cover two of Mouritzen and Svara's models: the council-manager form and the collective form. However, the author claims that both forms could be included under a "parliamentarism system" (see Bäck, 2005, p. 87). Another shortcoming of Bäck's model, is that majoritarian and consociational types of decision making do not only depend on the formal (legal) rules laid down in the municipal constitution or local governmental acts. Rather, they depend on, "a socially determined and locally embedded 'logic of appropriateness,' or even a pragmatically driven political 'logic of consequentiality', taking certain actual local (power) constellations into account," (Heinelt & Hlepas, 2006, p.30). Thus, it happens that in municipalities where one would expect consociational decision making, local representatives can follow principles of majoritarian decision making; and in municipalities where one would expect majoritarian decision making, local representative can drive for consociational solutions depending on the situation.

Integration of Horizontal and Vertical Dimensions

Recently, scholars started to be interested also in combing these two horizontal and vertical power relations in order to develop and provide a more integrated picture of the leadership in European local governments. For example, Heinelt and Hlepas (2006) presented such an attempt by focusing on political leaders – Mayors. In particular, for analysing the position, character and power of European Mayors, the authors combined both Hesse and Sharpe's (vertical) and Mouritzen and Svara's (horizontal) comparative models. Their analysis shows that in countries from the **Franco group**, one can find Mayors who are "political leaders" (from the strong-

mayor form: Spain, France, Portugal, Italy, Greece) and “collegial leaders” (from the collective form: Belgium). Being a *political leader*, means that a Mayor leads a municipality with a relatively limited scope of duties yet functions clearly as a political representative (and agent) for the local community. On the contrary, for a *collegial leader*, it is typical that the position of Mayor is often not clearly recognised, thus for assuring the executive functions, the process of mutual collaboration with various powerful actors or bodies is required. In the **Anglo group**, one can find three types of leaders. Firstly, there is the *executive leader* (from the strong-mayor form: England – with a directly elected Mayor), for whom it is typical to be a formal head of the municipal administration and he or she takes full responsibility for the execution of a large number of public provisions. Secondly, the previously discussed collegial leader belongs here as well (England – alternative arrangements of Mayoral selection). Thirdly, there is the *ceremonial leader* (from the council-manager form: Ireland), who is exercising only ceremonial functions, without him or her being recognised as the municipal leader. The municipal administration is directed by a professional manager usually appointed by the council, and this professional manager often enjoys recognition also from among the public. The authors believe that in the **North-Central European group** we can find both, the already-described executive (from the strong-Mayor form: Germany, Austria) and collegial Mayors (from the committee leader (Denmark, Sweden, Austria) and collective form of government (the Netherlands, Switzerland, Germany)). And finally, as a theoretical contribution to both original typologies, Heinelt and Hlepas added a group of Central-Eastern European countries, in which one can find both the executive (Poland and Hungary as representatives of strong-mayor form) and collegial leaders (Czech Republic as representatives of the collective form) (p. 33-34). Most interesting on this analysis, is that even within one country, one can find different leadership types. This is mainly due to the inconsistent distribution of power among governmental bodies.

A similar, though a bit more abstract attempt to define European political leadership types, presented Christopher Steyvers with his colleagues (2009) in their comparative introduction of the book of proceedings. The authors also claim that in countries with weaker municipalities, strong individual political leadership prevails over the executive type. For municipal representatives, it is typical to find a

principle of majoritarian decision making as well as local government bodies working under the dual system. On the other hand, in countries with strong municipalities, the strong executive leadership prevails over the political one. Within the monistic system, political leadership is performed by collective bodies in which the principles of consociationalism dominate. Steyvers, with his colleagues (2009), further argues that political leaders from weaker municipalities are highly recognised and notable and they play a function of “iconic interest mediators”. Whereas in strong municipalities, political leaders are the “first-among-many” and their main concern is to take care of public goods.

Looking at this issue from the perspective of the CEO, in weaker municipalities, CEOs play mainly a role of classical administrators, though sometimes they are active also as policy innovators. In stronger municipalities, their involvement in the political arena is very dominant while the administrative functions are less important (Mouritzen & Svara, 2002, p.113)

2.1.2.3 Systems for Selecting Local Leaders

One very important feature defining leaders’ position and role in the organisation is also a selection process. The political practice recognises elected or appointed leaders. The selection process is important mainly due to the creation of virtual connections between those who are in charge of selection and the individual who is selected. In practice, one can usually recognise three basic models of Mayoral selection: direct Mayoral election, indirect election by a collective municipal organ, and a process of appointment by higher governmental authority. Each of these models has its positives and negatives, though in the last decades many countries, originally with indirect elections, have turned their attention to the implementation of a direct Mayoral election model. In the following paragraphs, I will focus in particular on the description of these two models, since they can be found also in studied case countries.

Indirectly Elected Mayor

The actual practice within municipalities, shows that the usage of an indirectly elected Mayoral model varies in many countries. It can be found in the “old”

European countries (Spain, Denmark, France, Finland) but also in the “new” European democracies (Czech Republic, Latvia, or Malta). This model requires a consensus among councillors who elect their leader to the Mayoral position. In case a consensus is not reached, another (most-likely governmentally higher) authority appoints the incumbent to this position. For example, in the Czech Republic, a director of the regional office appoints an officer from among the employees of this office, who then becomes responsible for guiding the municipal administration. In France, the situation is similar but in this case, the prefect from the state administration defines who will be in charge of the running of the municipality. A specific situation is also in Spain. Here, the law says that if the council is not able to reach a consensus, the Mayor becomes the one who leads the political party with the most seats in the municipal parliament.

In principle, members of the collective representative body select a Mayor from among themselves. However, one can also find countries where a selected Mayor is not a member of this collective organ. A typical example is from Poland (before the implementation of the direct Mayoral election), where a Mayor was selected by the executive board (*rada gminy*) from among its members or from among citizens (Klimovsky, 2009).

Also, the selection procedures for choosing the Mayor vary quite significantly. The principle of simple majority is used for example, in Ukraine, or in France (if the Mayor is not selected in the first two rounds during which the absolute majority is used) (Copus, 2006). Absolute majority is needed also in Denmark, and a qualified majority was previously needed in Poland.

One of the most positive features of indirectly elected Mayors, is a lower possibility to select an incompetent leader. Most of the candidates have assured at least some political skills gained by affiliation to the political party which nominated them. If a Mayoral candidate is selected from among non-councillors, then it is expected that they have some professional experiences in leading the local governments. In addition, this model also enables that a Mayor has a strong connection with a municipal collective organ, which assures that a Mayor can find support from among the majority of councillors in enforcing his or her policy proposals. However, the same feature is also a drawback. This is because it can yield to a

situation where the Mayor is just a ceremonial figure with a set of responsibilities controlled by the powerful political party. And, therefore, this is allowing a political party to enforce its political interests via this Mayoral position.

Directly Elected Mayor

The models of directly elected Mayors enable citizens to vote directly for their political leader in communal elections. A candidate who obtains the biggest number of votes 'wins the battle.' During the last two to three decades, many countries (e.g. the United Kingdom, Austria, Switzerland, or Hungary) implemented this system (Klimovsky, 2009) as an alternative to the indirect elections or the appointment model of creating Mayor's position. The most important reason for applying this model, is a required growth in the legitimacy of leading politicians in connection to the citizens (Swianiewicz, 2005). In addition, many countries applied this model in order to improve the efficiency of decision-making practices while transferring a number of executive responsibilities into the Mayor's hands. A powerful executive Mayor is often considered as a means for providing better management of local affairs and a more effective representation of the local community (Fenwick & Elcock, 2005). However, what is often missed, is that this model tends to diminish the position of municipal councils composed of representatives of various political parties (Magre & Bertrana, 2007, p.191) in which the plurality of options is often restrained.

From the leader's position point of view, this model of a directly elected Mayor also has some negative characteristics. The first one is mostly related to the possibility of electing an "incompetent" person (Klimovsky, 2009). It comes from the assumption that the affiliation to the political party does not play a significant role in municipal elections (e.g., according to the communal elections in year 2006, 30% of elected Slovak Mayors were independent candidates). In this sense, citizens elect a Mayor mostly based on other, more personal indicators). Thus, this may drive a situation where citizens may elect a person purely based on their good "marketing skills" (charisma, populist visions, good communication skills, expected ability to fulfil citizens' needs, expected ability to implement presented visions, etc.), but the political or managerial skills needed for fulfilling all of the administrative and political tasks are not guaranteed (for further discussion see Copus, 2004).

Alternatively, the second problem related to a Mayor's direct election, is that the collective municipal body (municipal council) is not formally obliged a newly elected Mayor. Direct elections do not guarantee a political majority in the council. Thus, when a Mayor has to face a large amount of opposition in the council, it might strongly weaken his or her position. Otherwise, it is a very strong formal position. Such circumstances, however, can consequently harm the overall running of the municipality. In a worst-case scenario, there might be a constant tit-for-tat situation, where the Mayor is not able to pass any of his or her proposals and in turn, he or she might not be willing to sign off any of the council's proposals. The only real solution in this situation, is probably the Mayor's abdication.

In spite of several negative features of a directly elected Mayor, Copus (2004) mentioned that the system of a directly elected Mayor makes "the local politics in some areas uncertain and exciting, but the local democracy has become more encompassing and inclusive." This representative democracy entailed direct accountability to citizens, which is assured in the model of a directly elected Mayor. It should be noted, that this is often lacking in all the other electoral models.

2.1.2.4 Conclusion

It is evident that European municipalities represent a combination of various institutional systems which, after detailed elaboration, are very different but on a more abstract level it is possible to find several common features between them. Most of the scholars came to the conclusions that the European countries can be divided according to the horizontal line cutting the continent into two large parts: the Northern and the Southern. States lying just on the division barrier often dispose of a combination or mix of features typical for these two dominating groups. Even if the globalisation, Europeanisation and fast and easy transfer of information activate the process of institutional isomorphism (DiMaggio & Powel, 1991) the general differences between these two groups are still visible due to the institutional inertia (slow institutional change). This means that for Southern European countries, weaker municipalities with fewer competences caused by state (regional) centralisation, but with strong focus on political functions defending the local interests on the upper-governmental level, assuring integrity and fostering the

community identity, are still very typical. Therefore, one can predict that the emphasis is given on the role of politicians, while administrators would play a more responsive and classical administrative role. This is emphasised also by the existence of strong Mayors in these countries, who operate both with political and executive functions. On the other hand, in countries from the Northern group, municipalities are significantly stronger with an obligation to provide a large amount of public services caused by high decentralisation. Therefore, there might be less attention on the role of politicians. Instead, one can predict that politicians would play only a ceremonial role, while the emphasis would be placed on the role of professional administrators. Such administrators would act as autonomous entities and strong partners in political functions, assuring an efficient and effective management of public services. Not surprisingly, for countries in the middle area, it is typical that some aspects of the vertical relations might be similar with the Southern European countries, while the horizontal relations might share common features with the North European countries, and vice versa.

Following the theoretical framework shaping the organisation of the dissertation thesis (Chapter 1 Scheme 1), in the following chapter I shall discuss the remaining concepts of power, decision-making and finally decision-making power.

2.2 Power

The presented contingency approach to studying local leadership allowed me to acquire knowledge about the environment within which the political and administrative leaders operate. This approach also helped to illuminate the mainly formal positions and roles of these leaders within the system of local governance. These contingencies form very important elements of **power**, which leaders have a chance to use and upon which they are dependent on during the decision-making process.

Power is a phenomenon, which occupies many social scientists from the field of psychology, through to sociology, politics and also management studies. All the scholars try to find the basis and the understanding of this phenomenon, with their own perspectives based on a particular academic background and scientific interests.

Different approaches consequently create a number of different definitions, and only after aggregating such definitions, might one be able to grasp the multidimensional essence of this concept.

However, the process of aggregation seems to be as difficult as the focus on power only from one perspective. The following literature review of some key concepts shows why this issue is so challenging.

2.2.1 What is Power?

In order to make a classification of different power concepts, I decided to use the combination of approaches presented in several analytical literature reviews. These works are a presentation of the main concepts dealing with a social power during the last 50 years of the 20th century. All works intend to grasp the unlimited knowledge of this phenomenon and they offer some new challenges and recommendations for further research.

2.2.1.1 *Legitimate Power*

John Scott (2001), likewise Hardy & Clegg (1996), start their literature review with the theories of “functionalists”. The fundamental focus of these theorists is on the power within the hierarchical organisations (mostly governmental, but later on also business, or non-governmental). The representatives of the first direction within this stream are Karl Marx and Max Weber. These two well-known scientists gave a basis to the research on power from the dominance point of view. Their basic idea (related to the purpose of this research project), is that power comes from the organisational structure – from the hierarchy. The hierarchy is based on a formal authority, meaning legitimate formal rules and established laws to make decisions on behalf of others usually written down in the constitutions or local government acts while being generally accepted by all community members. Despite of its legitimacy, formal authority often creates conflicting interests and situations that are usually solved by using domination. Thus, functionalists claim that power is in the hands of those who are higher up in the hierarchy – those who own or control *the*

means of production (Marx, 1976, quoted in Hardy & Clegg, 1996) and those who have *the knowledge of operations* (Weber, 1978, quoted in Hardy & Clegg, 1996). Coming from this perspective, the basic definition of power is that those higher in the hierarchy “seek to make others do what they would otherwise not do, and they resist the attempts of others to make them act in ways contrary to their own preference” (in Scott, 2001). Therefore, “power relations are seen as asymmetrical, hierarchical relations of super- and sub-ordination in which one agent can gain only at the expense of another” (in Scott, 2001). This aspect of power is also called legitimate (Hardy & Clegg, 1996) or formal power (Svara, 2003), because it is legally or formally embedded in the specific position of the power-holder.

2.2.1.2 *Illegitimate Power*

It is important to remember, that having legitimate power or formal authority, does not automatically mean that the authority-holder is the most influential actor in the decision-making process and that all the decisions are made only according to his or her interests. Formal authority, as with all the other power sources, is only a potential, which decision-makers may, or may not use in conflict situations during the decision-making process. The actual everyday practice brings a number of examples, where the leading politicians (formal authority holders) are just one out of many players influencing the running of the municipality. It is very common, that mainly due to their expertise knowledge, the leading civil servants are one of the most influential municipal actors. The previously discussed literature about politico-administrative relations provides a number of examples about this phenomenon (Svara, 2001; Mouritzen & Svara, 2002; Alba & Navarro, 2006). Not surprisingly, also those who have financial resources (businessmen), or at least those who know where to get the money from, have a very important role in the municipal decision-making process. The regime theory (Stone, 1987), can provide additional examples. This phenomena leads to a situation in which the established hierarchical/formal power structure becomes more lax and instead of systematic top-down ordering, the influence comes from different directions, which are not institutionally strictly defined.

This phenomenon became notable for the second direction within the functionalist theory stream, which takes for granted the fact that organisational structure provides power for positions. For advocates of this theoretical stream, the position consisting of authority is only a potential for influencing others. Scholars rather look at the issues related to the actual, illegitimate, or informal power. They wanted to find out how people not legitimately in power are capable of exercising power. Hence, researchers wanted to see “the actual ability of influence based on a number of factors including, of course, organizational position” (Hardy & Clegg, 1996 interpretation of Bennis, et al., 1958).

In his study about maintenance workers in a French state-owned tobacco monopoly, Crozier observed that one of the main factors involved in illegitimate power is, for instance, the control of uncertainty (1964, quoted in Hardy & Clegg, 1996). He showed an example of how ordinary maintenance workers could obtain strong power positions over the other company workers only because they are the only ones who can maintain the machines. The ability to maintain the machines gives them the power to maintain also the element of uncertainty, which is related to the potential malfunctioning of the machines and consequent losses in production. Thus, losses in production equates to losses in profit. As Hardy & Clegg (1996) noted, the ability to control the uncertainty represents a very important potential source of power.

2.2.2 Where Does the Power Come From?

Crozier’s ‘landmark’ work (Hardy & Clegg, 1996), opened the door for new approaches and new methodological techniques in researching power. One particular theoretical approach is the *resource dependency view*, which drives from social psychology literature. This theory tries to locate all the possible resources (or bases) which determine the power of an individual or group. There is plenty of literature dealing with this aspect of power (for further discussion see Carmack, 1971). For me personally, the most fundamental is the work of French & Raven (1960) – “the fathers” of the theory of power sources. In their well-known article, the authors determined five (later six) social power bases:

- Coercive power – is the power to force someone to do something against his or her will.
- Reward power – is understood as an ability to give other people what they want, in order to get something in exchange.
- Legitimate power – is related to the power coming with a role or the formal position of the actor.
- Expertise power – is known also as a power of acquainted knowledge.
- Referent power – refers to the power of charisma and fame.
- Information power – relates to the access of information.

I believe that these power bases became popular mostly because of their simplicity and day-to-day applicability. Moreover, many other studies about resource dependency define power sources, which can be included within these six French & Raven's power bases. For example, Pfeffer (1992) examines two large groups of power sources: 1) the position within the organisation and 2) individual characteristics. Within the first group, Pfeffer included: access to the resources (money, or information), allies, communication networks, formal authority, or the importance of being in the right department. The second group, refers mainly to the energy and physical stamina, the focus on a specific direction, sensitivity to others, flexibility, or the ability to tolerate conflicts. As well as French and Raven, Pfeffer also somehow combined both legitimate and illegitimate power approaches discussed in the previous sections. Pfeffer additionally believes that in order to acquire power, one should be able to supplement formal position with the appropriate personal characteristics. In his opinion, one's position within the organisation is more important than one's individual characteristics, mainly because of the possibility to control scarce resources, which usually do not change with a new person in the position. However, in my opinion, without having the appropriate personal characteristics, one might not be able to use the potential coming from the position; therefore, the personal characteristics are equally as important as the formal position.

James Svara (2003), one of the scholars in the field of local governance studies, took up on Pfeffer's work, when he determined formal and informal power sources belonging to municipal representatives. His analysis of the local government sector

in the USA, helped the author to determine formal power sources, which are based on the institutional set of competencies and responsibilities. This category contains control over a budget, forming and hiring staff, appointment of members of boards and commissions, and the veto power. Informal power, on the other hand, consists of achieved knowledge, strong networks and backers, recognition, image, etc.

The review of other power sources presented by other scholars (e.g. Heinelt & Hlepas, 2006), could continue further. But as Hardy & Clegg (1996) concluded, the power sources are “infinite since different phenomena become resources in different contexts” (p.630). Thus, the power-holder’s success in achieving the acceptance of the proposals by his or her fellows depends on the appropriate and flexible usage of various power sources during the decision-making process. The term “appropriate” refers to the fact that the usage of power sources is context dependent (for example position of the decision-maker in the organisational structure, character of decision, composition of the decision-making body, or current atmosphere) and one has to accommodate his or her behaviour accordingly (Meeks, 2007).

2.2.3 How is the Power Exercised?

Many researchers were interested in the ways in which the power is executed. In fact, they looked at this issue primarily from the behavioural perspective. Many scholars believe that, as power is a relational variable, it must occur in the interaction between people. Therefore, it must be possible to observe it. The most evident activity when power could be observed, is particularly during the decision-making process. One of the assumptions, is that power shows up only in cases of actual conflict and that in order to exercise power, there must be an actual conflict between the actors (Lukes, 2005). The main representatives of this aspect of power are Herbert Simon – an icon in the bounded rationality theory, Robert Dahl or Nelson Polsby. The objective of their approach, was to determine who makes the decisions, and who is involved in the decision-making process (Hardy & Clegg, 1996). The operational definition of power from this perspective is that, “A exercises power over B by getting him to do what he does not want to do”. The

exercise of power is, therefore, often done by coercion and inducement, which are driven by the structure of domination (Scott, 2001). Thus, these scholars “saw power as the exercise of causal influence within the decision-making process of sovereign organisations. Powerful actors are therefore those, who make decisions or who participate in the decision-making apparatus” (Scott, 2001, p.7). This, so called, “pluralist” view (Lukes, 1974, 2005; Hardy & Clegg, 1996; Scott, 2001), has a strong influence from the rational theory, where individuals have their own specific preferences, desires or interests, which they want to be “accepted” by the others (in Scott, 2001).

Critics of the formal decision-making process (Bachrach & Baratz, 1963; Wrong, 1967-8), which is also called the first face (Scott, 2001), or one dimension of power (Lukes, 1974, 2005) argued that power is “not executed solely in the taking of key decisions, and that the visible decision-makers are not necessarily the most powerful” (Hardy & Clegg, 1996). Moreover, they indicated that those in power could create barriers for the others (who are less powerful) involved in the DM process. Barriers can represent a lack of access to: a) the information, b) all the possible alternatives, or in general, c) the agenda setting. Therefore, those less powerful are excluded from the full decision-making process and do not have a possibility to say something about it. In other words, those in power often act behind-the-scene and Bachrach & Baratz (1963) call this process as non-decision making (Scott, 2001).

One of the drawbacks of this approach, when doing empirical research is that it is hard to observe such power as well as analyse it. As the decision making itself is very difficult to investigate, because it is an “ephemeral and intangible activity”, then the investigation of non-decision making must be yet far more difficult (Miller, Hickson, & Wilson, 1996).

Steven Lukes elaborates another shortcoming of this non-decision making (or the second face or two-dimensional view of power, as he calls it). In the book “Power: A radical view” (1974), he claims that it is not enough to look on the power only from the behavioural perspective and to investigate only observable conflicts. Rather, research on power should take into consideration also the potential or latent conflicts. Those in power may not exercise power over those less-powerful only by the “corrective causal influence” (Scott, 2001) during conflict situations. Lukes

argues that the one in power may exercise power over the powerless ones also by “influencing, shaping or determining his very wants” (Lukes, 2005, p.27) – hence by persuasion, inducement, or encouragements. In the first edition of his book of 1974, Lukes asserted that power is exercised when: “A affects B in a manner contrary to B’s interests”. Therefore, power of the power-holder lies in his/her ability to change the powerless man’s way of thinking in a way that he or she would identify with the interests of the power-holder. One could use such a process for avoiding conflict situations, because, if everybody in the group perceives that they share the same interests then conflict is less likely to occur.

Lukes was also wondering, that perhaps “the supreme exercise of power [is] to get another or others to have the desires you want them to have – that is, to secure their compliance by controlling their thoughts and desires” (2005, p.27). This statement comes from the assumption that some actors involved in the decision-making process – or in the power relations, are often unaware of their ‘real interests’. This means that those who are aware of their own interests, and know how to make the others believe in these interests, are consequently in the position of power-holders. This, it should be noted, does not need be dependent on their formal position in the hierarchy.

The first edition of Lukes’ book had a strong impact on the on-going debate about the concept of power. Nevertheless, he also had several opponents. For example, Bradshaw (1976) criticised him because of his difficulties in discovering the ‘real interests’, via the use of empirical methods; Scott (2001) commented on “misleading” terminology of the “dimensions” of power, instead of for example, the faces or facets of power. Also, for example, Layder sees problems in Lukes’ distinction between structural constraint and forms of structural determination that do not involve power (in Scott, 2001).

This criticism led Lukes to revise his earlier thoughts and in the elaborated edition of his book of 2005, the author renounces his initial definition of power. Now he claims that “**power is a capacity** not the exercise of that capacity (it may never be, and it never need to be, exercised), and you can be powerful by satisfying and advancing other’s interests,” (p.12). Further in the text, the author stated that, “power is a dispositional concept, identifying an ability or capacity, which may or

may not be exercised” (p.109). This definition, thus, to my understanding, can be treated as an “umbrella” definition for those who deal with power from the dependency resource point of view.

With his approach, Lukes was able to put himself in a strong position in the theory of power due to his ability to combine a specific organisation of power, explained by supporters of legitimate power, with power techniques and strategies and sources presented by advocates of illegitimate power. In my opinion, only the combination and constant analysis of these two approaches can uncover most of the aspects which are involved in the power relations during the social interactions, or more specifically, during the decision-making process.

Now, I have arrived at a stage where the concepts of both decision making and power are highly interrelated. As my aim is to clarify the topic of *decision-making power*, I believe that it is time to present also the concept of “decision making” and later on, again show the interrelation of these two phenomena.

2.3 Decision Making

The following paragraphs will present how decision making is dealt with in the literature. The focus is mainly on strategic decision making, which is characterised by aggregation of operational costs, and long-term solutions, which consequences are seen only in the future. A typical example of strategic decision making is the process of budget preparation, its acceptance and its consequent implementation. Since my following empirical analysis is built on the involvement of municipal decision-makers in the budget preparation, a review of strategic decision-making theories needs to be presented.

Decision making is in general understood as a cognitive process of choosing the most appropriate alternative for solving certain (public) problems, or for defining the future development of a particular community. The character of the selection process is a domain of two basic theoretical approaches: 1) rational decision making and 2) political decision making. The first approach concentrates mainly on the **quality** of the actual outcome (e.g. solved public problem, new policy, provision of

new service, etc.) (Meek, 2007), while keeping in mind the need to make the final decision as rational as possible. The focal question for this model, is “How to provide the most efficient solution?” Current trends in public management – driven by NPM –, focus on a usage of this model. The second approach concentrates on **the actual process** of choosing one alternative (March & Olsen, 1984), while taking into the consideration the interaction within the group of decision-makers (e.g. politicians, civil servants, interest groups, stakeholders) who intend to make a collective decision based on a number of individual interests. Thus, one theory says that the main concern of political decision making is to make a decision which assures the satisfaction of aggregated individual interests. This is, however, assuming that after the deliberation process, these various interests will be transformed into only a few alternatives from which the final decision will be selected. Along with this, the focal questions for a political decision-making approach are “What to do?”, “Who gets what and how?” (March & Olsen, 1984), or “Who is involved in the process?” (Meek, 2007).

Whereas, rational decision making has its origins in analysing the individual’s cognitive processes of choosing one alternative for solving a problem, the political decision making always requires an analysis of interpersonal relations. In addition, aspects such as power, influence, coalitions, or alliances building play very important roles in this process. For proper application of a rational decision-making model in local governments, the decision-making competences are concentrated along the lines of the hierarchical structure, meaning that those higher up in the hierarchy make decisions and those lower down in the hierarchy merely obediently follow in order to achieve an efficient implementation of made decisions (Miller, Hickson, & Wilson, 1996). On the contrary, the political decision making takes into account a dispersion of decision-making competences between various actors, who are not necessarily part of a strict hierarchy. Hence, the influence over the final decision comes from various directions, which are distributed within the organisational system. That means, the organisational hierarchy does not play so significant a role in this process.

Political decision making does not exclude a possibility to benefit from the application of a rational decision-making model. However, rationalisation is usually

used only for elaborating arguments needed during the process of choosing the most appropriate solutions presented by various interest groups. The selection of the “right” alternative, however, stands within the sphere of the political power game.

Since a local government system is a combination of both managerial and political practices, the rational and political decision-making approaches are embedded in the system. The extent to which one of these approaches prevails, depends on the context within which the decision is taken (particular institutional structure, specific composition of the local government, the character of the objectives, leadership style, etc.).

In the following paragraphs, both approaches are elaborated in more detail.

2.3.1 Rational Decision Making

Decision making is a critical feature of local governments. Traditionally, of central concern to decision making in local governments, is the degree to which the doctrine of rationality can be applied. This doctrine, derived from the rational choice theory (for further discussion see Heikkila, 2007, Meek 2007 and others), embraces the notion of economic motivation according to which it is possible to describe both human actions and decisions as well as predict such actions (Meek, 2007). Within this understanding, decisions can be constructed within the framework of knowable costs and benefits that are weighted with given individual values (Zey, 1998 cited in Meek 2007). In order to achieve the most rational solutions, the rational decision-making tenet suggests following a particular set of actions (e.g. Harrison, 1996; Vroom, 2000; Schwarber, 2005; Adair, 2007 and many others). The most important action, is that decision-makers need to define specific objectives. In the case of collective decision making, the precondition is that all participants unanimously accept these objectives, because these are what further determine the value of possible consequences (Eisenhardt & Zbaracki, 1992). In order to answer the question, “how to achieve the implementation of objectives?” decision-makers need to collect relevant information. Collected information is supposed to help generate feasible options (or alternatives) for fulfilling specified objectives. In case of having several alternatives, decision-makers need to evaluate them all in order to assess the

potential risks and consequences. The decision is made when decision-makers choose the most suitable alternative for solving a problem. The implementation of the decision and its evaluation are the last two stages of the decision-making process (Adair, 2007). As can be seen, this theoretical model is very systematic; categorical; it often even requires a usage of many mathematical and statistical concepts (e.g. cost-benefit analysis, linear programming, management by objectives, PPBS, etc.). Hence, one may say that rational decision making is based on “unemotional, impersonal, and objective logic” (Miller, Hickson, & Wilson, 1996) thus producing objective, optimal, but most importantly, efficient solutions.

2.3.1.1 Bounded Rationality

In terms of rational decision making, despite having positive features enabling the production of efficient solutions, it also creates several challenges. The one which is most discussed, is one related to the limitations of human cognitive skills (Eisenhardt & Zbaracki, 1992). As Herbert Simon – one of the first authors challenging the rational decision-making model – asserted, decision-makers are unable to operate under conditions of perfect rationality. Specific steps of the rational decision-making model usually do not occur sequentially in people’s everyday life. These steps commonly come in different orders, they can be repeated and often some steps are just omitted (Mintzberg et al. 1976; Miller, Hickson, & Wilson, 1996, quoted in Eisenhardt & Zbaracki, 1992). Decision-makers usually do not have the time, resources and mental capacity to search for “all” of the information and possible alternatives; the analysis of alternatives may be limited and decisions often reflect the use of traditional procedures, rather than systematic analysis (Mintzberg at all, 1976 quoted in Eisenhardt & Zbaracki, 1992). By using public administration terminology, the rational model lacks adequate information on policy options; due to competing values, the value-prioritising is difficult; there is avoidance of values in developing decision options, there is intertwining of means and ends; and there is lack of time for proper data gathering and scrutiny of decision options (Meek, 2007). All these limits on objectively rational behaviour construct the Herbert Simon’s concept of bounded rationality, which describes the actual decision-making behaviour in a complex environment. These shortcomings, further

led March and Simon (1958) to believe that decisions eventually default to the lowest common standard of satisfaction called “satisficing”, which means that instead of optimal solutions, public administrators make rather satisfactory solutions (Mingus, 2007). Furthermore, in the long run, this behaviour often yields to incremental decision making, characterised by a series of small steps that gradually increase to a specific course of action (Johnson, 1989 in Cray; Inglis; & Freeman, 2007). In some countries, such as in Slovakia for example, incremental decision making has been for many decades applied in the process of municipal budget creation. This method was used mainly because it allowed the reduction of risks and uncertainty coming from making big strategic steps, since the predictability of potential consequences was rather high. However, the biggest shortcoming of this process is that partial decisions are often only adjustments of past decisions without due reconsideration to new circumstances emerging in the markets (Lindholm, 1959 cited in Hayes, 2007). This prevents to obtain new potential benefits, which were not available in the market in the past.

2.3.1.2 Collective Decision Making

Since the rational decision-making model is based on analysing the individual’s cognitive processes, some scholars believe that in order to improve the rationality and decrease the uncertainty, it is important to involve more people in this process. This is supposed to lead to the situation where the existence of positive conflicts (Eisenhardt & Zbaracki, 1992) bring about a developed sense of understanding of the problem and a committed response to the problem solution (Meek, 2007). In other words, more people provide more information, and different viewpoints are supposed to reduce the uncertainty in problem solving. Final decisions are supposed to be more rational and group commitment is higher in respect to made decisions. These limits of rationality are, on the municipal micro-level (within the boundaries of the town-hall), usually treated by a series of deliberations within different governmental bodies. Such deliberations, are supposed to lead to a consensual solution. For example, during the process of budget preparation, different committees, commissions, administrative departments, executive board, and finally, the council take part in making the final budget proposal in specified orders. In

many countries, citizens also have the chance to raise their voices by commenting on any discrepancies before the final version of the budget proposal is enforced. On the macro-level (outside the boundaries of the town-hall), the rationality of made decisions is intended to be made by tools of participatory democracy, where local governments together with various municipal or other governmental actors (NGOs, or private companies), have a chance to take part in the creation of the best solutions for municipal decisions. This type of decision making is in the current literature, called governance.

Not surprisingly, this process of decision making may last a very long time (e.g. in Finnish municipalities, the budget preparation starts already one year before its implementation process; while in many Slovak municipalities, it lasts only 3-5 months). Collective DM process also prevents to point out on the “guilty one” in case of acceptance of mal-decisions. That means that the accountability for made decisions is indirect and spread among all the members of the decision-making body. Moreover, the final decision is hardly fully satisfactory for somebody. But at least, as previously mentioned, participants in the collective decision-making process have wider commitment to the final solution.

Finally, due to cognitive limitations, people are not able to solve all complex public problems alone because they are not able to acquire all the knowledge and skills required for, for example, building a public hospital. So, cooperation with others (professionals in certain areas) and mutual independence is unavoidable (Pfeffer, 1992). The assistance of others and mutual interdependence, however, creates situations in which people have different interests, based on their various professional and personal backgrounds. This presence of different interests creates also negative conflicts. Therefore, decision-makers need to develop power and the capacity to influence those upon whom the decision-makers depend, in order to solve the conflicting situations and consequently make decisions.

Thus, to sum it up, the pros of collective DM process are: a) higher rationality, b) lower uncertainty in made decisions, c) higher sense of understanding, and d) wider commitment to the problem solution. On the contrary, the cons of collective DM process are: a) long time needed for making decision, b) lack of personal accountability for made decisions, and c) existence of negative conflicts.

Collective vs. Collegial Decision-making

The studied literature on decision-making and leadership besides the collective often talks about an exercise of collegial decision-making process. In principle, both terms, collegial and collective, can be interchangeable, because they share lots of common features. However, a small, though rather significant difference might be that when talking about the collective DM process, we can recognise one individual leader who invites other members of the organization to participate in the collective DM process. Such invitation is performed in order to achieve all the benefits yielding from the collective approach. At the same time, the individual leader takes the overall responsibility for made collective decisions. On the other hand, when talking about the collegial DM process, we recognise only shared leadership, represented by boards or committees and the responsibility for made decisions is always shared among all the collectives or groups involved in the decision-making process.

2.3.1.3 *Groupthink*

Alternatively, as Janis (1972) declared in his famous study of the Bay of Pigs invasion, more people in the group not always increase the rationality in solutions; rather the opposite. Collective decision making often falls into the form of “groupthink”. The theory of groupthink claims that collective decision making overrides an individual’s motivation to realistically appraise an alternative course of action. This means that groupthink causes attempts to minimise potential conflicts between group members by reaching a consensus decision without critical evaluation of alternative ideas and viewpoints. This leads to decision-making results that lack rationality, but reflect outcomes that emerge from informal in-group pressures (Meek, 2007), which can be called “power-games”. There is also one other simplified example of budget preparations which can demonstrate this phenomenon. In many local governments, the budget design often follows suggestions provided by civil servants because due to their professional position, they operate with most of the information needed for making profound proposals. And, because councillors often do not have a professional background they usually just instinctively accept what a professionally prepared proposal suggests, since they

do not have enough contra-arguments for providing better solutions. Thus, although many actors are involved in the preparation of the budget, the final solution is made only according to the suggestions of a few individuals.

Even if the rational decision-making model is expected to yield rational solutions, due to cognitive limitations and unpredictable societal and inter-personal relations, this approach is, in practice, only an ideal, which is “hardly-to-be-achieved”. Therefore, in addition to an aspiration for rational solutions, especially in the context of collective decision making, decision-makers should also be aware of other aspects which decision-making practices can bring about. These practices are developed by the political decision making approach.

2.3.2 Political Decision Making

The previous discussion about rational decision making brought about a notion that one of the main preconditions for a rational decision-making model is that all participants must act as one homogenous body. They must have only one possible objective (interest or preference) in mind for solving a strategic problem. This means, that a rational decision-making model does not take into the consideration a possibility, that during the collective decision-making process people (groups) may have a variety of different interests or objectives. This precondition, however, is paradoxically in strong inconsistency with principles of democracy. Such principles expect or even foster a plurality of opinions, by various institutional arrangements (e.g., a political party system, free elections, public referendum, etc.). Also, Allison (1971) mentioned that people within one institution might share some common goals such as with respect to the general welfare of the community, but their values and opinions about the municipal development or character of, for example, provision of particular public services usually differ significantly. These conflicting preferences, as Allison continues, arise from different bets on the shape for the future, biases induced by position within the organisation, and clashes in personal ambitions and interests (in Eisenhardt & Zbaracki, 1992).

Thus, for political scientists, traditionally the key assumption is that all institutions represent coalitions of individualistically motivated people who attempt to satisfy

their own interests. As March and Olsen (1984) pointed out, these coalitions are usually based on (formal or informal) agreements which are supposed to assure sharing of the same goals. In governmental institutions, these coalitions usually refer to formally established political parties serving for fostering various public interests. While the left-wing parties, for example, might prefer the provision of free day-care services for everybody at the expense of high quality standards, the right-wing parties might prefer to apply fees for day-care services in order to assure a good quality service, albeit by neglecting the equality approach. In this case, both of the political camps would strive for the same thing – the wellbeing of their citizens. However, the understanding of what ‘wellbeing’ means, as well as how this wellbeing can be achieved, differ significantly. Thus, for this type of decision making, it is typical that it often turns out on the choice of criteria rather than on the evaluation of options (Cray, Inglis, & Freeman, 2007). The clash of these particular interests and consequent criteria leads the decision-making participants into conflict situations, in which they have to use various political (power) sources in order to be successful in achieving their particular path of action. The way, in which these conflicts are resolved, and the satisfaction which is achieved, is within the domain of political decision-making model.

Political decision making is often perceived as a systematic process of discussions, negotiations, lobbying, and coalition and alliance building, all of which are infiltrated by actions of influence and persuasion – genuine factors of power and power struggle. Furthermore, it means that for local governments (or any other organisations) in real life, it is hard to achieve the most optimal solutions. Instead, as already mentioned, decision-makers are trying to make at any rate satisfactory solutions (in Mingus, 2007). These satisfactory solutions, are supposed to satisfy at least the majority of participating decision-makers. And, thus, as an alternative to “rationalising”, decision-makers are often “politicising”.

Unsurprisingly, many organisational and business studies have shown that politicising is negatively perceived by many executive managers, who claim that this activity creates animosity, time wastage, and disruption to information channels (Eisenhardt & Zbaracki, 1992). This is because this behaviour often leads to disruption in the efficient management of organisations. Hence, by applying

political games, the established organisational hierarchy can be impaired, which may result in the violation of control over the organisational order, and in an extreme case even to a point of chaos and anarchy. Many theorists and practitioners prefer to avoid conflict situations via a strong rationalisation of their arguments and the ability to persuade by facts. This persuasion should go in line with hierarchy, which guarantees the clear division of tasks and responsibilities, as well as a clear information flow. Thus, aspects of interpersonal relations (sympathy, attraction, solidarity, or personal loyalty) vital for creating alliances and coalitions, are strictly put aside (see Miller, Hickson, & Wilson, 1996). This is all because the objectivity proven by tangible facts is expected to help vindicate a chosen path of action.

A reluctance to politicise the decision-making process is currently appearing also among some political representatives of local governments, even though their “mother” institutions are political by default. For example, in several CEE countries, political parties – carriers of various interests – in local governments are becoming increasingly demonised and their role in municipal decision making stopped playing a big role³. As a substitute to this, the variety of political interests is systematically reduced and unified by formally empowered strong executive leaders (i.e. directly elected Mayors). This is due to the already mentioned influence of ideas presented in New Public Management doctrine. Such ideas, for instance, advise the usage of techniques typical for technical rationality in order to produce more efficient (mainly in terms of time and money) and better quality provided services. Thus, the question, “Who gets what and how?” is often answered only by a criteria of economic efficiency which is expected to be of benefit to citizens’ needs. However, as Cray, Inglis, & Freeman (2007) and many other social and political scientists (e.g. Pfeffer, 1992, Clegg, Courpasson, & Phillips, 2007) claim, “politicizing is almost inevitable when organizations include diverse groups with differing views. Recognizing these differences and dealing with them through negotiation and coalition building helps emphasise common concerns while acknowledging that legitimate differences exist. This in turn, helps generate commitment for decision outcomes, which may be lacking if such differences are ignored or suppressed,” (p. 306). Thus, in the local governments established according to the principles of

³ For example in Slovakia, number of independent Mayors and local councilors in local governments is constantly growing (www.statistics.sk).

democracy, the political decision-making model is unavoidable in order to assure a plurality of values and opinions. It should, however, be well balanced together with the rationalisation of proposed solutions, in order to assure a satisfactory provision of public services.

Despite of its humanistic-driven intentions, the decentralisation and delegation of authority and the democratisation of the decision-making process, is highly connected also with sharing the responsibility and accountability for made actions. However, our everyday life shows that sharing such responsibility is not the most preferable people's initiative. Michels (1915) argues that this is mainly due to human nature's preference for tutelage, by which it is submitting to the domination of a small minority (quoted in Clegg, Courpasson, & Phillips, 2007). Thus, the majority of people are often willing to leave the overall responsibility for made public decisions to others (e.g. councillors, political parties, interest groups), who are eager to take the responsibility for shaping the life of the community. This might be also, one of the explanations for a question raised by Kersting and his colleagues (2009). In essence, the question asked as to why the civil participation in some countries is so low, even when local authorities provide various channels for the political engagement of citizens in the public affairs. Therefore, it seems that no matter how democratic the institution or organisation is, and no matter how much decision-makers wish to apply a participative decision-making model, sooner or later, this model might fall into the frame of the "one man show", in which the minority governs the majority.

2.3.3 Decision-Making Styles

As the previous lines have already indicated, collective decision making can be performed in various different ways. It might have a top-down direction in line with a hierarchy, where a superior decides and subordinates follow, or it might have a bottom-up or multi-linear direction which does not need to follow the hierarchical predispositions and where the superior and subordinate relationship does not play a significant role. Instead, actors co-operate on a principle of partnership. These

different ways of decision-making process are, in general, defined as decision-making styles.

Although (mainly management) literature provides a number of characteristics describing various decision-making styles (Vroom & Yetton, 1973; Sagie & Aycan, 2003; Kazi, 2009), as a starting point, I decided to present the decision-making style from the perspective of the exercise of power – from the interactionist' point of view (Elgie, 1995). For this purpose, I adapted Getimis and Hlepas's (2006) typology of cooperative and authoritarian leaders. The authors elaborate this typology based on assessing the formal competences needed for making collective or individual decisions on behalf of or for others, which is essential for a further analysis of the character of decision-making power.

In case the decision-making body has exclusive formal competences to make strategic decisions alone, meaning that the formal decision-making powers are exclusively concentrated in this body, a decision-making style that is more *authoritarian* can be performed. On the contrary, in case the formal competences to decide are distributed between various actors, meaning that the decision-making power is decentralised and shared (i.e., all participants should agree with the made decision), a decision-making style that is more *cooperative (participative)* can be performed. Decision-makers who perform an authoritarian decision-making style, usually use control and command as instruments for coordinating actions, while cooperative decision-makers tend to coordinate actions via consensus, achieved by bargaining and deliberation. In other words, authoritarian decision-makers use mainly coercive and legitimate power sources for influencing others, while the cooperative colleagues are reliant on referent and expertise power sources.

This in turn, leads to the conclusion that the previously discussed rational decision-making model, favours usage of an authoritarian style assuring a homogeneity of interests and an efficient top-down implementation of made solutions. At the same time, the political decision-making model is an integral part of the cooperative decision-making style. The reason for this, is because it allows the implementation of interests provided by those who use the most influential arguments. In the context of local governments, the authoritarian decision-making style has significant potential for being performed by civil servants/bureaucrats led by strong executive

leaders, whose main concern is to make efficient solutions along the lines of strict bureaucratic hierarchy. On the contrary, the cooperative decision-making style especially in proportional party systems, is used among politicians and political parties since the democratically set political system hinders them in performing authoritarian decision making. Finally, in a time of crisis, or when fast reform is needed, or even in a time of organisational change, the authoritarian decision-making style is more appropriate. This is because it assures straightforward solutions that are not too time consuming. Alternatively, when it is suitable to maintain the status quo or when simply improving the identity of the community, the cooperative decision-making style fits better.

In connection to previously discussed local governmental forms presented by Mouritzen and Svara (2002), authoritarian as well as cooperative decision making can be performed in all these forms. However, the authoritarian style – performed by individualistic Mayors – is more commonly used and is also more societally accepted in countries with a strong-mayor form of government. On the other hand, the cooperative style is highly societally expected and actually performed in the council-manager and collective forms of government (for further discussion see Hofstede, 2001; Mouritzen & Svara, 2002; Getimis & Hlepas, 2006). Although, it is important to recall and emphasise once again, that formal authority is only a potential, which decision-makers can decide to use or not. Therefore, it is common to find strongly cooperative leaders within the strong-mayor forms of government, as well as authoritative Mayors in the council-manager forms of government. Again, everything depends on a particular (cultural or situational) context within which the decisions are taken.

After presenting the literature review on power and decision making and its associated styles, I am turning the attention on a discussion about the actual meaning of decision-making power. In the following chapter, this concept is developed based on my own understanding developed during the execution of this research project.

2.4 Decision-Making Power

The aforementioned literature review about power and decision making led me to the conclusion that while (mainly pluralist) scholars dealing with the concept of power see decision making as a **process** during which power can be observed, scholars dealing with decision making see power as one of the **variables used** for solving a certain problem. Therefore, it is evident that both theories are theoretically and practically interdependent and highly connected with each other. In the following paragraphs, I will try to manifest this conceptual interrelation within the definition of the combined term decision-making power.

Firstly, however, I will provide a review of a few articles which deal directly with the term “decision-making power”. One of these articles is a draft article⁴ written by Van den Brink & Steffen (2006). Their paper is a mathematical presentation of indicators, which should be used in order to measure the decision-making power in hierarchical settings. The authors argued that most of the previous research, which was focused on decision-making power in hierarchies, was done using measurements from the non-hierarchical settings. However, the authors see this factor as being inadequate, especially because the decision-making process in hierarchies is a sequential process and it is not a simultaneous one as most of the researches claim. Furthermore, the authors assert that the measurements for decision-making power are based on three steps: a) to identify the sub-group of actors which can make a binding collective decision, b) to ascribe power to individual actors in these subgroups if these actors are, *ceteris paribus*, able to alter the collective decision, and c) to aggregate the individual power ascription of each actor. All these steps are very well developed and interpreted by mathematical and logical functions.

Van den Brink and Steffen’s definition of decision-making power equates to the concept of “power to.” This means an action, which, if chosen will make a decisive difference to the outcome. In other words, “power to” is “an ability of an actor to effect an outcome as a result of a collective decision in a hierarchy” (Van den Brink

⁴ In the final and published version of their draft article (2006), Van den Brink and Steffen evaluated the studied phenomena and instead of term “decision-making power” they correctly decided to use term “positional power” (Van den Brink & Steffen, 2008).

& Steffen, 2006). More specifically, “power to” also means that the actor has a potential to shape his or her life by creating new possibilities and actions without domination over somebody. Therefore, it represents the situations when the actor develops his or her own ability to negotiate and influence the nature of the relationships (Csaszar, 2005) within the decision-making processes.

Van den Brink and Steffen at the same time claim that “power to” or decision-making power, is a generic part of the “power over”, because without power over somebody, one would not be able to get what he or she wants (the acceptance of the proposal) in the collective decision-making process (2006). Additionally, the authors built the concept of decision-making power based on a structural or constitutional analysis whereby they are concerned only with formal powers, which come with the position of an actor. Hence, they are focused only on the formal competences and responsibilities, which are inscribed into a certain position within the hierarchy. They do not take into consideration the informal powers, i.e. the complex of personal abilities which every individual can bring to the decision-making process and which may strongly effect decisions regardless of position within the hierarchy.

Other articles written, for example, by Ingersoll (1996) or Hollander (2006) try to investigate the concept of decision-making power in practical life, for instance at school or in marital relationships. Ingersoll (1996), sees this concept as a set of formal competences which are provided to decision-makers (teachers), while Hollander understands it as a sum of decisions made by one actor (woman) over the other actor (man). Either of these articles, however, elaborate the concept of decision-making power into more detail and from a more complex perspective.

Since in my understanding, decision-making power includes a combination of features present in power and decision making concepts, I cannot accept the definitions of decision-making power offered in presented studies. For this reason, in the following chapter, I decided to deal with this concept from a slightly different perspective.

My starting point, is that decision-making power consists of all the aspects which are dedicated to the concepts of power and decision making. Thus, the main idea is

that one may exercise decision-making power only when being within a group of people; hence, decision-making power can be analysed only within a certain societal context. Therefore, decision-making power is a relational variable based on social interactions. This, in turn, is based on several assumptions. Firstly, as the societal power cannot be used individually, neither can the decision-making power be used individually. Hannah Arendt wrote lucidly, “Power always belongs to a group and remains in existence only so long as the group keeps together. When we say of somebody that he is ‘in power’, we actually refer to his being empowered by a certain number of people to act in their name. The moment the group, from which the power originated to begin with, disappears, ‘his power’ also vanishes” (Arendt 1970: 44). Therefore, also decision-making power must be exercised only within a societal context.

Secondly, I follow supporters of the opinion, that in order to decrease the uncertainty in the decision-making process, actors should interact and therefore cooperate with each other. This means that they need to create the collective decision-making body. It is evident that due to a democratic regime emphasising principles of pluralism, local governments in Europe work on a foundation of collective decision making, where many municipal affairs are discussed, approved, and executed within the collective bodies. Politicians and civil servants are interdependent on each other and in order to accept certain, mostly strategic, proposals (such as municipal budgets) many municipal actors (Mayors, city managers, municipal committees, boards, council, citizens, etc.) are involved in this process. Hence, without having support from one “camp”, the other one may not function. For example, politicians need administrators for executing their accepted agendas, while administrators need politicians for creating the content of their daily work. Finally, politicians without citizens, would not be elected to the municipal councils and citizens without politicians and administrators, would not get public services.

In addition, deriving from the resource dependency point of view, as well as Luke’s understanding of power as a capacity, decision-making power has to be a combination of informal as well as formal power sources which decision-makers can use (or deny to use) for achieving their objectives. Therefore, likewise the decision-making power needs to include ‘a dynamic feature’(a process of interaction

with others) as well as a 'static feature' (a possessed capacity allowing for decision-making to occur).

2.4.1 Definition of Decision-Making Power

Coming from these assumptions, my definition of decision-making power is that it is **a capacity of an actor(s) to make a decision by affecting the other actor(s) involved in the collective decision-making process.**

The first part of the definition "the capacity of the actor to make a decision" refers to the concept of "power to", where a decision-maker (or a homogenous group of decision-makers) makes a decision about something and does not need others for the purposes of sharing the decision-making process. Thus, a decision is made by the individual's personal power sources, by his or her inner will and mental and physical abilities to perform, produce, or achieve a certain outcome. One of the most important elements of 'personal capacity' is an ability to hold and retain knowledge, which helps one to perform or produce something. This is because, even if the decision-maker has all the physical and mental potential for making a decision, without knowing how to implement the decision, he or she will not get the expected outcome and his or her decision-making power will be *zero*.

The second part of the definition "...affecting the other actor(s)..." is used for covering the societal context, which is present in the collective decision-making process. As already discussed, collective decision making is needed mainly due to the cognitive limitations of human beings and a lack of certainty. Together with the "pluralists' view," I assume that in collective decision making, the interests of decision-makers differ. Therefore, the decision-maker has to exercise certain practices in order to achieve collective acceptance of his or her suggested solutions (which in a democratic environment will be most likely modified by ideas proposed by other participants of the decision-making process). From the conceptual aspect, this exercise of various practices (various forms of influence, persuasion, inducement, or encouragement, as well as orders, force, or in extreme situations, violence) can be linked to a particular leadership style. The character and intensity

of using such practices derive from the formal and informal power **capacity**, which the decision-maker holds.

2.4.1.1 *Character of Decision-Making Power*

In order to generalise the previous discussion, I can claim that the character of the decision-making power depends on the intensity of using formal or informal power sources, which are highly related to the position within the hierarchy and the social skills of the decision-maker. This is because, the higher up the decision-maker is in the hierarchy, the more formal competences he or she possesses. Thus, he or she is able to use more formal and less informal power sources in the collective decision-making process. The usage of either formal or informal power sources highly depends on the situation in which the collective decision is made. Importantly, due to his or her leading formal position in the hierarchy, there is a high probability that others will follow his or her decisions.

On the contrary, the lower down the decision-maker is in the hierarchy, the more he or she needs to rely on informal power sources (based on persuasive influence) to affect the final decision during the collective decision-making process. This is because his or her formal competences are not sufficient for making certain decisions alone, or for assuring that the decision will be followed by others.

In situations where the hierarchy is not a relevant factor, actors in the decision-making process have to rely, as in the previous situation, only on the appropriate usage of their informal power sources (e.g. expertise or appropriate communication and social skills).

As explained earlier, the democratic political regime within which current European local governments operate, creates conditions where power is supposed to be shared among many actors. This means that there should not be one particular leader with absolute (legitimately centralised) formal powers. In this case, the authoritarian style of using direct orders or force is, somehow, not appropriate. Instead, a preferable practice in affecting others within the collective decision-making body, seems to be the use of *influence*, based on relevant argumentation or persuasion.

It is very possible that local leaders prefer to follow this type of influence, which is explained by Sotarauta (2007). The author says that the “influence is a process in which the actor, by using interaction skills and other social skills, makes other actors see things, people, functions, etc., differently from before and thereby voluntarily do something that they would not otherwise do” (p.10). This definition refers to situations where leaders are using the previously mentioned informal power sources for changing the minds of others. That can be, for instance, good communication skills, expert knowledge, charisma, empathy etc. “materialised” for instance by persuasion.

However, I must add that local leaders may use also (and sometimes only) formal power sources. Therefore, the “persuasive influence” (Scott, 2001) is not always the only practice which leaders may (and can) use. There can appear many situations (time pressure, operational tasks, economic crisis, or constant counteraction from the other decision-makers) where leaders have to use more strict forms of influence. Evidently, these practices are often not followed up with very positive reactions from other subordinates, because these subordinates might be forced to do something, which is not in accordance to their personal will. But the corrective influence practices (Scott, 2001), are often the only ones which can be used in order to achieve a desired change, especially during a time of great organisational change or a crisis situation. Therefore, sometimes “the ends justify the means“. Moreover, looking at this issue from the cultural or sociological institutional point of view, different countries/organisations have different value systems, according to which a particular distribution of (formal and informal) powers is expected and accepted in very different ways. So even if for example, in Nordic countries, the influence power would be smoothly accepted due to hierarchy-free decisions-making processes, in some Asian countries, such equality would not be appropriate.

Taking the leadership perspective into account, the intensity of using the formal or informal power resources is manifested in the specific leadership style used in the decision-making process. Therefore, in situations where a leader has a chance to use many formal competences, he or she may acquaint big formal decision-making power, which allows him to perform, in addition to other styles, also the authoritarian leadership style. On the contrary, a leader with less formal

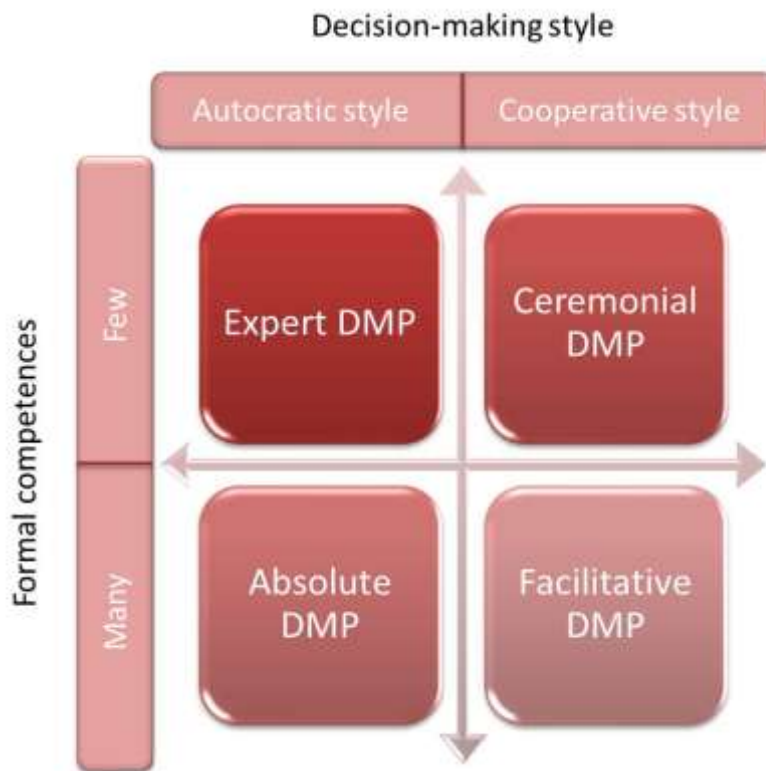
competences but with many informal power resources, can also have significant decision-making power. This, however, is usually performed by leadership styles which are more cooperative, democratic, facilitative, consultative, or delegative, and thus with a strong participative character and with a high level of involvement of other decision-makers in the decision-making process. As the current economic crisis situation in the European Union is showing us, collective decision making is experiencing a severe “thunderstorm”. In this regard, scholars (Bennett, 1993; Copus, 2006) recommend stronger individualised leadership with appropriate formal powers. These recommendations are already, step by step, implemented also in everyday practice. For example, the empowerment of European Mayors – by transferring more executive competences over to them and by implementing their direct elections, can be used as good example.

To sum it up, for me personally, the formal and informal competences are only *potential*, which the holder of decision-making power can use for making decisions. The real decision-making power of a decision-maker is in his or her inner evaluation of the situational context and consequent inner decision about which power source (formal or informal) and in which intensity he or she would use for affecting others, hence which leadership style he or she would apply.

2.4.2 Decision-Making Power Matrix

Based on the previous discussion, decision-making power can get a four-folded character shown in the Decision-Making Power Matrix (Scheme 4). In this matrix, the set of formal competences are represented by various laws, and regulations, which allow a leader to make decisions alone. This means that these formal powers are automatically provided to the decision-maker simply by occupying a certain position. The decision-making style refers to the leader’s attitudes towards performing either a more autocratic or a more cooperative decision-making style. In a combination of these two variables, I obtained four characters of decision-making power.

Scheme 4: Decision-Making Power Matrix



The box in the top-left corner is defined as *expert decision-making power*. A decision-maker who possesses expert decision-making power was assigned with few formal decision-making competences. Nevertheless his or her involvement in the decision-making process is very active, and he or she is able to achieve the acceptance of his or her proposals just by strong acquainted expertise. I assume that in the context of local governments, this expert decision-making power will fit the most to “political” CEOs, who usually do not possess many formal competences for making municipal decisions alone. However, their strong managerial skills, technical knowledge and interest in dealing with public affairs (not only with their own administration) help them to push their proposals further. Likewise, Mayors from the council-manager governmental form, with managerial skills and the willingness to use it could fit into this group.

The box in the top-right corner is defined as *ceremonial decision-making power*. A decision-maker who possesses ceremonial decision-making power was assigned with few formal competences, and at the same time, his or her involvement in the decision-making process is not very active. This can be due to not being willing to be active in doing “politics”, or simply a lack of expertise. I assume that in the

context of local governments, this ceremonial decision-making power could fit with traditional bureaucratic CEOs, who due to their “neutral” role, do not want to be part of the policymaking. This could also be attributable to Mayors who do not have a full-time contract in the municipality (for example, in the council-manager form of government). Thus, it is difficult for such Mayors to acquaint professional knowledge about municipal management.

The box in the bottom-left corner, is defined as *absolute decision-making power*. A decision-maker who possesses absolute decision-making power was assigned with many formal competences, which he or she is also willing and able to use during the decision-making process. Thus, in this context, he or she is legitimately able to get everything that he or she wants. I assume that in the context of local governments, this absolute decision-making power could fit most with Mayors from the strong-mayor form of local government, who have lots of formal powers and strong managerial skills and willingness to be very active in the municipal decision-making process. Whilst the traditional distribution of formal powers in local governments is not in favour of assigning many formal competences to CEOs, in some particular activities (such as the preparation of the municipal budget), CEOs might possess many formal competences which they could be willing and able to use during the decision-making process.

The last box in the bottom-right corner, is defined as *facilitative decision-making power*. A decision-maker who possesses facilitative decision-making power was assigned with many formal competences, but he or she decided not to use them during the decision-making process, or he or she is not able to use them. I assume that within the context of local governments, this facilitative decision-making power could fit the most with Mayors from the strong-mayor form of local government. In this regard, Mayors who prefer to use cooperative decision making due to a lack of expert power, or just due to a willingness to empower others in order to increase the commitment to made decisions. As mentioned before, a CEO with many formal competences is not that common a phenomenon. It should also be mentioned, that in particular situations, CEOs might have many formal competences which they may simply decide not to use due to a lack of expertise or a willingness to achieve a group commitment to made decisions.

For a further analysis of actual decision-making powers of studied Mayors and CEOs in selected cases, I decided to focus on the following comparative indicators:

1. The set of formal powers assigned to a specific position, with a focus on powers coming from the external environment (derived from central-local relations) as well as powers coming from the intra-organisational environment (derived from intragovernmental relations and specific assigned competences during the process of budget preparation).
2. The decision-making style expressed by general attitudes towards exercising power exclusively or in an “open” style, and specific attitudes towards involvement in the budget preparation (this is supposed to show if the respondent operates with expert power and if he or she is using it or not).

2.5 Cultural Context of Decision-Making Power and Leadership

The previous literature review helped to illustrate that in different institutional systems, leaders have at their disposal different (formal and informal) decision-making powers allowing them to make collective decisions in different ways. Now the question arises, why do such differences exist and what are the main factors explaining these differences? In this regard, Mouritzen and Svava mentioned, “Form of government operates within a broader national setting. The way political and administrative authority is structured may be conditioned or correlated with other basic characteristics of the country” (2002, p. 73). In other words, the way in which the politico-administrative relations are structured, the way in which the powers are distributed, or what are the functions of local governments in the overall public administration system is dependent on a particular value system which exists in a specific country.

The descriptions of various institutional systems demonstrated that in some nation-states, legislators decided to follow similar patterns of having strong personalised leaders who have a tendency to perform an individualistic decision-making style. In other countries, more collective leadership is preferred and decision making is in the hands of any who participate. It is hard to believe that such differences would result

purely out of coincidence. According to sociological institutionalism, institutions constitute actors and adopt features that seem legitimate in terms of the cultural context. This means that institutions include, “not just procedural rules, procedures or norms but also the symbol systems, cognitive scripts, and moral templates that provide the ‘frames of meaning’ guiding human action” (Hall & Taylor, 1996, p. 947).

According to this approach, individuals will make conscious choices but will operate within the parameters set by institutional norms as interpreted by the individual. Expectations about how individuals should relate to one another are affected by values regarding power and rules that are widely held in a society. Individuals are said to follow the ‘logic of appropriateness’ – a blend of moral obligation, normative expectation, and cognitive elements (March & Olsen, 1989), which are institutionally defined. In this view, actors select courses of action according to their perceptions of “what is feasible, legitimate, possible, and desirable,” (Hay & Wincott, 1998, p. 956) in a certain institutional environment. Standards of behaviour are acquired through involvement with one or more institutions, and institutions are the principal repositories of social action (Peters, 2001).

However, moral obligation should not be interpreted as an external constraint. Rather, by making stable patterns of collection possible, organisations as well as people, are free to “contrive new patterns of acting in each situation they encounter” (Astely & Van de Ven, 1983, p.263) signifying a voluntary opportunity to facilitate interaction and accomplish collective goals. “Institutions do not just constrain options; they establish the very criteria by which people discover their preferences” (DiMaggio & Powell, 1991, p.11). In this view, institutions become prescriptive, evaluative and obligatory dimensions of social life (Blom-Hansen, 1997) and are the frames through which meaning is made and the means by which individuals’ identities are shaped (March & Olsen, 1984, 1989; Scott, 1995).

It is believed, that frames of meanings or “mental programs” (Hofstede, 2009) have been learned by individuals throughout their childhood until the adulthood with an influence of family, educational institutions, and workplace. Hence, legislators – one of the creators of the current local government systems in particular countries,

must have followed certain behavioural patterns, which have been transferred to them from previous generations. Although in some (mainly large) countries one can find a set of different governmental forms, with different organisational structures, the set of cultural values (shared conceptions and frames through which meaning is understood (Powell, 2007)) still seem to have a strong impact on the selection of institutional arrangements and the performance of governmental institutions (Mouritzen & Svava, 2002).

The previous literature preview concentrated mainly on the aspects of the first two pillars of the institutional theory – normative and regulative –, since these pillars provide the set of formal powers and competences according to which the local actors are expected to behave. In the following paragraphs, I will focus on the cognitive-cultural pillar from the perspective of a cross-cultural comparative research, in order to find out how and why the interpretation of normative and regulative institutional elements differs.

At the end of the 80's, prof. Geert Hofstede conducted one of the most famous and most influential cultural researches. By collecting data from IBM employees from more than ninety countries, this professor developed a theory of national cultures by which he intended to explain a set of complex cultural differences which shape the way people think, feel and act. The main contribution of his work, is a development of six dimensions of national cultures, which try to explain the reasons for applying different institutional structures in different countries. For the purpose of this dissertation thesis, three of these dimensions are of significant relevance: power distance, collectivism versus individualism, and uncertainty avoidance. All of these dimensions contribute to the understanding of different relations between subordinates and superiors – leaders and followers, distribution of powers and acceptance of authority, usage of participative and authoritative decision-making styles, as well as attitudes towards uncertainty.

2.5.1 Power distance

Hofstede defines *power distance* as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede, Hofstede, & Minkov, 2010, p.61). The authors argue that in **large-power-distance** countries (the distribution of powers is highly unequal), there is considerable dependence of subordinates on their bosses. Subordinates respond by either preferring such dependence (in the form of an autocratic or paternalistic boss) or rejecting it entirely. Such an attitude is called counter-dependence – dependence but with a negative notion. The emotional distance between subordinates and their bosses is large: subordinates are unlikely to approach and contradict their bosses directly. In these countries, it is also common that power is centralised into as few hands as possible and the hierarchical system is based on existential inequality. Subordinates expect to be told what to do and managers rely on superiors and on formal rules. The ideal boss in the subordinates’ eyes is a benevolent autocrat or “good father”. Overall, a power *struggle* is a key ideology and practice. The authors further believe that “packaged leadership” such as management by objectives (MBO), will not work in these countries because such practices require some form of negotiation between subordinates and superiors, with which neither party will feel comfortable. Importantly, power in these countries is based on charisma, tradition or family, and the ability to use force. The way to change a political system is by changing the people at the top, and autocratic or oligarchic governments are very common in these societies.

In contrast, in **small-power distance** countries, there is limited dependence of subordinates on bosses, and there is a preference for consultations (that means interdependence among bosses and subordinates). The emotional distance between them is relatively small: subordinates will rather easily approach and contradict their bosses. In these countries, the hierarchical system is just an inequality of roles established for convenience, and roles may be changed so that, for example, someone who is today my subordinate, may tomorrow be my boss. Organisations are fairly decentralised, with flat hierarchical pyramids and limited numbers of supervisory personnel. Superiors should be accessible to subordinates, and the ideal boss is a resourceful democrat. Subordinates expect to be consulted before a decision, that affects their work, is made, but they accept that the boss is the one

who finally decides. Overall, power *sharing* is a key ideology and practice. As the authors argue, some packaged leadership (e.g. MBO) may work if given sufficient management attention. Managers rely on their own experience and on subordinates, and subordinates expect to be consulted. Importantly, power in these countries is based on formal position, expertise, and ability to give rewards. The way to change a political system is by changing the rules. In addition, pluralist governments based on the outcome of majority votes, are very common in these societies (Hofstede, Hofstede, & Minkov, 2010, p. 61, 73, 74, 83).

Hofstede's results demonstrate that from among all three studied countries in this dissertation thesis, Slovakia is the country with the highest and most extreme power distance index.⁵ Spain was found to be in the middle of the scale and Finland turned out to be a country with a relatively equal distribution of powers.

2.5.2 Uncertainty Avoidance

The second dimension, *uncertainty avoidance* is defined as “the extent to which the members of a culture feel threatened by ambiguous or unknown situations. This feeling is, among other manifestations, expressed through nervous stress and through a need for predictability: a need for written and unwritten rules (Hofstede, Hofstede, & Minkov, 2010, p. 191).

In the **strong uncertainty avoidance** countries, individuals generally exhibit a subjective feeling of anxiety, they feel uncomfortable in ambiguous situations and they have an emotional need for rules and a need to be busy (Mouritzen & Svara, 2002, p. 74). Many and precise laws are very necessary even if they cannot be fully followed. A large number of laws also causes slow results in cases of appeals to Justice, which further leads to citizens' negative attitudes towards politicians, civil servants and the legal system. Not surprisingly, civil servants in these societies usually have law degrees and they have negative attitudes towards the political

⁵ Indeed, Slovakia was encountered as a country with the highest power distance index from among all 92 studied countries. The individual index reached the value 104 (Hofstede, 2011; Hofstede, Hofstede, & Minkov, 2010).

process, which is at the same time led by ideas of conservatism, law and order. In addition, outsiders often perceive these societies as being more corrupted.

Societies with **weak uncertainty avoidance** have few and general laws, or unwritten rules. Individuals believe that if laws cannot be respected, they should be changed. Fewer restrictions and regulations allow citizens to trust politicians, civil servants and the legal system. Also, there are faster results in cases of appeals to Justice. Civil servants are positive towards the political process and they usually do not have law degrees. The political process is led by ideas of liberalism and outsiders perceive this system as being less corrupted (Hofstede, Hofstede, & Minkov, 2010; p. 203, 217, 223).

The most and strongly uncertain is Spain; Finland follows with medium values, and finally, obtained results put Slovakia (with a medium uncertainty avoidance index⁶), in last position among the studied three countries.

2.5.3 Individualism vs. Collectivism

Finally, *individualism versus collectivism* is a dimension which treats the prevalence of individual interest over the group's interest and vice versa. More specifically, in societies where individualism prevails, the "ties between individuals are loose: everybody is expected to look after him- or herself and his or her immediate family. Collectivism pertains in societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to

⁶ Hofstede's research showed that the summary of all studied factors place Finland and Slovakia to group of countries with middle uncertainty avoidance index. In this respect, however, I consider important to point out on certain features, which should place Finland closer to the group of countries with weak uncertainty avoidance index and Slovakia to the group of countries with strong uncertainty avoidance index. For example, it has been continuously reported that Finnish citizens trust in their politicians (Haveri, 2009), while the Slovak politicians usually do not enjoy such positive reputation. Alternatively, the results in the case of appeal in Slovakia are considered as very slow, whereas in Finland it is the opposite. Finally, Slovakia is by outsiders often perceived as corrupted country, which is in contrast to Finland – a leader in the ranking of the least corrupted countries in the world. Thus, even if in the comparison to all the countries studied by Hofstede, Slovakia and Finland might belong to the same group of countries with medium uncertainty avoidance index, for the purposes of this paper it is important to emphasise those different cultural values emerging in studied societies.

protect them in exchange for unquestioning loyalty” (Hofstede, Hofstede, & Minkov, 2010, p. 92).

For countries with **prevailing individualism** it is very common and even encouraged to use the word “I”. Everybody is responsible for his or her own actions and should look only after him- or herself and his or her nuclear family. Hiring and promotion decisions are supposed to be based on skills and rules only. The employer-employee relationship is a contract between parties in a labour market. The universalism prevails over the particularism, meaning that everybody should get the same treatment in contrast to treating people based on their belonging to a particular group. This is related also to the application of laws and rights which should be the same for all. Not surprisingly, individualism concerns with human rights, political democracy, and market capitalism.

On the contrary, in **collectivists** countries (which dominates of the individualistic ones) the word “I” is avoided. The responsibility is on the group as one unit and people are born into extended families or other in-groups that continue to protect them in exchange for loyalty. Hiring and promotion decisions take employee’s in-group into account. The employee-employer relationship is basically moral, like a family link. The particularism prevails over the universalism, meaning that in-group customers get better treatment. Consequently, laws and rights differ by group, and the concerns are only with group interests.

Hofstede’s results showed that all three studied countries are in this dimension quite similar, though Finland is the most medium individualistic country, and Slovakia and Spain closely follow (for a more detailed description see Hofstede, 2011 or Appendix 1).

Even if Hofstede’s extensive study offers some worthwhile data for understanding the basic differences in values and common forms of behaviour in different cultures (bounded by territories of the nation-states), several scientists found Hofstede’s research to be somewhat wanting, most especially, in the sense that the content is not all that reliable. They criticised mainly: a) the relevancy of the data collection method arguing that a survey is not an appropriate instrument for accurately determining or measuring cultural disparity (Schwartz, 1999 cited in Jones, 2007);

b) neglecting the population heterogeneity (i.e., the nation-state consists of different ethnic groups), therefore the results of the study might be constrained by the character of the individual being assessed (Dorfman and Howell 1988; Nasif, 1991 cited in Jones, 2007); c) the fixation on one company, which cannot possibly provide information on the entire cultural system of a country or different societal/professional groups (Graves, 1986; Mouritzen and Svara, 2002; Søndergaard 2003); or d) out-dated data, which in today's rapidly changing global environments, internationalisation and convergence cannot be of any modern value (Jones, 2007).

Such critical comments might have an important significance if one looks at the data only from the methodological point of view. But Hofstede's contribution to the field of cross-cultural studies, lies mainly in the profound background theory which supported the obtained results. Also, significantly, a number of additional replications of this study conducted by different researchers confirmed the majority of Hofstede's findings (Søndergaard, 1994).

2.5.4 Cultural Impact on Forms of Government and Decision-Making Style

Sagie and Aycan (2003) provided one of these replications. In their cross-cultural study, the authors intended to find out the impact of cultural context and the application of either autocratic or cooperative decision-making style during the participative decision-making (PDM) process. The authors distinguished four different types of participation, which they believe are highly culturally dependent.

- Face-to-face PDM – for this style it is typical to have direct leader-member interaction. The PDM is supposed to maximize the organisational outcomes. Typical issues for participative decision making, are work related (tactical and operational) issues. This style can be found in countries within the Anglo-Saxon group.
- Collective PDM – for this style it is typical to have indirect participation (by representatives, trade unions). The PDM is used due to socialistic

ideology and legal requirements. Typical issues for participative decision making are employee-centred (rewards and work conditions) issues. This style is common for old EU democracies, but mainly for Germany and the Nordic countries.

- Paternalistic PDM – for this style it is typical to have participation-direction duality and it collides with autocratic values. The PDM is meant for reinforcing the members' loyalty and compliance. PDM is for solving all of the issues but *de facto*, very little is solved by this process. This style is typical for developing countries, such as India, Korea, or Mexico.
- Pseudo-PDM – for this style it is typical to have participation-direction duality, though the PDM is only masking strong autocratic leadership. The PDM is used due to socialistic ideology and **legal** requirements. As well as in the paternalistic group, PDM is for solving all of the issues, but *de facto* very little is solved by this process. Sagie and Aycan assigned this style to the post-communist countries.

The authors searched the explanations for this categorisation in Hofstede's (2001) cultural predispositions shaped by attitudes towards power distribution (power distance index) and perception of oneself as either an independent agent or a part of the collective (individualism vs. collectivism index).

Another replication of the Hofstede's dimension can be found in the Mouritzen and Svava's (2002) study, where the authors tried to observe the connections between a selection of specific governmental forms and the system of values covered by power distance and uncertainty avoidance dimensions. Although with different absolute values, the authors obtained a similar distribution of country clusters as Hofstede obtained twenty years prior, and with very distinct research objects. The results of the Mouritzen and Svava's study showed that countries which picked the *strong-mayor* form (e.g. Spain, France, or Portugal) are characterised by a high degree of uncertainty avoidance and as well as a high power distance. Generally, strong-mayor systems are found in countries where it is accepted that power is distributed unequally and where members of government are rule oriented and sceptical toward the political system. *The collective* form of government was found in countries which scored relatively high on power distance but they differed on uncertainty

avoidance (e.g. Belgium, or the Netherlands). The *council-manager* form of government was found in countries with a low to medium score on uncertainty avoidance as well as a similar score on the power distance index (e.g. Finland, Ireland or Norway). Countries within the *committee-leader* form of government, scored similar values as those within the council-manager form (e.g. Great Britain or Denmark) (2002, p.75-76).

Although Slovakia was not part of Mouritzen and Svava's research sample, based on Hofstede's results and the assumption that governmental form is to a high probability influenced by a high degree of power-distance and uncertainty avoidance indexes, Slovak local governments fit with the strong-mayor forms.

2.6 Local Government Reforms

Up to now, the literature review provided theoretical bases for five out of six core elements shaping the theoretical framework of the dissertation research. The discussion was kept in a static description of potential local leaders' environments, formal and informal decision-making powers, and cultural sources of particular behavioural patterns, which leaders might use during the decision-making process. The last element from the theoretical framework, is a dynamic process of behavioural change expectedly caused by institutional reforms coming from the external environment. The following chapter will attempt to introduce a set of local government reforms transforming the purpose of European local governments and the distribution of power due to New Public Management and Governance developmental trends.

During the last two decades, public management reforms have been transforming governmental structures and practices in all European countries. Reforms focused on input as well as output legitimacy of governmental institutions (Wollmann, 2008). On the one hand, we have input legitimacy and this refers "to the inclusiveness (of the preferences) of members in the democratic polity" (Steyvers, et. al, 2005). This goal can be achieved and improved by the decentralisation of rigid and detached state administration and bringing political decision-making as close to citizens as possible. In consequence, this is supposed to improve the citizen

participation needed for increasing the actual execution of the principles of democracy. On the other hand, we have output legitimacy and this focuses on the improvement of the efficient and effective production of public services. In order to achieve this goal, the application of modern managerial practices originally used in private companies as well as cooperation between various public and private actors, are seen as the best solutions.

Reforms enabling the acquirement of input and output legitimacy affected European countries in different time spans. For example, up to the mid-seventies, the output-legitimacy reforms were executed in the form of the development of welfare systems; the territorial and functional reforms of local government were the key issues on the reform agenda in central and northern Europe. This was followed by privatisation and new public management in the following years. Whereas, only since the late seventies, the new democracies of the Southern part of Europe (Spain, Greece, Portugal, and France), initiated first efforts to overcome the Napoleonic – strongly state centralised government tradition and they moved towards state decentralisation. At the same time, the deficits in democratic (input) legitimacy and public acceptance became the focus of several participatory reforms throughout Europe. During the nineties, the central and eastern European states which were in transition, tried to catch up with western standards of local democracy, whilst also placing an emphasis on new public management and privatisation. At the time being, new reform initiatives are on the run, under pressures stemming from Europeanisation, Globalisation and fiscal crisis (EUROLOC, 2011).

2.6.1 Decentralisation

One of the first, and perhaps most fundamental reforms improving both the input and output-legitimacy of public administration (see Peters, 2002), is decentralisation. Decentralisation is, in the literature, often interpreted as a progressive process of de-concentration, delegation and devolution of the state powers between various (from dependent to independent) “satellite offices” (Rondinelli, 1983 cited in Kersting et al., 2009). Such a process, includes the intention to increase the openness and approximation of policymaking to citizens. In

the first stage of decentralisation – de-concentration – the state does not release its functional and fiscal authority. It merely builds up dependent local offices in order to possess a higher level of responsiveness and achieve closer contact with the citizens. In the second stage – delegation – the state already transfers several formal decision-making powers of certain functions and responsibilities to “newly” created sub-national institutions. The lower-level institutions, however, are still under control of the state agencies; their independence in governing the assigned tasks and territories is limited (see Shrestha, 2000 cited in Asaduzzaman, 2008). 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 decentralisation called devolution (Kersting et al., 2009). In this stage, functions together with adequate resources, are given to the local institutions which become responsible for the decision-making process and the finances of their own self-governed activities (see Cheema & Rondinelli, 1983 cited in Asaduzzaman, 2008). In addition, also, the political power is put close to citizens; politicians are less remote, more visible, and more accountable; and citizens are encouraged to play a more active role in the democratic process of policymaking (Pollitt, 2007).

The main reasons for applying a decentralisation policy was 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 the execution of democratic governance.

In most of the countries, decentralisation has been accompanied by three partial reforms: 1) the transfer of functions on local governments, 2) local fiscal reform – the transfer of financial resources for appropriate financial discretion, and 3) territorial reform, referring to the implementation or abolishment of government tiers (Kersting et al., 2009).

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.

2.6.2 Politico-Administrative Reforms – Focus on NPM and Governance

The decentralisation of competences and the transfer of financial resources require also specific arrangements of municipal internal structures. Therefore, political administrative reforms need to be applied. The management (administrative) reforms directly deal with the issues of output-legitimacy, when they focus on a direct growth of the efficiency and effectiveness of service delivery. The political reforms treat the internal power structures – the division of roles and responsibilities within the local government systems (Kersting et al., 2009) and improvements of political leadership (Steyvers et. al, 2005), and they are more concentrated on the input-legitimacy.

2.6.2.1 *Administrative/Management reforms*

Management reforms in the public sector are often grouped within the New Public Management (NPM) and Governance paradigms. The former one started to be on the scene since the beginning of the 1980s, when governments in many countries systematically commenced with applying reforms for their public administration via generic management techniques highlighting economic efficiency and customer orientation. The latter paradigm is newer and still not clearly defined, but nowadays, many consider Governance to be as influential as, or even more important than, New Public Management (Nyholm & Haveri, 2009, p. 110).

New Public Management

As Peters (2002) cites, “the principal impetus for reform in the public sector has come from the ideas, and especially the practices, of New Public Management.” The main logic of NPM, is that “management in the public sector is not in any meaningful way different from management in the private sector” (p. 161). And, since the public sector has not paid sufficient attention to management and to the role of managers due to the strong focus on political leaders, this system needed to be changed.

NPM is generally understood as “the transfer of business and market principles and management techniques from the private into the public sector,” (Drechsler, 2005).

One very important requirement was also to withdraw the political control from the management and operation in order to achieve more efficient and economic performance (Peters, 2002). Such opinions, go in line with Drechsler's arguments when he says that "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," (2005, p. 5).

Based on these features, the NPM requests an implementation of three strategic means. Firstly, for assuring economic efficiency, flexibility and better customer orientation it is crucial to have empowered municipal managers, the carriers of generic managerial techniques. Secondly, NPM stresses the importance of focusing on customer's needs and improving and widening the customer choice in public services. Thirdly, NPM requires more self-directing and economically more autonomous public organisations, which would be able to react flexibly on constant changes in the market (Nyholm & Haveri, 2009). Building on these arguments, NPM is often connected with concepts such as project management, flat hierarchies, customer orientation, abolition of career civil servants, as well as de-politicisation, total quality management, and contracting-out of public services. Thus, advocates of NPM argue that public sector organisations that provide public services should act more like entrepreneurial firms and not as conventional public sector organisations (Peters, 2002). And as Vigoda-Gadot and Meiri (2008) summarise, public officers are supposed to share values related to the higher responsiveness to citizens' needs. Such values include transparency, innovativeness, reinvention, and a goal achievement orientation that is based on clear performance indicators reflecting the increased efficiency and effectiveness of the bureaucratic machinery (p. 117).

Due to this developmental trend, countries experienced a set of partial reforms focusing on financial issues (see Rubin and Kelly, 2007), performance measurements; human resources development (Ingraham, 2007); or improvements in service delivery by using market-like practices (public competitions or consumer choice) (Jacobsen, 2005).

An additional impact of NPM, is an inclusion of new players to the production and distribution of services (via privatisation, contracting-out, or public-private partnerships). The improvements in service delivery (shaped by the logic of economy of scale) consequently put forward changes in territorial arrangements often leading to municipal amalgamations, or at least inter-municipal cooperation and multi-level (network) governance with negotiated partnerships (Steyvers et al., 2005).

Despite of its legitimacy, NPM has received a number of criticisms. The main one is connected to the lack of democracy. Many critics claim that the “technical rationality” applied in practices of NPM excluded important and necessary information and acceptance, known as “democratic knowledge”, at the expense of the entire social system (Fischer, 2000 cited in Meek, 2007). Instead of bringing governments closer to citizens, this approach seemed to separate these actors from meaningful relationship. This is because the governments became too fixed on efficiency, professionalism, objectivity, and neutrality and they forgot to take care of the prosperous relationship with citizens (King and Stivers, 1998 quoted in Meek, 2007). According to some real life examples, the effects of these practices are often seen as a failure. “[...] 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). Opponents further claim, that there is no evidence for improvements to service delivery. There is a lack of consistency, a chaotic operation, contradicting practices, but most importantly, a lack of focus on human beings. The focus on economic numbers won over the actual citizens’ needs (see Drechsler, 2005). Nevertheless, practices of the NPM “code of belief,” became an eagerly followed fashion around the OECD countries and this implementation was steered mainly by the Anglo-American think tanks and financial institutions (e.g. World Bank) (ibid.).

Governance

In addition to the shifts of using the ideas of NPM, there has also been a shift in the thinking about the role of local governments in this “new” pluralistic society. As the previous paragraphs pointed out, (local) governments started to lose their dominant

position in delivering public services and rather, became one out of many actors participating in assuring the well-being of their citizens. This move of decision-making process outside the walls of the town-hall happened due to several reasons, which are connected with the overall public administration reforms. Firstly, the complexity of public problems led to functional splits in the public sectors, which means that local governments had to start cooperating with private companies and other (non-governmental) authorities in order to deliver “better”, more efficient and effective services (Nyholm & Haveri, 2009). Secondly, adopting market mechanisms forced local governments to compete or at least cooperate with other authorities for assuring better financial resources. Finally, the democratisation of the political regime encouraged local governments to have a greater inclusion of citizens in solving municipal affairs (Stoker, 1998; Alba & Navarro, 2006; Shiba, 2008). This final reason, is connected also to the criticism of a pure rational / technical decision-making model applied in local authorities due to NPM doctrine, as mentioned above.

Nowadays, due to these reasons, instead of keeping the traditionally dominant position for solving all local public affairs at the hands of local governments, the formal authority is spread between various public and private actors. Such actors, on a participative bases, work together to achieve common municipal goals. Thus, from traditional “rowing” practices, local governments moved to “steering” the life in the community (Osborne & Gaebler, 1993). At the same time, local governments are expected to assure the “collaborative effort designed to meet the cross-jurisdictional and cross-boundary needs of both publics and public and non-profit agencies” (Meek, 2007) on all administrative levels (local, regional, national, or even international). And as Peters (2002) stresses, despite the importance of networks, a central role for governments remains in establishing goals for society and monitoring the implementation of programs (p. 168).

All these cooperative practices are incorporated within the developmental trend called Governance. The main idea of Governance, is “to underline the interdependent nature of public administration and other actors in society. In Governance, the question is about the steering of society and the economy, which government is no longer able to do alone. This is why government has to develop

cooperative practices with enterprises, the third sector, other public organisations and citizens” (Nyholm & Haveri, 2009, p.111).

The term Governance, was introduced into the scientific literature already a long time ago, and it was spread to a wide spectrum of disciplines; from economics, and administration, via politics to international relations (Tiihonen, 2004). However, until now, it still lacks a precise definition and the concept is quite contingent (Kersting, Caulfield, Nickson, Olowu, & Wollmann, 2009, p.14; Asaduzzaman, 2008). While some authors associate Governance with the way an organisation operates (Baldrige, 2004 cited in Shiba, 2008), for others it is based on a network-conception (Rhodes, 1997) or inclusion of various institutions designed to exercise collective control and influence over the cities and economies for which they have been given responsibility (Peters, 1996). One author, Gerry Stoker (1998), distinguishes five broad propositions defining Governance: 1) governance refers to a set of institutions and actors that are drawn from, but also beyond the government; 2) Governance identifies the blurring boundaries and responsibilities for tackling social and economic issues; 3) Governance identifies the power dependence involved in the relationships between institutions involved in collective actions; 4) Governance is about autonomous self-governing networks of actors; and 5) Governance recognises the capacity to get things done, which does not rest in the power of government to command or use its authority. Similarly, Schmitter (2003) claims that “Governance is a method/mechanism for dealing with a broad range of problems/conflicts in which actors regularly arrive at mutually satisfactory and binding decisions by negotiating with each other and co-operating in the implementation of these decisions (Schmitter, 2003, p:53). This definition thus in particular, points out on the very specific interaction of various actors (governmental or non-governmental, political and non-political, elected and non-elected) who collectively and non-hierarchically try to search for solutions of public goods. Such a perception is in line also with a definition provided by Graham, Amos and Plumptre (2003) who believe that “Governance is the interaction among structures, processes and traditions that determine how power and responsibilities are exercised, how decision are taken, and how citizens and other stakeholders have their say,” (in Asaduzzaman, 2008).

To my understanding, Governance practices are based on basic principles of political decision making, which I previously discussed in Chapter 2.3.2. As was mentioned there, typical feature of political decision-making practice is a loosen hierarchy, which allows: a) wider democratic participation; b) blurred, though shared responsibilities; c) and power dependence caused by cooperation. And as the literature on Governance showed, all these features are also typical of Governance practices. The only distinction, is that political decision making often refers to the inter-personal relations within one organisation, while Governance is more about the inter-organisational, inter-national or even global relations.

Proponents of Governance practices believe that Governance networks positively contribute to the democratisation of a society by allowing direct citizens' participation in municipal decision making. This is because, practices such as public-private partnerships or user boards open up new channels for participation and mobilisation (Nyholm & Haveri, 2009). However, there are some opponents who are concerned with these practices. This is mainly because they a) intensify the individuals' interests, which is not necessary to promote social solidarity and cohesion (Bogason, 2006 p.: 24–25 cited in Nyholm & Haveri, 2009), b) allow the creation of elitist networks (Kersting et al. 2009) and c) provide increased possibilities for corruption and mismanagement due to loosen hierarchical controls (Peters, 2002). Therefore, Peters (2002) further argues that Governance together with NPM, should be applied only in industrialised, democratic political systems with fully institutionalised civil service systems (p.176). This is because in these systems, all public or private civil servants and stakeholders should be identified with basic values of equality, accountability and the ability to take differentiated interests into consideration (Kersting et. al., 2009, Nyholm & Haveri 2009).

2.6.2.2 Political Reforms

The administrative reforms have focused on the strong usage of managerial practices but also on the improvements of political activities that would follow this management-oriented stream of ideas. Since politics, in general, is often considered to be an antithesis to the fundamental values of economic efficiency (Nyholm & Haveri, 2009), the NPM's requests yield to the political reforms, which focused on

strengthening the politico-administrative dichotomy. These reforms give foundation for reducing the size of municipal councils, the reorganisation of political bodies and the professionalisation of leading politicians through increasing the number of full time paid politicians (Vabo 2002a cited in Jacobsen, 2005). Other (council) politicians are supposed to be relieved from detailed administrative tasks in order to be able to concentrate on strategies, visions, objectives and performance control (Vabo 2002b, Nyholm & Haveri, 2009) in the form of ‘corporate headquarters’ (Jacobsen, 2005). City managers, however, are left to manage. Such changes paradoxically contradict with representative democracy, transparency and accountability (Nyholm & Haveri, 2009). This is because the representation of public interests decreases, decision-making distributes into the hands of various non-elected stakeholders, and elected municipal representatives continually lose control over the implementation of general public goals. However, in order to keep the balance between the politico-administrative relations, assure democratic legitimacy and take control over the (often) chaotic and unorganised network of public and private actors with various interests, academics call also for strong political leaders (elected representatives). Such leaders are supposed to be able to manoeuvre within this very unstable and unpredictable environment (see Haveri 2006, p. 44).

Kersting and Vetter (2002) connect political reforms also with the improvements in input-legitimacy, which includes improvements in participative democracy and leadership, which should be more accountable. These notions are often implemented via direct participation, such as with the direct election of Mayors, local referendums and initiatives or via new forms of citizen-participation (citizen juries, neighbourhood bureaus, participative budgeting, etc.). Thus, these new “more direct, ad-hoc and narrow in scope” (Steyvers et. al., 2005, p.21) practices go in line with classical forms of participation (municipal elections, or party membership).

2.7 Conceptual Interrelations

The literature review of leadership, power, and decision making helped me to uncover various approaches to studying these concepts. Also I was able to see their theoretical interrelations.

First of all, I discussed leadership theories in general and later on, via models of politico-administrative relations, I tried to find out who the leader is in a governmental organisation. In the following section, based on the contingency approach, I presented an outline of the environment within which European local governments and their representatives operate. I debated several studies dealing with static models of local governments systems and focused both on the vertical (central-local) and horizontal (intragovernmental) relations.

Later, I continued with a discussion about power and decision-making and concluded that power and decision making are highly interconnected concepts. 'Power' is a capacity, which a power-holder decides to use (or not), as well as it is an exercise of that capacity during the decision-making process. In addition, especially, the collective decision-making process is dependent on the power of those who are able and willing to use the most appropriate power sources for affecting others. Therefore, also decision-making power – as a combining concept – must include aspects manifested in power and decision-making simultaneously. These preconditions allowed me to analyse the specific character of decision-making power, which I illustrated in the Decision-Making Power Matrix.

In the following section, I described various European local government systems, shaping the environment within which the local leaders (Mayors and CEOs) function. Knowing the particular institutional settings within which Mayors and CEOs operate (central-local relations, position of local governments in the overall public administration system, and intragovernmental relations defining the position and roles of local leaders) is very important. This is because the institutional context provides important formal power sources for making municipal decisions, and it predetermines how local leaders can act or behave during this process.

In the last section, I discussed also a theme related to the local government reforms, which attempt to change or modify the traditional institutional settings in order to

improve the overall performance of local actors. The main purpose of these reforms was to assure better (more efficient and effective) management of public services, as well as to create a stronger inclusion of interests and preferences belonging to members of the democratic polity. As a consequence, these reforms encouraged a strengthening of the professional administrators' position – the main carriers of new managerial practices. The reforms were intended to empower political leaders – the main facilitators of interests and preferences.

All these theories served to identify the main variables shaping the character of leaders' decision-making power and provided a good theoretical foundation for a better understanding of different approaches to the perceptions of studied phenomenon.

3. Methodology

Dedicated to my sister

My strong personal interest in observing and analysing people in their everyday lives, and my strong interest in discovering new cultures and new practices guided the entire character of this research project. These interests in people's behaviour and interpretations of this behaviour required close or even personal interaction with research objects; hence, a usage of qualitative methodology was an obvious step in the research design. Techniques such as fieldwork, interviews, observations, and memo-ing became an integral part of the research project. At the same time, however, my academic background in the field of economics and management shaped the initial character of these techniques in a realm of positivism. Profound theoretical preparation, precise definition of research units, research objects, levels of analysis, or creation of semi-structured and recorded interviews were meant for achieving the data comparability and data accuracy. Moreover, the reviewed comparative studies dealing with local government issues also have a strong quantitative/positivistic character. Thus, as a novice in this field, I felt a strong need to have some strict, normative guidelines in conducting my research.

Regrettably, this positivistic – comfortable and secure (Glaser, 2001) – approach used during the qualitative research, usually brings lots of challenges and obstacles for describing the reality in a way which is as reliable as possible. Also, the process of generating the “truth” is often very painful (see Glaser, 2001). It was most notable, that during the data collection, but mainly during the first phase of data analysis, that I experienced such challenges. I had difficulties in finding research objects which would fulfil the set of comparative requirements, I had difficulties in finding “the same” official documents dealing with the same issues in three countries, and I also had difficulties in defining the same comparative indicators valid for all studied cases. Later on, lost in the library, I blundered upon the book “The Grounded Theory Perspective: Conceptualization Contrasted with Description” written by Barney Glaser (2001) and realised that I should see my data from a different perspective. Instead of creating a mere description of similarities

and differences, and wrestling with the credibility of scientific data, I should rather concentrate on conceptual theorising. In this way, I could purposefully enrich the knowledge of decision-making power and politico-administrative relations in comparative studies of local governments.

Grounded theory (GT) suggests that a researcher should benefit from all the data at hand (such as transcripts of semi-structured open-ended interviews, notes from observations and fieldwork memos) in the process of coding in order to create categories and their properties. This leads further to conceptualisation and perceptualisation, which is needed for generating theory. As Glaser mentioned, and repeated in his book several times, “For grounded theory data exists as is, as it emerges. [...] Once on the conceptual level the grounded theory’s issue is modification and verification by property generation through constant comparison, not accuracy. The category fits the data, but it is not the accurate data. The freedom that grounded theory provides in this one issue of data collection is amazingly great. [...] The distinction between description and conceptualisation leads to understanding and clarity of choice in method” (2001, p.:50). Thus by using the GT methodology, I was given a chance to go beyond the rigidity of the descriptive positivism, and experience a dimension of abstraction and generation of theory.

I need to emphasise, however, that I did not completely replace the positivistic approach with the Grounded Theory (GT), nor did I follow this theory-building methodology thoroughly. Instead, my actual methodology contains certain aspects from both approaches. Some of the positivistic techniques were used during a variety of tasks. They were used when designing the research project, when collecting comparative data, and when describing and comparing institutional contexts and respondents’ perceptions of their (changing) decision-making power. Some of the GT techniques were used mostly in the later stage, when based on the initial codes, I intended to build a theory of changing decision-making power. However, as the main research method used for analysing the empirical data I should consider a simple qualitative data analysis – a process of interpretation of meanings from the content of the interviews guided by used theory and/or relevant research findings, which Silverman calls “realistic approach to interview data”. Such combination of data and methods fall within the methodological triangulation.

In the following paragraphs, I describe in more detail, the entire process used for generating my findings. Firstly, I present the “raw” outcomes of the data collection; Secondly, in three parts, I discuss benefits and drawbacks of the qualitative comparative research (QCR). Finally, in the final part, there is a description of the data analysis and discussion about the generalisability, validity and reliability of the findings.

3.1. Data Collection

Before, during and after the 3-6 month long fieldworks, I collected secondary and primary data needed for getting a general overview about the central-local and intragovernmental relations as well as specific nuances about the personal perceptions of political and administrative leaders in various municipalities of selected countries. Secondary data was from current official documents and documents which were at least 10 years old. Such official documents included national Local Government Acts, statistics, Internal Organisational Rules, OECD reports, and other research reports. The primary data, was from sixty face-to-face interviews (out of which nine were conducted during the pilot study), and 200 survey questionnaires. The interview questions were semi-structured and open-ended. The main topics were about a) the role of Mayor/CEO in the preparation of the municipal budget; b) the perception about the decision-making power; and c) factors and actors influencing respondents’ (changing) decision-making power.

A detailed description of the interview questions is in Appendix 2. For the purposes of this dissertation thesis, I concentrated only on the last two themes. All except one interview were tape-recorded, with an average time of 50 minutes per interview. Most of the interviews were conducted in local languages. A few respondents in Spain and Finland were also willing and able to respond in English. All the interviews were transcribed; the interviews conducted in Finnish were transcribed and translated into English by a Finnish research assistant.

Other detailed information about the respondents is presented in Table 1.

Table 1: Overview of Respondents' Background Information

Studied countries	N° of studied municipalities	Average population	Average age of respondents Mayors/CEOs	Education (Mayor/CEO)		Women Mayors/CEOs	Average time for being in charge (in years) Mayors/CEOs	Average time/interview
				UD**	HSD***			
Finland	7	20,500	60/54	7/7	0/0	1/1	8/17	32'
Slovakia	9	18,657	50/52	6/9	2/0	0/6	7/5	37'
Spain	12	23,201	45/45	5/13	2/0	0/3	10/15	60'
Pilot study	5	18,302	48/48	3/5	1/0	0/1	10/15	70'
<i>Total</i>	30*	20,165	50/50	21/34	5/0	1/11	9/13	50'

*The total sum of municipalities is only 30, as 3 municipalities from the Pilot study were also investigated in the main research field work; **UD – University Degree-, ***HSD – High School Degree or lower

Several councillors and civil servants provided supportive data to the interviews by responding to the anonymous survey questions. During the fieldwork, in each municipality, I distributed these surveys to random councillors and civil servants. The purpose of these surveys, was to get another perspective about the decision-making power of Mayors and the CEO, respectively. I wanted to find out who is more influential in the municipal decision making according to the municipal representatives (the English version of the survey questions is in Appendix 3). Unfortunately, I was not able to obtain written responses from each municipality, and the general turnout was very low. Therefore, I decided not to analyse this data in this research project. Nevertheless, the data available served as a light illustration of the perspectives of civil servants and councillors on their political and administrative “bosses”. This also enriched the other findings obtained from the interviews, observations and documentary sources.

3.2. The Comparative Approach

The most simple dictionary-like definition of comparative research says that comparative research is a systematic comparison of social phenomena in two or more units (societies, countries, cultures, etc.,) (Mokrzycki, 1982). These units operate within a *context* that is based on a set of institutional systems and structures, which shape the behaviour of research objects. The theory of sociological institutionalism elaborates this mutual interaction between institutions and

individual actions in more detail (March & Olsen 1987; Powell & DiMaggio, 1991; Hull & Taylor, 1996; Scharpf, 1997).

When doing a cross-cultural comparative research, this assumption of mutual interaction between the institution and human behaviour is crucial. This is because it implies that certain social phenomenon in different institutions behaves differently. However, as Niessen (1982) mentioned, the fact that certain social phenomenon is situated in different contexts and that the fact of being situated in exactly those contexts is of special interest to the research. The same logic applies also for the research project at hand, where the purpose is to find out/observe and later describe, what is the perception (behaviour) of political and administrative leaders (research objects) who act in culturally different local governments (context) due to the emergence of NPM and Governance practices (universal external factors).

A very important feature regarding the cross-cultural comparative research is that these studies are not only international but they need also to be interdisciplinary (Galtung, 1982). In addition to the analysis of connections between different contextual levels, the sociological research also requires the usage of various scientific disciplines. For instance, in terms of guidance, the micro level (e.g. interpersonal relations) is guided by social psychology, the mezzo-level (e.g. inter-institutional relations) by sociology, and the macro level (e.g. inter-national, inter-sector relations) by political science. Unfortunately, as Galtung mentioned, for most of the researchers it is common to concentrate separately on two branches in this level/layer list. "One picks up structure and power and appeals more to sociologist and political science; and one picks up culture and meaning and would appeal more to anthropologists, humanists, perhaps also to many historians although they are certainly pursuing the first branch" (1982, p. 30). In this way, however, researchers omit a number of explanatory aspects about the "reality" and their conclusions may become incomplete.

Thus, even though it is very demanding and requires good training in all of these scientific fields (Galtung, 1982), the comparative studies should attain to embrace many of these mentioned analytical dimensions. In this way, it is possible to provide a very complex picture about studied social phenomena as well as to show the

causalities between the behaviour of the research object and the context within which it acts.

I am aware, however, that in my research, I was not able to include a very detailed analysis of all the comparative levels by using all possible disciplines. Nevertheless, a reader can find the attempt to cover as many disciplines as possible in order to provide reliable interpretations of gained results. The combination of studies in the field of sociology and politics helped to shape the comparisons of institutional systems on the macro (central-local relations) and mezzo-level (intra-local governmental relations). For a better understanding of politico-administrative relations (micro-level), I turned my attention also to some studies from social psychology. In addition, for a better interpretation of perceptions expressed by studied research objects from different cultures, it was necessary to get some theoretical basis also from the field of anthropology (Hofstede, 1993, 2001; Hofstede, Hofstede, & Minkov, 2010), as well as from the field of history (Jussila, Hentilä, & Nevakivi, 1999;).

3.3. What is it to do a Qualitative Research?

In his examples of various research methods, Salkind (2009) suggested that the main purpose of doing a qualitative (non-experimental) research, is to study human behaviour in particular contexts. Therefore, doing cross-national comparative research based on qualitative data was an automatic solution for me.

“Qualitative research, in the simplest terms, is social or behavioural science research that explores the process that underlie human behaviour using such exploratory techniques as interviews, surveys, case studies, and other relatively personal techniques” (Salkind, 2009). In addition, qualitative research is a multi-method in focus, involving an interpretative, naturalistic approach to its subject matter. Qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena, in terms of meanings that people bring to them. Qualitative research seeks answers to questions by examining various social settings and the individuals who inhabit them (Berg, 1989). Furthermore, one of the most important added values of qualitative research techniques is that they ensure the

knowledge acquirement of previously not-thought-through practices. Even if the researcher develops a very clear research question before the fieldwork, hundreds of new questions emerge during, but mainly, after the fieldwork. This brings great sources and ideas for other undiscovered or yet-not-described phenomena, as well as new insights and perspectives about the studied societies.

This dissertation research is both multidimensional and multi-methodological. It is: a) multidimensional, because it studies two different objects in thirty units (municipalities) of three different upper-units (countries); and it is b) multi-methodological, because it combines aspects of various methods, although none of them is used in its pure form. For a case study, the number of municipalities is too big and the analysis does not go deep enough to describe the particular context of those municipalities. Rather, it only describes the situation of municipalities in general. Thus, the case-study method helped to compare structures and the position of municipalities in the entire public administration-systems, but it did not serve for conducting comparisons of perceptions. In this respect, rather, the field research was conducted. In respect of the selected countries, I am fully aware that I was not able to grasp every little nuance shaping the character of changing decision-making powers belonging to representatives. I am also aware, that I was not able to create an invincible theory about the impact of NPM and Governance on leaders' decision-making powers and the dynamics in politico-administrative relations. Nevertheless, I believe that the comparative qualitative research in hand, is able to bring about relevant and valid answers on the above-mentioned research questions.

3.4. The Pitfalls of Qualitative Comparative Research and how to avoid them

Doing a behavioural research by qualitative cross-national comparison entails number of challenges. They can be divided into two categories: theoretical problems and practical problems. The theoretical problems contain mainly difficulties grouped in three interrelated areas: a) the context, b) the level of analysis and c) semantic problems. The practical problems are manifold and often it is not even possible to predict them. Therefore, it is very difficult to prepare for them. Nevertheless, I believe that my training in social psychology and intercultural

management and communication, as well as the ability to be flexible and adaptable, might help to decrease unexpected circumstances in organising and conducting fieldwork in a foreign environment.

3.4.1. Theoretical Challenges

3.4.1.1. *The Context*

A profound knowledge of the context where the research object performs its activities and where the social phenomena is going to be studied is a first step for designing the comparative research project. Knowing the position of the research object in the social systems by describing research object's relations to and dependency on particular nodes in the social system should be the base for studying other characteristics of the research object.

In this research project, the negative consequences of a lack of contextual knowledge were limited by various methods.

- 1) **The theoretical preparation.** During the pre-fieldwork preparation stage, a number of local government comparative studies, surveys, statistics and reports from all case countries were examined. Several historical analyses and cultural guides were also studied. This theoretical examination helped to define the level of analysis; determine the research units and research objects; standardise interview questions; and prepare for the potential cultural differences and “cultural shocks” during the fieldwork.
- 2) **The pilot study.** After the theoretical preparation, the pilot study was realised in one of the countries (Spain). The selection of this particular country was deliberate. The preparation phase showed that the theoretical background knowledge about this country and its system was not sufficient for starting the actual fieldwork. Therefore, a pilot study – for acquiring more practical inside-information about the governmental systems, but also for testing the data collection techniques – was

conducted. More details about the pilot study and its outcomes are in the following chapter “Data collection”.

- 3) **Discussions with researchers and professionals from the field of local governance and public administration.** Research seminars, presentation of partial theoretical findings, and a general sharing of knowledge and experiences with other doctoral students, researchers, and professors helped to design the research project in the operationalised way. Very essential also, were informal talks with professionals from studied countries. Such talks provided additional background information about the public administration systems and its specific – often for an external observer hidden – practices.

Having a profound theoretical knowledge about the environment where the respondents in foreign society operate is, however, often not sufficient. If the researcher does not live in a particular country/community, he or she will always have a lack of internalised background knowledge about the studied society. During one’s lifetime, people acquire lots of information about the relations among certain phenomena, which shape their everyday activities in the boundaries of their societies. In such a way, they are creating a net of knowledge, which becomes strongly inherent and tacit. Such tacit knowledge is, however, unlikely to be expressed by respondents and thus, it is hard for the researcher to acquire this information by interviews or by reading some documents. One solution for grasping this tacit knowledge, is to make a set of observations, most preferably, about the everyday activities of respondents in their natural environment. Therefore, arranging fieldtrips to all case municipalities and discussing few hours with respondents in their formal (office) and/or informal environments (cafeteria, restaurant) served for obtaining better insides to the studied societies. The results of the observations are, however, not systematically reported. They are, rather smoothly integrated into the description and interpretation of obtained findings.

2.1.1.1 *The Level of Analysis*

As I already mentioned, there are three analytical levels used in the study: comparisons of countries, analyses at the individual level, and analysis of individual characteristics removing the effects of country differences. The level of analysis further illuminates the research units, object and sample.

Research Units

The main research units used in this research project were municipalities, i.e. the lowest self-governmental units in the national systems of public administration. “Municipalities are the level of government closest to citizens. These governments respond to the most diverse populations and to the most intense social, economic, and political problems within each country,” (Mouritzen & Svava, 2002, p. 6). “On the one hand, local governments are to act as the vehicle of local democracy, providing services responsive to local needs and conditions. On the other hand, local governments must constitute the local branch of the national-state administrative apparatus, executing state policies in key-policy areas,” (Pierre 1995, quoted in Kersting et. al., 2009, p.11). I decided to focus on the lowest self-governmental units, which are responsible for delivering a number of services and are led by the municipal councils composed of directly elected councillors, which have a formal competence to decide upon the municipal development.

For the purposes of this study, the municipalities had to belong to the scale of small-medium size municipalities; their population was not supposed be less than 10 thousand inhabitants and not more than 40 thousands inhabitants. These research units are part of the bigger supra-units, which means countries, the highest governmental entities. The selection of countries was based on an intention to have representatives from various clusters suggested by available literature. Consequently, I decided to select two extreme cases (Spain and Finland, representing the Southern/Mediterranean and Northern/Nordic comparative “poles” of Europe) and one case, which is from the institutional perspective somehow a mixture of both countries (Slovakia, representing Central-Eastern Europe or Transition countries).

My intention of doing this “purposive sampling” (Silverman, 2005), rather than doing random sampling was for achieving easier comparability of research units. Seeing as on the macro-level and also in terms of the cultural dimension, all three countries are very different, I wanted to achieve a certain comparative homogeneity at least on the mezzo-level. In terms of medium-size municipalities, I made the following assumptions: 1) That they all deal with similar problems in all studied countries, 2) that they have a similar set of responsibilities, and 3) they have similar intra-organisational structures (in terms of number of employees, or number of councillors). Consequently, these similar institutional preconditions were supposed to highlight potential differences in personal perceptions. I am aware, however, that in this bounded context, my findings are quite limited and likely generalisable only on the scale which I determined. It is probable, that if I would have had a more heterogeneous sample – municipalities from various size ranges – I could have found other factors which influence the perception of the decision-making power of local leaders. However, such a situation could lead to comparisons of too large municipalities with too small municipalities with their own overly distinctive problems and functions. As a result, such sources could be too simplistic for interpreting the differences between respondents’ perceptions.

Research Objects

The investigation focussed on two main research objects: the top leading politician and the top leading appointed official, i.e. the local elites. Both representatives had to fulfil the criteria of being in the office for more than 5 years (or at least one full electoral period), in order to be able to reflect on the institutional changes in their local governments. In order to define both actors, I followed Mouritzen and Svava’s definition. The first research objects were top **political leaders – Mayors**. Authors see Mayors as functionaries, who “may merely have ceremonial functions and preside over meetings of the city council, but they are still the top (local) politicians” (p. 12).

In the Spanish and Slovak context, the identification of Mayors was straightforward. In the Slovak municipalities *Primátor* and in the Spanish municipalities *Alcalde* were investigated.

The Finnish case brought more challenges. Personalised political leadership, as can be found in continental Europe, has not been typical for Finnish municipalities. Instead, the political leadership has been shared between collegiate decision-making bodies (the Municipal Council and the Executive Board), which have been headed usually by two chairpersons (Goldsmith & Larsen, 2004). Even the current Local Government Act does not clearly define which of these two people should be in charge of final political decisions (see Goldsmith & Larsen, 2004), or who is accountable for made actions. Therefore, in some municipalities, one can find a more influential chairperson of the Council, while in other local governments the chairperson of the Executive Board may play the key role (Sandberg, 2004).

In spite of the challenges, in defining who is the highest political leader in the Finnish municipalities, in this empirical research I analysed the Chairperson of the Executive Board (*Kaupunginhallitukseen puheenjohtaja*)⁷. It is mainly due to the fact, that this position shares more comparative factors with Mayors in Spain and Slovakia, than the head of the council does. For example, an EB Chairperson is an elected politician who deals with executive functions and he or she is in close contact with Chief Executive Officer. This is because he or she deals with “daily operation of municipal administration” (Sandberg, 1998). The head of the council, however, does not operate with those two mentioned competences at all.

Secondly, the EB Chairperson usually represents the political party which wins the municipal elections⁸. As a result, his or her influence in the local government is also supported by the relative majority of councillors in the council, which is the case in Spain, too. However, in terms of an explicit popularity among citizens, the Chairperson of the council has an advantage over the EB Chairperson, as the Chairperson of the council usually becomes a candidate with the highest votes. Thus, during the decision-making processes, the Chairperson of the council can use the argument, that he or she has strong support among the citizens, while the EB Chairperson can use the argument that he or she has strong support among the

⁷ For the comparative reasons, the terms Chairperson of the Executive Board and Mayor are used in this paper with the same meaning, even if in the Finnish literature written in English, the term Mayor usually refers to the Chief Executive Officer/City Manager.

⁸ This rule applies only if chairperson’s political party has the majority in the council. If no clear majority exists, the chairing of the Board (as well as the Council) may rotate among the parties after two years (Heinonen, 2006).

councillors. Which of these two arguments is stronger depends on the circumstances.

The second research object is a top leading civil servant, i.e., **Chief Executive Officer (CEO)**. According to Mouritzen and Svara, “The official surveyed is the highest appointed administrator, identified by titles such as Chief Executive Officer (CEO), or city manager [in Finland and Spain], chief administrative officer [in Slovakia], and general secretary [in Spain] [...]. For simplicity [we] refer to these officials as chief executive officers or CEOs. Although objections might be raised to the use of this term, it is better than the alternatives” (2002, p.: 8). Furthermore, “The official under question has executive as well as administrative authority and is the “chief” among administrators. [...] All the officials included in the survey exercise at least de facto a substantial part of the executive authority in their jurisdiction and occupy a central position in which they interact directly with the top elected officials and some or all council members. Thus, they occupy a position that is clearly at the apex of leadership.” (2002, p.: 9).

In the Finnish and Slovak context, the identification of this official was very clear. The City manager (*Kunnanjohtaja/Kaupunginjohtaja*) and the Chief Administrative Officer (*Prednosta obecného /mestského úradu*) evidently fulfil the set requirements. In the Spanish context, however, the detection of a CEO was more challenging. Some authors (Mouritzen & Svara, 2002; Delgado, López Nieto, & López, 1998) assigned the highest top administrator’s position to so called General Secretary (*Secretario General*). However, I cannot fully agree with this categorisation. The position of General Secretary is a State functionary, who is sent to a municipality to provide advice in legal matters (Beukenholdt-ter Mors & Schaap, 2000). It is true that the position of General Secretary is at the top of the administrative hierarchy. It is also true that his or her influence in the local government is significant (Delgado, Nieto López, & López, 1998; Mouritzen & Svara, 2002) as he or she has a right to comment on the legal feasibility of political decisions. Nevertheless, he or she cannot be considered as an administrative leader – or leader of administrators. A secretary does not formally fulfil functions which belong to the position of CEO, typical for Slovakia or Finland. For example, he or she is not elected / appointed by the municipal organs, he or she does not co-

ordinate municipal employees, and he or she does not manage provision of services. All these functions are in the hands of deputy-Mayors and directors of specific departments. For this reason, during the pilot study and the main fieldwork, I decided to find out who from the civil servants, could be comparable with the Slovak and Finnish CEOs. The snowball method, used with local representatives and professionals in local government studies, generated two findings. The first finding is that the most influential and the most active civil servant in the preparation and execution of political decisions is the director of urban planning. This person plays a very important role, mainly because he or she is considered as a “money-generator”. The Director of urban planning does not have a role of administrative leader, since other employees do not hierarchically depend on him or her. But he or she is appointed by municipal organs and he or she is responsible for management of at least some employees and some services.

The second finding, which is perhaps even more interesting, is that some municipalities established a position of CEO (*Gerente Municipal*). All big cities are according to the Law 57/2003 obliged to establish this position, small towns and villages can establish it on the voluntary basis. This CEO represents very similar functions as can be found in Slovakia or in the traditional Finnish model. He or she leads municipal employees, executes political decisions, intervenes in the political decisions, and in many instances takes care of the efficient provision of public services.

Due to these findings, I decided to take under my investigation municipalities, which have a position of CEO, i.e. municipalities with a new structure, but also municipalities, which have not established this position yet, i.e. municipalities with traditional structure. In the latter municipalities, I tried to interview General Secretaries and Directors of Urban planning. In the former municipalities, I tried to interview CEOs and General Secretaries. However, other civil servants and politicians were interviewed as well. This helped to discover trends in the modernisation of municipal development. In the analytical part, due to the need for consistency and the need for a homogeneity of responses, the main focus is only on the responses of Mayors, CEOs, and General Secretaries.

This heterogeneous situation in the Spanish as well as Finnish municipalities, caused several drifts in the prerequisites for the investigated research units and research objects. As I have mentioned earlier, the initial idea was to investigate officials and politicians who have spent more than 5 years in their offices and whose communities have between 10 and 40 thousand inhabitants. Mainly, however, the Spanish context forced me to break down this prerequisite. It also forced me to break down the limitations and rather focus on data, which I considered more valuable. Therefore, to the list of case municipalities, I included also some Spanish local governments with less than 10,000 inhabitants and also Mayors and CEOs who have spent less than 5 years in their offices.

Research Sample

The selection of a research sample was semi-random. Albeit, the requirements defined for the research object and research units were also applied.

Information about the Mayors' and CEO's time spent in charge, was collected by electronic mail (e-mail) survey. E-mail included two basic questions "How many electoral periods has the Mayor of your municipality spent in his or her office? And how many years has the CEO of your municipality spent in his or her office?" In the Spanish case, the survey contained one more question: "Do you have a position of *Gerente* in your municipality? If yes, how many years has he or she been in the position?" The survey questions were sent in local languages to municipal offices.

All municipalities from the defined size range were contacted. In Spain, the turnout was rather small. Only 21 out of 151 municipalities (14%) replied to the request. In Slovakia, I experienced another extreme, as 39 out of 55 suitable municipalities replied (70%). In Finland, the return rate was 27%, with 21 replies from 77 potential municipalities.

From received answers, I selected those municipalities which fulfilled set criteria, at least in Slovakia and Finland. The Spanish case was exceptional, because, as mentioned before, the priority was given to municipalities with an established position of CEO.

From the population,⁹ with defined requirements, I selected a research sample. In Slovakia, the sample for interviews consisted of nine municipalities: Brezno, Lučenec, Malacky, Myjava, Partizánske, Senec, Sered', Šurany, and Žiar nad Hronom. The biggest Lučenec had 27,790 inhabitants; the smallest Šurany 10,445 inhabitants. In Finland, I investigated the following seven municipalities: Forssa, Hollola, Kankaanpää, Lempäälä, Parikkala, Sastammala, and Ylöjärvi. The biggest town was Ylöjärvi with 30,235 inhabitants and the smallest was Kankaanpää with 12,216 inhabitants. In Spain, I investigated following twelve municipalities: Amurio, Bakio, Erandio, Carballo, Castellar del Vallès, Cataroja, Galdakao, Oleiros, Pineda de Mar, Premià de Mar, Tomelloso, Xàtiva. The smallest town was Bakio (1,756) and the biggest was Tomelloso (30,430). Municipalities Amurrio and Erandio were investigated only during the pilot study. Municipalities Bakio, Galdakao and Premià de Mar were investigated during both the pilot study and the main research. The rest of the municipalities were investigated only during the main research phase. Municipalities with the position of CEO constitute six out of twelve selected cases.

Table 2: Set of Case Municipalities per Country

Studied countries	Studied municipalities
Slovakia	Brezno, Lučenec, Malacky, Myjava, Partizánske, Senec, Sered', Šurany, and Žiar nad Hronom.
Finland	Forssa, Hollola, Kankaanpää, Lempäälä, Parikkala, Sastammala, and Ylöjärvi
Spain	Amurio, Bakio, Erandio, Carballo, Castellar del Vallès, Cataroja, Galdakao, Oleiros, Pineda de Mar, Premià de Mar, Tomelloso, Xàtiva

2.1.1.2 Semantic Problems Related to Interviewing

Further methodological constraint from the theoretical perspective refers to the *semantic differences* (Galtung, 1982) emerging in studied countries. As the cross-national research is conducted in countries using considerably distinct languages, the threat of misunderstandings is high.

There are several ways by which the impact of this semantic problem can be reduced. First, according to Galtung (1982) one should do **both-ways translations**

⁹ The population represents results from the above-mentioned email survey.

of all pairs of languages to be used in the interview questions. That means that in a three-language study a total of six translations need to be carried out. In my research project, this rule was fulfilled only partially. There were seven translations, because the both-ways translations were between English and all the other languages and between Slovak and Spanish. Thus, the both-way translations between Spanish-Finnish, and Slovak-Finnish, were due to lack of resources omitted. However, intensive consultations with native speakers (who have a background in public administration studies) formed a significant part of the time spent on the design of the survey questions.

The second solution for the semantic problems I call **“sharing the ‘right’ meaning”**. Sharing the right meaning is a technique, when by using the probes and follow-up questions (Yeager, 2007) I could quickly fix the occurred misunderstandings. This solution had two alternatives. The first one refers to the situation, when during the interaction, the interviewer or interviewee get confused or does not understand the interviewee’s answers/interviewer’s question. If the confusion occurred on the interviewee’s side, I tried to straightaway explain or guide the respondent to the “expected” meaning of studied phenomena (see Salkind, 2009). In such situations, I could assure that the understanding and the meaning of studied concepts was not ambiguous and could bring less biased answers.

The second alternative is to ask directly how the interviewee understands certain concept(s). If the interpretation is misleading or very different from what the interviewer expects, it is good to ask the respondent about his or her motives to provide such an explanation. In this way, I had a chance to acquire a new perspective on certain theoretical concepts. Later, I tried to share my perspectives, with the intention to bring a win-win situation, when both the interviewee and the interviewer could benefit from the on-going interaction. I had to be very careful, however, with the attempts to provide too scientific explanations for avoiding the respondents’ impression of being insulted by pointing out on his or her lack of scientific knowledge.

The most valuable benefit coming from using the “sharing the ‘right’ meaning” methods was a possibility to obtain new perspectives on certain concepts and thus acquire new ideas for further research.

Both alternatives, however, might be criticised due to the interviewer's intervention in respect of the respondent's answers. I do agree with this potential criticism, but, only if I would carry out field research in one society, when the survey questions would not need to be standardised, and when there would not be a comparative attempt in the research design. In such situations, an uninterrupted monologue, with a possibility to freely express one's opinions and perspectives and consequent researcher's interpretation of those opinions would be essential. However, the comparative character of this qualitative research required high level of equivalence and sharing of the "same" meanings, therefore I found the intervention in case of misunderstandings as very essential.

3.4.2. Practical Challenges

3.4.2.1. *Lack of Data*

Among practical challenges, individual researchers doing a cross-national study can find it very difficult to obtain necessary comparative data. As Berting (1982) stated "data available in one country, often do not exist in another, or when they exist, they are not really comparable (e.g. different breakdowns in census data, differences with regard to the definition of units, the statistics do not cover the same period, etc.)". Hence, very careful data trade-offs, and data segregations become a common activity during the analytical process. Also, during my fieldwork, the lack of data was a challenge – not only in the cross-country dimension but also in the inside-country dimension.

2.1.1.1 *Interpreter or Entrusted Interviewer*

Another drawback, which I personally found the most challenging in doing the qualitative-comparative project, was a dependency on others in a country, where I was not fully familiar with the local traditions. Especially the usage of interpreters brought several challenges. During the face-to-face interviews – which were supposed to create as spontaneous, relaxed, and comfortable dialogue as possible, the role of interpreter quite negatively influenced this process. The natural

environment of the respondents was not equipped with the required technology for simultaneous translations. Therefore, the interpreter had to interrupt the respondent's monologue very often. And this highly decreased the willingness of usually very busy and occupied interviewees to express their opinions in detail. Thus, the main benefit of the face-to-face interview – the accumulation of unexpected information – was harmed. Therefore, I used the service of a professional interpreter only once. As an alternative, I decided to follow another technique – entrusting the local interviewer. In my case, I used the services of a researcher with the academic background in the field of local governance to conduct the interviews on my behalf. In this way, however, I paid big attention to very detailed explanation of the research project with all the expected outcomes. The entrusted interviewer must have been fully aware of the aims of the research and should share very similar theoretical backgrounds and meanings of the main research concepts with me. This was needed especially when the entrusted interviewer was supposed to “bring-back” the respondent to the survey question (in case the respondent diverged too far), or when she had to explain the survey questions to the respondent. In spite of intensive training which the entrusted interviewer got before the start of interviews, my control over the conduct of the interview was limited. Therefore, there was always a possibility that some interviews omitted to address the aspects, which they were expected to; instead, some of them brought up new topics which were quite irrelevant to the research project.

3.5. Data Analysis

The data analysis had two dimensions. In the first dimension, I analysed the institutional systems of case countries and in the second dimension I analysed the empirical data from the interviews. In both dimensions, I used different analytical processes.

3.5.1. Comparative Content Analysis of Institutional Systems

I analysed the institutional systems of studied countries by using the content analysis of official documents and research reports while focusing on the factors determining the central-local, intra-governmental, and politico-administrative relations. For this analysis I used three sets of comparative indicators:

- Municipal functions and expenditures, and financial autonomy defined by Heinelt and Hlepas (2006) served for determining the central-local relations;
- Local government form, typical decision-making styles, mayoral leadership type and CEOs role served for describing the intra-governmental relations;
- The strength of Mayors, CEOs and municipal councils, and mayors and CEOs selection process as reported by other research studies (mainly Mouritzen & Svava, 2002) served for determining the politico-administrative relations.

I used the same set of indicators for analysing the institutional system in Finnish, Spanish and Slovak municipalities in the years 1999 and 2009. Changes which occurred between these two periods of time were explained via applied local government reforms in selected countries. The most significant were decentralisation and politico-administrative reforms affected by NPM and Governance development trends.

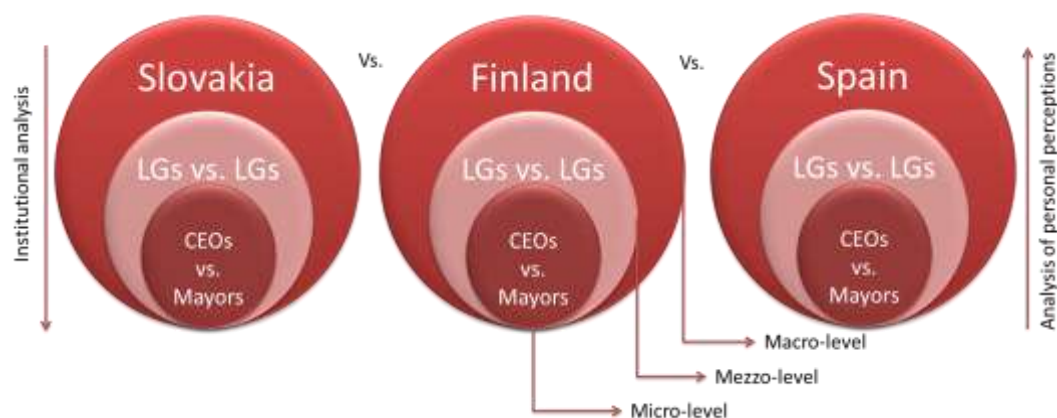
3.5.2. The Realistic Approach to Interview Data

In the second dimension of the data analysis, I focused on the empirical data from the interviews. I followed the “realistic approach to interview data” (Silverman, 2005). Using this method meant that I treated respondents’ answers as describing the internal experience (feelings and meanings). When following this approach it is important to incorporate various devices to ensure the accuracy of the interpretation. Therefore, I employed the method of triangulation (further elaborated in section 3.7.1). In particular, the data analysis compounded of three basic steps. First, by following the answers on the standardised interview questions I described and listed different interpretations of certain phenomena (decision-making power) of all the

respondents. I visualised and categorised these interpretations per respondent, municipality and country to the hierarchical structure presented in the Scheme 6. Second, I tried to observe the similarities and difference in those meanings, and interpret and categorised them based on the theory and/or relevant research findings. For example, if in their definitions of decision-making power respondents mentioned that decision-making power is dependent on the position and formal competences belonging to their position, I categorised this definition as definition based on the functionalist point of view. If in their definitions, they mentioned that decision-making power depends on personal features, then I categorised this definition as definition based on the personal abilities point of view. I searched the interpretation of these emerged categories in the institutional systems and cultural values shared among the respondents.

Considering the comparative approach, I decided to compare various analytical units in different directions. Firstly, I concentrated on the institutional analysis (comparisons on macro- and mezzo-levels, meaning comparisons of central-local relations and intra-local governmental relations), where I compared findings between all three countries. As I used “hard data” (Loetsch, 1982) for this analysis, the comparison on the country level was quite straightforward. Secondly, I concentrated on the analysis of personal perceptions (micro-level) where I attempted to compare CEOs’ and Mayors’ perception of decision-making power in selected municipalities within one country. I then compared results on the intra-municipal (mezzo-) level, still within one country. Finally, the aggregation of gained findings allowed me to make comparisons between selected countries (macro-level).

Scheme 5: Comparative Analysis



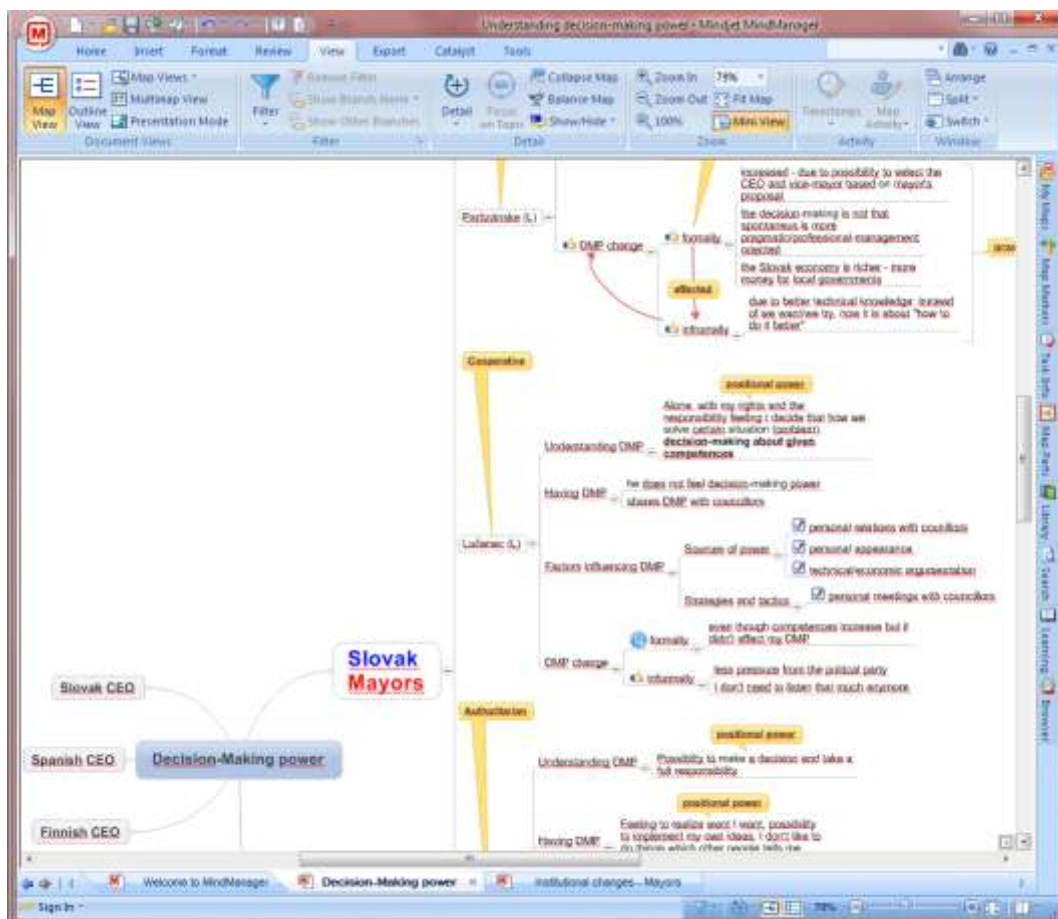
I decided to apply this ‘silo-approach’ based on Mokrzycki’s (1982, p.50) suggestion that social phenomena should be studied within the context of their own system and compared only indirectly as a consequence of comparing whole systems. This approach allowed me to provide interpretations of respondents’ perceptions (soft data) based on the theoretical knowledge gained from the cultural studies, which as a research unit uses whole countries/nations. Doing direct comparisons of perceptions between countries already on the micro-level, could lead to mismatching important cultural features aggregated only on the national (country) level. At the end, it is important to mention that in order to assure the anonymity of the respondents and keep the monograph to a feasible length, I decided not to present explicitly the results of the micro- and mezzo-level. Therefore, the reader will have a chance to see only the aggregated results on the macro-level.

In terms of data analysis, I did not deal with the impact of gender on the content of particular responses. Though, I found it important to mention that I made clear linguistic distinctions between the male and the female respondents. Despite of that, I let the reader consider his or her own interpretations for particular gender-related issues emerging from presented transcripts. For clarification, all but one studied Mayors were men. Two studied Slovak CEOs were men, all but one studied Spanish General Secretaries were women, all studied Spanish CEOs were men, and only one Finnish CEO and one Finnish Mayor were women.

3.5.3. Data processing

Current quantitative research theories often suggest various computer based software for data processing and data analysis. For this research, I decided to use less sophisticated tools such as Microsoft Excel 2010, PowerPoint 2010, and Mindjet MindManager 8. Microsoft Excel 2010 was used mainly for data display and creation of graphs from quantitative data. PowerPoint 2010, although normally used for presentations, was used for diagrams and schemes, mainly because it contains various user-friendly and attractive applications. Finally, Mindjet MindManager 8 was used as a tool for data display and mind-mapping. The mind-mapping technique, with its three nodes character helped to analyse relations between various data and served for conceptualisation of theories and conclusions. An example is provided in Scheme 6.

Scheme 6: Screenshot from Mindjet MindManager 8 with Examples of the Data Analysis



The main reason for using Mindjet MindManager 8 instead of, for example, NVivo, was its simplicity and various applications for visualisations. It allowed the comparison of different levels; it allowed writing notes wherever I wanted and

needed; it allowed attaching pictures, documents, or putting icons for better imagination. Most importantly, however, it kept me on track by its hierarchical construction of data. This further led to easier creation of research conclusions starting from very general concepts and ending in very specific examples.

3.6. Generalisability, Validity, and Reliability

Due to my previous educational background from within the environment of the positivistic methods, during the research design the intention of having generalised, valid and reliable results played a crucial role. The qualitative nature of the research design and the fact that I followed the grounded theory approach, meant that I did not need to focus on generalised conclusions. Instead, I paid great attention to the validity and reliability aspect. This is because one of the main objectives of the grounded theory approach is to find a more systematic approach to analyse qualitative data and generate theory and hypothesis (see Glasser & Strauss, 1967 in Windischhofer, 2007).

According to Kirk and Miller (1986), validity can be distinguished between instrumental validity and construct validity. I tried to achieve instrumental validity by triangulation and the construct validity by standardisation techniques.

3.6.1. Triangulation

Triangulation is defined as a process during which data is analysed from different sources and by arraying various methods (Silverman, 2005). The research design allowed me to conduct three types of triangulations: data triangulation (different sources concerning the same topic), space triangulation (data about the same topic from different places), and person triangulation (data about the same topic from different individuals, groups, and collectives) (see Miles & Huberman, 1994). Thus, I applied data triangulation by comparing interview data with each other,¹⁰ with the

¹⁰ The last question of the interview was what the Mayor thinks about the decision-making power of the CEO and vice versa, what the CEO thinks about the decision-making power of the Mayor.

results from surveys and with the longitudinal analysis of secondary sources. I achieved space triangulation by collecting data from three different countries and number of municipalities. Finally, by asking both the political and administrative leaders the same interview questions, I was able to proceed with the person triangulation.

One of the main reasons as to why I did not conduct typical case studies (one municipality per country), was due to my intention to provide as reliable findings as possible. I followed Bäck's (2005) example, when in his qualitative study about local political leadership and community involvement in metropolitan cities, he tried to achieve the reliability of outcomes by exploring eighteen case cities from eight different countries. Mainly due to practical reasons, I rather preferred to concentrate only on three culturally different countries but with more municipalities in them (33). In this way, I could achieve higher consistency of findings within each country, but also on the international level by portraying examples from contrasting case countries.

3.6.2. Standardisation

Another way for increasing the reliability of my data was by using the techniques of standardisation (Salkind, 2009). I concentrated mainly on the standardisation of conditions under the investigation and standardisation of instructions. For assuring the standardisation of conditions, I conducted 99% of the interviews in the respondents' "natural" environment – municipal offices. Apart from, the particular respondent, my research assistant (interpreter), and myself, nobody else was present. In the event that some other person wanted to get involved during the interviews, I kindly asked that person leave the room in order to assure privacy, comfort, and respondents' anonymity. As already discussed earlier, in order to assure the standardisation of instructions, I prepared identical semi-structured interview questions for use by the respondents in all three countries.

The research design along with my great interest in doing a comparative research, also helped to achieve construct validity. "Construct validity is the extent to which the results of a test are related to an underlying psychological construct. It links the

practical components of a test score to some underlying theory or model of behaviour...For example, construct validity allows one to say that a test labelled as an 'intelligence test' actually measures intelligence" (Salkind, 2009, p. 120). According to the grounded theory, construct validity can be achieved by obtaining the phenomena from data that originates from comparative cases (the discovery of different actor groups and comparing their logic). As stressed by Glaser and Strauss (1967, p.169), this usage of "comparison groups is essential to the generation of theory." My standardised respondents from three different countries and from different positions in the municipal organisational structures, responding on semi-structured interview questions enabled assurance of valid comparative cases. Then, for assuring construct validity, I organised data into categories (the actor's different perceptions of decision-making power in general). I also determined the categories' properties and conditions, and showed the similarities and differences in these categories (the actor's different attitudes towards using formal/informal powers, etc.). Finally, I demonstrated the relationships between categories in order to see their dynamics and consequences.

Finally, I would like to emphasise that using the triangulation method and striving for validity helped me to produce a study which is as 'objective' as possible. Qualitative research based on the usage of interactive methods can hardly yield pure objective results which would not be affected by personal experiences, values, and attitudes of a fieldwork researcher. Nevertheless, I tried to keep subjectivity to a minimum.

4. Institutional Systems

Without knowing the macro-relations, it would not be possible to understand the micro-relations. Therefore, although this paper is studying a micro-concept of decision-making power it is important to know, in which environment (macro-relations) studied actors operate, since this environment provides important formal sources shaping their overall decision-making power.

Formal decision-making powers – formal authority – rights and responsibilities, are one of the most studied factors in a comparative local governance research. As the literature review showed, these factors are often used for the analysis of vertical relations between the state and local governments (central-local relations) as well as intragovernmental relations. For the purpose of this paper, I will concentrate on two big groups of indicators. First, I will analyse the position of local governments in the structure of public administration. This is expressed by the: a) distribution of public services between the state and the sub-national governments, b) level of municipal expenditures, and c) financial autonomy of local governments. Secondly, I will present the general features of intragovernmental relations in the local governments of studied countries, where I will focus on the description of formal powers belonging to Mayors and CEOs. Finally, I will describe communal electoral systems, as well as the recruitment of Chief Executive Officers and discuss their impact on leaders' formal decision-making power. This will serve also to define the politico-administrative relations.

Since the purpose of my study is to find out how the decision-making power of local leaders has changed between years 1999 and 2009, first of all, I will present the institutional arrangements of central-local and intragovernmental relations in the studied countries from before year 1999. I will then, by brief historical analysis, demonstrate the most significant local government reforms to have shaped the character of the studied municipalities and the respective power relations of their leading representatives. Finally, I will present the institutional systems in the year 2009 and discuss the potential increments or decrements of those formal powers.

4.1 Institutional Systems of Local Governments as before 1999

4.1.1 Central-Local Relations

According to the knowledge gained from the literature review and by following the Heinelt and Hlepas (2006, p.28) comparative indicators for evaluating the vertical power relations, the general central-local relations in Finland, Spain, and Slovakia before 1999 could be briefly characterised accordingly:

- Spanish municipalities were typical representatives of the Franco group (Heinelt & Hlepas, 2006) because they operated with few public functions and low public expenditures, which reflected also relatively low governmental autonomy. In addition, the territory was very fragmented, with a large number of small municipalities.
- The Slovak municipalities were representatives of the CEE countries, though with a number of institutional characteristics found in the Franco group: very few public functions, low public expenditures, very low governmental autonomy, and very high territorial fragmentation (Baldersheim, et. al., 1996,).
- Finnish municipalities, on the contrary, with one of the highest number of public duties, high public expenditures, and medium-high financial and political autonomy were clear representatives of the Nordic group (Hesse & Sharpe, 1993 or Heinelt & Hlepas, 2006). This is further supported by highly consolidated territory.

In the following paragraphs, these statements are developed in more detail by following the following variables: a) distribution of public services between the state and the sub-national governments, b) level of municipal expenditures, and c) financial autonomy of local governments.

4.1.1.1 Municipal Functions and Expenditures

At the end of the 1990s the local governments in Slovakia and Spain were weak. In Slovakia, after the velvet revolution in 1989, the communist society (as in all the other states from the former Soviet Union) started the state transformation according to the principles of a democratic regime. This process of transformation was supposed to encompass both the economic, political, and socio-cultural systems, and reintroduce a 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 operationalisation of such vision, however, required a deep reorganisation of central-local relations. Thus, a strictly centralised government (led by one political party) had to become a decentralised democratic state with possibilities for pluralistic perspectives via a multiparty system and free elections. The multiparty system was established already during the first national and communal elections, however, the process of decentralisation was not accomplished by the end of the 90s. Actually, at that time, it was only in its initial phase, so municipalities were still very weak and dependent on state directives.

In Spain, decentralisation already ended in the late 90s (it started in 1976 after the creation of the new democratic constitution), but public services were transferred only to “newly” created Autonomous Regions. Autonomous Regions did not always play a very strong role in the Spanish public administration system. During ‘Franco’s dictatorship’ (1938-1975) especially, Spain was divided only into two administrative levels – highly centralised State and mostly small and weak municipalities. In order to decentralise the state powers, the new democratic political system established a third tier – autonomous regions (Autonomous Communities). These autonomous regions (17) were created mainly on the historical bases. First Basque Country, Catalonia, and Galicia as “historical nations” received a chance to govern their areas according to the local needs. The rest of the regional authorities and two Autonomous Cities were established later on (see Beukenholdt-Mors & Schaap, 2000; Niveiro de Jaime, 2008). During the democratisation and decentralisation process, Autonomous Communities attained much greater attention than the local governments, mostly due to strong nationalist pressures from the

“historic nations” and the relatively “smooth operation [of local governments] and absence of problems which would oblige a search for solutions at the State level” (Niveiro de Jaime, 2008, p.65). Hence, instead of the renewal of municipalities, in Spain emerged the renewal of ‘historical nations’ (see Beukenholdt-ter Mors & Schaap, 2000), and the weak position of local governments remained untouched.

Therefore, the Slovak and Spanish municipalities in the late 90s were still responsible only for a few services assuring mainly the basic running of the municipality. The State, however, (in Slovakia) and Autonomous regions (in Spain), had the provision of most of the public functions under their control (Kára & Blažek, 1993; Baldersheim, et. al., 1996; Beukenholdt-ter Mors & Schaap, 2000; Delgado et. al., 1998).

On the other hand, Finland at the end of 90s, was very functionally decentralised (Sandberg, 1998, 2004; Daemen & van der Mer, 2000; Heuru, 2003). The Finnish municipalities have had constitutionally granted functional provision of most of the public services already since the creation of the first Constitution in 1919 (Finnish Constitution, 1999). Thus, together with basic services, they were responsible for the provision of welfare as well as other services. For the purposes of clarification, “welfare services” refers to the provision of education, health care and social protection; in the “other services” can be found housing and community amenities, environmental protection, recreation, culture and religion. Services assuring the basic running of the municipality refer to lighting, garbage cleaning, fire protection, economic affairs, public order and safety, and the like.

The volume of public functions is related also to the volume of expenditures, which municipalities spent in proportion to the total public expenditures. For example, in 1999 the share of the total municipal expenditures on the total public expenditures in Slovak municipalities was 3.6% of GDP. In Spain, the situation was very similar, though the indicator had almost a double value, 6.2% of GDP. Not surprisingly, since Finnish municipalities had to take care of a large number of public functions, the volume of municipal expenditures counted for 22.9% of the total public expenditures in proportion to the GDP (www.eurostat.eu).

Already, by comparing these two indicators, one can see that Spanish and Slovak municipalities had at the end of 90s quite similar starting positions, while Finland is in this respect perceived as a “deviant” case.

4.1.1.2 Financial Autonomy

Before 1999, the financial autonomy (autonomy in rising own taxes and or discretion in using grants from upper-level government (Heinelt & Hlepas, 2006)) in Slovakia was as weak, as it was responsible for few municipal services. The municipalities accounted only for 8% of public finance, while their autonomy, measured by proportion of revenues from own sources, was also very low (Baldersheim, et. al., 1996). The main income came from property tax, shared personal income tax, and grants. Thus, although the dependency on state financial support was low, the actual self-governing was due to lack of own resources almost impossible.

In Spain, one can find an opposing situation. In spite of the weak position of Spanish local governments in terms of number of public functions, their financial autonomy has been always relatively high. Although their share in total public expenditures was much lower than, for instance the one of regional authorities, local governments had more control over their income. This is because 50-60% of the municipal budget was covered by local sources. The main sources were taxation on businesses and property, charges for the costs of individual services, state grants, and loans.

The Finnish municipalities, already since the end of the 19th century have had guaranteed financial autonomy. The possibility to tax their residents is also dated to those times (Heuru, 2003). By the end of the 90s, on average every Finn paid 17.5% of his or her income to the local government’s repository. This constituted around a half of the municipal budget (Daemen & van der Mer, 2000). Despite of this, by the end of the 90s, the dependence of Finnish local governments on the State was quite high. This is because municipalities had to execute expensive welfare services, which were contextually defined on the national level. Thus, the local governments had the responsibility to execute and manage policies, yet did not have much

influence on the content of these policies. In addition, external organs could control local governments. As the Local Government Act of 1995 stated, the Ministry of the Interior should monitor "the operations and finances of local authorities" (Local Government Act, 1995, Section 8). Furthermore, the financial independence of local government was limited by the fact that the national government gave subsidies to poorer municipalities by redistributing money from richer municipalities (Daemen & van der Mer, 2000, p.25). This perceived constraint autonomy was by the end of 90s waiting for its transformation.

4.1.1.3 Implementation of New Public Management

Spain has had a long tradition of private sector provision by companies founded in the late part of the nineteenth century. For example, As John mentioned, there were some large companies, currently integrated into Grupo Agbar, which took care of construction or water services (John, 2001, p.106). Since 1965, Spain privatised or contracted out many local services, such as water, public transport and waste collection. As in other countries, waste collection and street cleaning have been extensively contracted out. There has also been a transfer of responsibilities from direct control by the municipality to syndicates (Warner & Bel, 2008).

The progress of NPM reforms in Spain has been limited by the power and salience of the traditional bureaucratic state whereby municipalities were subject to string legal controls and have their foundation in law (John, 2001). The numerous regulations limited the flexibility municipal organisations had in responding to change. It also meant that bureaucrats had limited discretion and were subject to rules of financial accountability. More generally, there had been less support for management change in Spain than elsewhere in Europe, partly because of the expansion of the public sector and because of low academic and expert interest and knowledge about public management (Boix, 1996 cited in John, 2001).

In Finland, municipalities have also experienced NPM reforms that sought to move to results oriented management and the use of market mechanisms. The main objective of those reforms was to build an as flexible, non-bureaucratic, economical and effective local government as possible (Juntunen & Leinonen, 2009). These reforms, not surprisingly, focused on changes in managerial structures and

processes, accounting and budgeting systems, utilisation of market mechanisms in service production, and corporatisation of local government units (Juntunen & Leinonen, 2009). Authors further argue that those reforms caused an increase in the authority and independence of local governments and strengthening of the economic thinking in local government decision-making. The Local Government Act of 1995 normatively assigned this neoliberal ideology, formed by the ideas of New Public Management (Heuru, 2003). The effects of these legislative amendments further indirectly led to privatisation of some of the public services (Heuru, 2003) and deeper inter-municipal cooperation (for further discussion about the inter-municipal cooperation see Haveri, 2003, 2008; and Nyholm, 2006).

Private sector practices have progressively entered also to the Slovak public discourse since the beginning of the transformation process. However, the implementation of those practices was not very evident, because as Bouckaert et al. (2009) mentioned “Before 2003, the [managerial] reform was dominantly incremental and legalistic, with only few NPM ideas realized,” (cited in Nemeč, 2011, p.13).

4.1.2 Intragovernmental Relations

For defining and comparing the intragovernmental relations in studied countries before year 1999, I took as a comparative base the Mouritzen and Svara’s (2002) typology for presenting the local-government forms in Spain and Finland. Since Slovakia was not included in their study, I described the Slovak situation based on a combination of data from work of other researchers (e.g. Baldersheim et. al., 1996; Nemeč et. al., 2001) and I focused on Mouritzen and Svara’s indicators defining the distribution of powers between municipal organs.

4.1.2.1 *Spanish Formally Strong Mayors*

In the late 90s, Spain belonged to the **strong-mayor** form of government. As already mentioned in the literature review, it is typical of this form of governance that the elected Mayor controls the council and is legally (and in actuality) in full

charge of executive functions. The CEO serves at the Mayor's will and can be hired and fired without the consent of any other politicians or political bodies. The Mayor can hire appointees to help with any functions (Mouritzen & Svava, 2002).

Mayor

The Spanish case did not differ from this general characteristic significantly, and in fact it was somewhat the opposite. Since the 19th century, when the current Napoleonic municipal system was established, the Spanish Mayor (*Alcalde*) played one of the most important roles in the local community. According to the general discourse, Mayor, priest, and General Secretary have traditionally been the most important figures in a town. At those times, Spanish Mayors were indirectly elected from among councillors. Usually, the Mayor came from whichever political party won the communal elections. Although, the general rule followed the model of indirect elections, according to which the council elected the Mayor from those councillors who headed various party lists. Only if there was no majority favouring one party leader, the post of Mayor was assigned to the councillor who headed the most voted-for list (Beukenholdt-ter Mors & Schaap, 2000, p. 153). Mayors were fully responsible for the juridical, executive, and administrative issues and represented a face of the municipality. They were in daily contact with citizens: they were often asked to act as chair for many local organisations, or to perform ceremonial functions, ranging from opening large fairs to attending talent contests (Beukenholdt-ter Mors & Schaap, 2000, p. 153). Although the Spanish city councils were elected on a proportional basis (every four years by universal voting), the Mayors usually exerted strong control over the council. Delgado, Nieto López, & López (1998) even claimed that “once elected, the council can exercise control over the Mayor only through the approbation of budgets and motions of censure” (p.240). Thus, even though there was not a formal top-down relation between Mayor and the council, the Spanish Mayors had a significant amount of executive freedom, though the legislative functions were in the hands of councillors. Another important feature typical of Spanish municipalities, was that Mayors were obliged to create an executive committee by appointing its members. Furthermore, Mayors could also delegate particular executive competences to individual members of various specific-purpose-oriented committees (Mouritzen & Svava, 2002). Similarly, to Bäck's terminology, Delgado, López Nieto, & López called this form of

government a “semi-presidential model” (1998, p.24). In this way, the Mayor has always had an assured group of loyal supporters, who used to act as a homogenous body during the municipal policymaking. The council, however, still had some important responsibilities, which limited the independent work of the executives.

General Secretary

Traditionally, the second most important person in Spanish municipal administration after the Mayor was the General Secretary – Clerk (*Secretario General*). His or her (mainly her) main duty was to assure the legality of all municipal administrative decisions. Thus, the specific tasks used to be the “exercise of authority, certification of documents, compulsory legal advice and control; internal supervision of the economic-financial management; budget, accounts and treasure control as well as those generally reserved to officials for a better guarantee of objectivity, impartiality and independence while performing their functions,” (Delgado, López Nieto, & López, 1998, p.168). In small municipalities, this civil servant was responsible for all of the above tasks, while in bigger towns and cities the treasurers (*Tesorero*) and auditors (*Interventor*) were in charge of fiscal matters (ibid).

A specific feature shaping the character of these local bureaucrats, was their appointment by the State and the Autonomous Regions. Neither municipal council, nor Mayor had a formal possibility to select or choose which Secretary, Treasurer, or Auditor would occupy the municipal public vacancy. This requirement was meant for assuring the political neutrality of leading civil servants and at the same time, help the State representatives to objectively control the management of municipalities (ibid).

Due to these features or despite of them, the relation between governing politicians, and the General Secretaries used to be very tight. Before their actual implementation, all policy-proposals and decrees had to be checked and approved by Secretaries. Thus, the Secretaries were supposed to say whether a policy was in accordance with the law or not, and hence, whether the policy could be implemented or not. This ‘approval task’ provided the General Secretaries with a large amount of influential power in the municipal decision-making process.

General Secretaries, although they usually did not intervene to the political process (Delgado, López Nieto, & López, 1998; Mouritzen & Svava, 2002), thanks to their expert knowledge in public law and public economy, they had a chance to decide, which interpretation of the law they selected. Therefore, if the Mayor wanted to ensure the smooth running of the local community according to his or her vision and ideas (most likely contained in the electoral program), he or she was encouraged to maintain good and productive relations with this state civil servant.

However, the reality showed that this strict recruitment system and specific Secretary's watchdog role often created lots of interpersonal conflicts and a slow and ineffective decision-making process. Therefore, it became an "open secret" that before hiring Secretaries, Mayors have chosen personal appointments with candidates. Or, instead of qualified functionaries, they hired interim officers from among their own municipal employees (ibid). This consequently led to strong politicisation of civil servant's position, which is the exact opposite to the prior idea of administrative neutrality.

4.1.2.2 Finnish Informally Strong CEOs

In comparison to Spain, Finnish local governments, in the late 90s, belonged to the opposite pole: council-manager form of government. In this form of governance, it is typical that all the executive functions are in the hands of a professional administrator – the CEO – who is appointed by the city council, which has general authority over policy but is restricted from involvement in administrative matters. The council is a relatively small body, headed by a Mayor who formally has presiding and ceremonial functions only (Mouritzen & Svava, 2002).

Mayor

This general characteristic already defines that the situation with Finnish Mayors is not as straightforward and clear as in Spain. Whilst Spanish Mayors had to take care of legislative, executive, and administrative functions, the Finnish Mayor (Chair of the Executive Board) in the 90s, was responsible approximately for only one third of all these duties – sharing and guiding the executive tasks, which specifically belonged to the Executive Board. Thus, the overall responsibility over the running

of the city was not in the hands of one formal leader but a collective leadership body. A very important feature of 'collective leadership' is a consensual climate during collective decision-making process. This was empowered also by a coalition of parties represented in the proportionally created Executive Board, municipal council, and other municipal boards and committees. In such a way, everybody (or nobody) could become a leader, because the leadership was shared.

One other typical feature, was that Finnish Mayors were very strong partisans (as well as their Spanish colleagues). Their affiliation to the political party was as important as for other municipal councillors. More than 95% of councillors were elected on a party label (Goldsmith & Larsen, 2004), thus it was almost impossible, that the head of the Executive Board would be a non-partisan politician (even though the law allowed it). Nevertheless, according to Mouritzen and Svara's research, these Mayors presented only low commitment to promoting their political party programs to the Executive Board positions (2002, p. 71 and 294) and rather they were more responsive to the local public needs. Furthermore, the Mayor (as well as the other councillors) was a layman without a full-time political post (Sandberg, 2004). This fact, among others, decreased the Mayoral position in comparison to the colleagues in Slovakia and Spain even more, since their involvement in the actual implementation of public policies was very limited. This, in consequence, left the possibility for professional CEOs to be the head of the municipality. Also, as several authors stated (Daemen & van der Mer, 2000; Mouritzen & Svara, 2002; Goldsmith & Larsen, 2004; Sandberg, 1998, 2004) CEO's influence in the local government has always been very strong. Therefore, it is not surprising that the Finnish Mayor also shared the representation of the local government to the outside world with the CEO.

Chief Executive Officer

"The history of the Finnish municipal Chief Executive Officer is nearly as long as the existence of Finland as an independent nation," (Sandberg, 1998, p.78). The first independent Finnish government in 1918 introduced this position in all of its cities, and later from 1977, all the municipalities (villages included) became obliged to have a CEO (ibid.). During the decades of the 20th century, the formal position of this top local bureaucrat had been changing significantly (Sandberg, 2004):

- From holding a membership in the EB – direct participation in the policymaking;
- Through a strict separation of roles, when CEO was not allowed to be the EB member anymore – the participation in policymaking became restricted;
- Until current times, when the separation of roles is quite blurred – the participation in policymaking is delegated based on the local politicians' will or needs.

According to the Local Government Act of 1995, being a subordinate to the Executive Board, the CEO was responsible for leading the administrative, economic, and other activities of the municipality; taking part at the meetings of the municipal council and the EB and taking the minutes. Besides, mainly due to the previously mentioned layman character of leading politicians, and their part-time involvement in daily management of municipality, the EB delegated almost all executive functions to the CEO. Thus, the Finnish leading administrator was responsible for not only the operational tasks within the municipal office (as were most of the Slovak CEOs and Spanish General Secretaries), but also for the executive tasks relating to the entire municipal development.

This phenomenon created two specific characteristics of the Finnish CEO. Firstly, he or she became very visible (also in public), and many citizens actually considered him or her as the community leader. Secondly, the relationships between Mayors and CEOs were not top-down, but rather equal, or even CEOs were sometimes perceived as being above the executive board (mainly because of their expert power). This was one of the reasons, why in Finland, this administrative official was often called Mayor (Sandberg, 1998), even though he or she did not fulfil the formal requirements belonging to the European-like Mayors. For example, he or she was not elected from among councillors, nor were they directly elected by citizens. Also, he or she did not have formally assigned legislative tasks. Nevertheless, the Finnish CEOs could have been easily compared with the Slovak Mayors. They shared the same strong involvement in the executive tasks; they were fulltime officials, etc. But, while the Slovak Mayor exercised explicit *de jure* individualistic leadership, the Finnish CEOs performed concealed, but still, individualistic *de facto* leadership.

An Important feature distinguishing the Finnish municipal CEOs from the Southern European colleagues, was the length of the job contract. In the traditional model, CEOs used to be appointed for an indefinite period. The regulation of 1995, allowed municipalities to create also:

- a) A managerial model, in which the CEO was hired for a definite period, usually 5-7 years, which was still exceeding the political electoral term;
- b) And European-like “Mayoral” model, where the municipal council appoints the CEO/Mayor for four-year period, and he or she is supposed to function also as a chairman of the executive board.

The main reason for regulating CEOs contracts, was to strengthen the local political leadership, which had been petering out over the years (Mouritzen & Svara, 2002; Pikkala, 2002; Goldsmith & Larsen, 2004). In addition, such arrangements were supposed to regulate the democratic accountability to the citizens by balancing powers between elected politicians and non-elected administrators. The traditional hiring model provided CEOs with the possibility to create a strong connection with the community and its needs. The acquired knowledge about the citizens’ demands and the technical ability to satisfy them, fostered CEOs to intervene also in the political arena. This fact, however, had been significantly threatening the decision-making position of local politicians. As leading politicians had been changing every two/four years, as well as the fact that they were not fulltime elected officials, they might have lacked the professional competences to compete with CEO’s expert knowledge. Due, also, to the indefinite character of the CEO’s contract, these politicians even had problems when trying to fire the CEO in the event of a loss of confidence. This situation thus became against the generally accepted principles of democracy, in which the elected political representatives were supposed to lead the community, since they were directly accountable to citizens. Civil servants, also, were only supposed to implement these policies.

For this reason, the amendments in the Local Government Act of 1995 were expected to resolve this problem. It is not surprising, that by the end of the 90s, most of the municipalities, applied the second – “managerial” type of contract (Sandberg, 1998), – allowing councillors to have a better control over CEOs performance. However, due to the persistent par-time involvement of politicians in the

management of municipality, the CEOs influence in the political tasks had not declined much and the political leadership was not significantly empowered (Nyholm & Haveri, 2009).

4.1.2.3 Slovak Independently Dependent Mayor

As previously mentioned, Slovakia was not included in the comparative study, which served Mouritzen and Svava for creating their comparative typology of local governments. However, Baldersheim with his colleagues (1996) in their comparative study of V4 countries concluded that Slovak municipalities with their intragovernmental relations are very similar to the Southern-European type of governmental form – with strong Mayoral position. Thus, the Slovak municipalities should have belonged to the Mouritzen and Svava's strong-mayor form of government, as well. In the following paragraphs, I will describe reasons for making this conclusion.

Mayor

Starting in the year 1990, when the first free communal elections took place, the State legislation created predispositions for very strong Mayors leading the Slovak self-governments (Bennett, 1993; Buček & Malíková, 1997; Soos & Price, 2002). The Mayor became the face of the municipality, head of the council, head of the execution, and head of the municipal office; moreover, citizens were given a chance to directly elect him or her. Despite these facts, the biggest divergence from the general features of the strong-mayor form of government is that the Mayor's municipal policymaking authority was designed for being shared together with the authority of the municipal council. The Mayor and the council were thus put on the same hierarchical level with independent decision-making powers, and the relationship between these two bodies have been aimed to achieve the necessary balance of power and sharing responsibilities in managing public affairs (Sopóci, Hrabovská, & Bunčák, 2006). The main idea of such division was to allow citizens (via "their" councillors) to govern their territory by following principles of representative democracy (Belajová & Balážová, 2004) and thus avoid an autocratic leadership of a directly elected Mayor. The strength of the council was reflected also in the composition of the Executive Board, because its members could be elected on

a proportional basis from among councillors. Thus, the Slovak Mayor operated in the “semi-presidential system” of local governance (Bäck, 2005); though in comparison to the Spanish colleagues, they could not appoint their “own” councillors to this board. Another distinction is related to the process of Mayor’s dismissal. Only citizens, during the referendum, could recall the Mayor from his or her office. This referendum, could be announced by the council if 30% of eligible citizens signed and submitted a petition for the recall of the Mayor; or if more than 50% of councillors agreed that the Mayor grossly or repeatedly neglected his or her tasks or violated laws. These preconditions, thus, encouraged Slovak Mayors to apply various methods of direct or participative democracy in order to maintain stronger relations with citizens, whilst showing them the devotion and willingness to run the municipality according to their needs.

The influence of this institutional system on the Mayor’s negotiating position was quite clear. If the election produced harmony between elected bodies, (Mayor and majority of councillors are from the same political parties), then the Mayor usually did not have problems when passing his or her proposals, or when making and implementing big developmental decisions. A different situation, was when the Mayor and the majority of councillors were from different political arenas. The council’s position, was then almost absolute. For the purposes of illustration, the strength of the council was reflected mainly in the fact that they possessed the possibility to block Mayoral policy proposals or to accept proposals which were not in line with the Mayor’s interests. Even though the Mayor had a right to veto council resolutions, if after this veto, three-fifths of councillors affirmed the decision, the Mayor was obliged to execute such decisions. This was the case, even though he or she might not have agreed with them. This arrangement assured the democratic principle of following the decision of the majority – but often it could fall into to the trap of the “tyranny of the majority”. For example, in case the council’s decisions did not consider objective and vocational foundations, but rather followed just party/personal interests, then Mayoral potentially good incentives were hardly realised; even though, these proposals might have provided the most objective and the most efficient solutions. Such conflict between council and Mayor, apparently, could have limited the overall municipal development. However, in case the direct Mayoral election yielded a Mayor who was not fully competent, then the

power of the collective decision-making body, potentially representing the opinions of the majority of citizens, was highly legitimate and could save the community.

On the contrary, a very important feature allowing the Mayor to perform strong executive leadership was the professionalised character of his or her position. The Mayor was a full-time and relatively well-paid municipal officer with strong connections with administrators, which brought him or her good basis for managing the community. Furthermore, since it was the Mayor's duty to prepare and present policy proposals to the council, it was inevitable that he or she needed strong support among bureaucrats; because the responsibility for the detailed elaboration of such proposals lay in their hands – expected professionals in public administration issues.

In bigger municipalities (with more than 5,000 inhabitants), local governments usually established the position of Chief Executive Officer – CEO (*Prednosta obecného/mestského úradu*). This CEO became responsible for the overall running of the municipal office, thus the Mayor could afford to devote more time towards political functions (creating visions, and development goals). This meant that while in smaller municipalities, the Mayor was expected to be an executive and administrative professional who assured the running of community life, in bigger municipalities, the circumstances led to the Mayor performing more political leadership. This, therefore, allowed the Mayor to focus on doing politics. This, might also be one of the reasons why the party affiliation of Mayors from smaller municipalities did not play such a crucial role in the communal elections¹¹.

It is important to remember, however, that the Mayor could only nominate a candidate for this position; the final word in appointing this leading administrator went to the council. This often caused the politicisation of this post (Soos & Price, 2002), because CEOs were meant to control the Mayor's executive tasks and they were not just for helping him or her with the implementation of political decisions.

¹¹ As Nemeč with his colleagues (2001) mentioned, “Political party ‘games’ are typical in large cities, and accountability to inhabitants is better developed in small municipalities, as demonstrated by the results of the December 1998 elections; the proportion of independent Mayors and councillors elected in small municipalities was significantly higher than in large municipalities (all newly elected lord Mayors in cities that are the seats of the respective regional office were proposed by coalitions),” (p. 315).

Chief Executive Officer

To the best of my knowledge, there is not, unfortunately, an academic study which would have elaborated in detail the formal position of the Slovak CEOs before the year 1999. The academic literature usually recalled only on normative facts defined in the Local Government Act (LGA) of the year 1990. This LGA said that *if* the position of the CEO was established, then this officer led and organised the work of the municipal office; together with the Mayor signing the council and the EB's decrees; and participated in the EB and council meetings without the possibility to vote (Art.17).

If the municipality was able to establish the municipal office, then the CEO was supposed to coordinate the following particular activities:

- a) Assuring the provision of public services;
- b) Assuring the organisational and administrative issues of other municipal bodies created by the council;
- c) Assuring the written agenda of the municipal companies and organs of the municipal council;
- d) Preparing technical background materials and other documents for the council, board and committee meetings; and/or
- e) Elaborating documentation for all the decisions made by Mayor; executing enactments, council resolutions and Mayor's decisions (Art.16.2).

One important feature by which the CEO's position played a very important role in the Slovak local governments was via the process of his or her appointment. Before '99 the council had the possibility to appoint a CEO officially up to the Mayor's proposal. However, in order to maintain feasible relations with the council, the Mayor was indirectly requested to propose a candidate who would be in favour of the entire council. In addition, the tradition was that the CEO's position was for controlling the Mayor's administrative work. Thus, as many observers pointed out, the nomination for CEO was often strongly political (Soos & Price, 2002). However, in spite of its intended "watch-dog" function, the CEO was still the Mayor's direct subordinate and was responsible for the administration of the municipality. In case the CEO was just a political appointee without appropriate professional skills, the Mayor was left solely responsible for managing the entire

town hall. And as the practice showed, this situation often led to conflicts between the council, Mayor and CEO which were not easily resolved. Therefore, these arrangements were urgently waiting for their transformation.

The main purpose of the above description of historical facts was to determine the starting positions of local government development in all three countries at the beginning of the millennium. This set of information is important mainly for its further usage in a discussion about the changes in decision-making powers belonging to local political and administrative leaders. The comparison was based on indicators evaluating central-local relations as well as intragovernmental relations. Thus, this historical description of vertical and horizontal features characterising Finnish, Spanish and Slovak local governments and their political and administrative leaders allowed finding out the main similarities and differences of those systems from before the year 1999.

4.1.3 A Comparative Summary of the Initial Stage

The documentary analysis confirmed that from the vertical point of view, Slovakia and Spain, at the beginning of the millennium, had many common characteristics and they belonged to the countries with weak local governments. By using very simplified conclusions, in both countries, the municipalities took care of only a few public duties, and their financial autonomy was quite limited. This was reflected also in the lower municipal spending. Paradoxically, a crucial element of municipal government was a position of strong individual leaders with a wide range of assigned legislative, executive, and administrative functions and responsibilities. Such leaders were supposed to build good social networks with representatives on the upper-governmental levels in order to assure better developmental possibilities for their communities. Thus, in connection with the external environment, both Spanish and Slovak Mayors could have been easily recognized by citizens and other stakeholders, because the institutional system expected them to act as strong community leaders defending the interests of their citizens. In reflection to the theory, municipalities in both countries evidently played a role of interest-defenders and while Spain was a clear representative of the Franco group defined by Hesse

and Sharpe (1991), Slovakia was a clear representative of the CEE group with a number of features typical for the Franco group.

On the contrary, Finnish municipal authorities were already by the end of the 90s, very strong, with many public functions, relatively high financial autonomy and a high proportion of municipal spending in national GDP. In connection to this, the elected officials did not need to have that a strong connection with the upper-governmental levels, because all of the public services which their citizens needed for fulfilling their well-being, were already in municipal hands. Therefore, a larger focus was put on the appropriate management of those duties, which in consequence, created a strong position for a professional civil servant – the CEO, but diminished the role of elected politicians. These arrangements resulted in a situation where the non-elected bureaucrats (though commonly affiliated with some political party) often performed tasks other than the administrative. They often performed a number of political functions and consequently became easier recognised by the public as heads of the municipality. This elevation of managerial functions over the political functions created a conflict with principles of representative democracy, which forced the national legislators to balance the local politico-administrative powers. However, by the end of the 90s the actual practice of this legislative change was still in favour of bureaucrats. All these features predetermine that Finnish municipalities played the role of welfare-service providers and that they were clear members of the Northern and Central European group of countries.

Table 3: Central-Local Relations as before 1999

Countries	Competences	Financial autonomy	Municipal spending in % of GDP	Territorial consolidation / fragmentation	Municipal role in the PA	Categorisation in theoretical clusters
Finland	Many	High	High	Consolidated	Service-provider	Northern-Central European group
Spain	Few	High	Low	Fragmented	Interest-defender	Franco group
Slovakia	Few	Low	Low	Fragmented	Interest-defender	CEE group with features of Franco group

Looking at these countries from the horizontal (intragovernmental) point of view, one can observe more differences. Both Spanish and Slovak elected leaders performed their duties within the strong-mayor form (Mouritzen & Svara, 2002) and semi-presidential model (Bäck, 2005) of local government. The main difference, however, is that the Spanish Mayors could appoint their executive members independently, whilst the Slovaks had to cooperate with executive members appointed by the council. Such appointments were based on the proportionality rule and the role of the council was very strong. Therefore, Swianiewicz (2005) suggested recalling the Slovak governmental form to “strong-mayor form with a strong control by the council”. Nevertheless, in both countries by following the Bäck’s typology, the majoritarian decision making should have prevailed, though more data is needed for making relevant conclusions in this respect.

Finland belonged to the council-manager form (Mouritzen & Svara, 2002) and assembly government model (Bäck, 2005) of local governments, where the Mayor had to cooperate with EB members appointed by the council on a proportionality basis. For this system was also typical (as it is typical for all the Nordic countries) decision making which is based on the principle of consociationalism.

Furthermore, while the Slovak and Finnish electoral system guaranteed ideological plurality in the council, the Spanish council was more homogeneous, with two dominant parties on the assembly seats. In connection to this, the Slovak Mayors were elected directly by citizens, and electorates could vote also for independent candidates. In contrast, in order to become a Spanish Mayor, a candidate needed to be affiliated with a political party. This was because the Spanish communal electoral system did not recognise a possibility to vote for individual candidates, and the Mayor was elected only by and from among the councillors (although the actual everyday practice was that the leader of the winning political party became the Mayor). In Finland, citizens voted for individual candidates, but the Mayor (head of the EB) was also indirectly elected from among and by councillors.

The arrangements yielding from the electoral system, gave Slovak Mayors a stronger connection with citizens, though unpredictable support among the councillors. On one hand, however, the Spanish Mayors had assured strong support among the councillors from the biggest party in the council, as well as a strong

connection with citizens. This is was due to the fact that by voting for a particular party, citizens were indirectly voting also for their Mayor. In Finland, Mayors did not have guaranteed support among the councillors, and their direct connection with citizens was also quite weak. This was because, if the Mayor's party won the election it did not guarantee automatic appointment to the position of Mayor, since the municipal council were usually very pluralistic and the winning party did not have automatic majority in the council.

In the Slovak case, despite the council's strong position, strong Mayoral leadership was constrained also by the "controlled" cooperation between the political and administrative leaders, since the CEO was appointed by the council. In the Spanish case, the strong political power was controlled directly by the state administrative functionaries. Finally, in the Finnish case, the weak political leadership position was even suppressed by traditionally very strong professional city manager, whose permanent (or more than 4years) job contract provided him or her set of irretrievable technical skills and experiences.

Following the theoretical basis and Heinelt and Hlepas terminology, such preconditions indicate that Mayors from Spain and Slovakia could be categorised as *political leaders* who are dependent on good social networks with upper-governmental levels needed for assuring better conditions for their weak communities. This also predetermines that CEOs did not have that many delegated executive duties; therefore their role in the local governments was closer to the role of classic administrator (see Klausen and Magnier, 1998). Such a statement is also supported by results of the previously mentioned UDITE research according to which Spanish CEOs described themselves as *classic administrators* (see Delgado, López Nieto, & López (1998). Slovakia was not included in this study, but since the comparison of institutional systems showed evident similarities in these countries, it is assumed that the role of Slovak CEOs could have followed the features found in Spain. Slovak municipal CEOs, therefore, could be also characterised as *classic administrators*. On the other hand, in Finland, in connection to the outside world, Mayors could be categorised only as *ceremonial leaders*. This was because although the executive board operated with a large number of executive functions, the majority of those functions were by tradition delegated to CEOs, who were expected

to know how to deal with them. Therefore, it can be assumed that by having so many functions in their hands, it would motivate CEOs to be more active also in the political sphere and thus perform also political functions. Such a statement was supported also by results of the UDITE study, where Finnish CEOs portrayed themselves as *political bureaucrats* (Sandberg, 1998).

Table 4: Intragovernmental Relations: The Position of Key Municipal Actors, as before 1999

Countries	Mayor	Mayoral Election	CEO	CEO's Appointment	Council (in relation to Mayor)
Finland	Weak	Indirect	Strong	By council	Medium
Spain	Strong	Indirect	Medium	By state	Medium
Slovakia	Strong	Direct	Weak	By council	Strong

Table 5: Intragovernmental Relations: Categorisation based on the Theoretical Comparative Clusters, as before 1999

Countries	LG form	Decision-making style	Mayoral leadership type	CEO's role
Finland	Council-manager form	Consociationalism	Ceremonial	Political bureaucrat
Spain	Strong-mayor form	Majoritarian	Political	Classical bureaucrat
Slovakia	Strong-mayor form	Majoritarian	Political	Classical bureaucrat

4.2 Local Government Reforms between 1999-2009

The comparison of selected central-local and intragovernmental indicators in all three countries at the end of the millennium revealed that there were several issues, which needed to be resolved in the new century. Those issues were touching mainly two general topics – democracy and service provision. While in Spain and Slovakia, the improvements were requested mainly in the expansion of local services (by fiscal and functional decentralisations), which went hand in hand with empowering the executive bodies; in Finland, the biggest concern was to improve the democratic and to the outside-world accountable policymaking, though territorial re-arrangements for more efficient service delivery were also requested.

In spite of divergent starting positions, in this section my intention is to focus on the development of public administration reforms in studied countries and to find out if

and how issues from the previous decade were solved (or not) during the first years of the 21st century. In particular, I will pay attention to the decentralisation reforms, and the character of politico-administrative reforms between 1999 and 2009, which I believe markedly affected an environment within which Mayors and CEOs perform their public duties. Knowing the development of these particular reforms is important mainly due to their direct impacts on changing formal decision-making powers of studied local leaders.

4.2.1 Slovakia

4.2.1.1 *Decentralisation*

The decentralisation reform (1993-2005) significantly transformed position of Slovak self-governments in the structure of public administration. Local governments experienced a large and rapid 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), they became fully responsible and strong public actors.

The process of decentralisation had three stages. In the first stage (2000-2004), the state transferred 400 new competences (Sedláková, 2008) and nowadays, in addition to the basic services, municipalities are supposed to manage all scale of welfare and other services (preschool education, primary schools, health and social care, etc.). These public services have double character: original and transferred. In running the original competences, municipalities can freely decide about the financial and contextual management of those services (basic health care, social protection, economic affairs, public safety and order, recreation, culture and religion, environmental protection). Management of transferred competences falls under the financial and contextual control and support of the State. Registration offices, construction services and section under the education sector belong to this group. It is also important to remember, that welfare services especially, are provided together with the regional and state authorities, but with very strict division of responsibilities. Public order and safety, recreation, culture and religion are also shared between governmental levels (see Appendix 4).

By the year 2003, municipalities remained strongly dependent on State financial resources. Those were provided in the form 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. In 2004, this demand eventuated to the second stage of the decentralisation process called fiscal decentralisation. Fiscal decentralisation, preceded by changes in the budgetary system, brought expected changes in the possibility to perform autonomous government of local communities.

The transfer of public functions was reflected also in the share of the total public expenditures. By using the OECD data from year 2009, the local governments' share in total public expenditures exceeded 17.7% (four-times more than at the beginning of the transformation process) (OECD, 2009b). In addition, the fiscal decentralisation, which took place in year 2004, established the transfer of resources from the shared personal income tax (Čavoječ & Sloboda, 2005). 70.3% of this shared tax goes to municipalities, while the State takes only 6.2% and the rest is devoted to regions.

It is not feasible to argue, that Slovak local self-governments were, during last 10 years, significantly empowered and that their reliance on the state bureaucracy was significantly decreased. Based on the examples from the Nordic countries, nowadays, local representatives can freely decide about the use of financial sources for a wide range of original competences and they have a right to set the level of municipal taxes.¹² At the same time, they have the possibility to run their communities in the way that is more efficient, and more importantly, that is as close to citizens wishes as possible. Such institutional arrangements allow the usage of the title "self-governments".

Territorial Reform

Another sign of transformation from the interest-satisfier to the service-provider is a strong academic as well as public pressure on the transformation of the territorial

¹² The state legislation clearly defines which taxes municipalities can levy (Law 582/2004 about municipal taxes and fees). For the transferred competences, the state still uses grants and transfers.

composition of the country. Even though according to the theoretical principles the current Slovak local self-governments should be much better off in comparison to the past – by obtaining autonomy in governing their communities –, the reality is not that optimistic. Historically, Slovakia is characterised by large 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 a large amount of public duties in an efficient way. Also, the example from the Nordic countries suggests that the self-governments should be rather large in order to benefit from economy of scale. However, unfortunately, such conditions have not yet been assured in the Slovak territory, yet.

Also, Victor Nižňanský (former Government Representative for the State decentralisation reform) agrees that in order to achieve successful decentralisation of competences and finances, the structural changes should have preceded these reforms (2009). However, as he further argues, this process of amalgamation 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’¹³; and 3) fear that due to the process of amalgamation, the process of decentralisation and democratisation can be postponed.

Therefore, instead of a decline of municipalities, one can observe an increase of municipalities. Only between years 1988-1991, the number of (mainly) villages has raised by almost 600. Thus, one 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, democratisation is assured by equal treatment of all the citizens, as well.¹⁴ However,

¹³ Before the year 1989, the redistribution of services was assured by several ‘central cities’ governing smaller communities in the surroundings – a picture, which can be currently seen in many Nordic countries. However, the main criticism of this system was the ‘municipal imperialism’ (Jacobsen, 2005), where the redistribution of services was perceived as not being based on objective needs of particular areas, but on political interests of leading representatives.

¹⁴ For the capital city Bratislava and second largest city Košice apply more specific rules (Local Government Act, 1993).

it is questionable, if 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). These drawbacks thus clearly demonstrate the risks of unwanted decentralisation: prevention of efficient standardisation; increase of transaction costs in public administration, and increase of regional disparities defined by Anttiroiko and Valkama (2006). Therefore, undoubtedly the reorganisation of settlements, i.e., communal reform – the third stage of the large decentralisation reform, is highly requested, even though it has not been in the agenda of the previous two national governments.

Inter-Municipal Cooperation

It has to be mentioned, that one of the alternatives to municipal amalgamations is the inter-municipal cooperation. The original version of 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 the form of contracts, agreements or even by establishing joint-municipal authorities. The concept of joint municipal authorities (*spoločné obecné úradovne*) is similar to the concept of “central cities”, however, municipalities can voluntarily join 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 satisfied 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 unfair decision making, which brings us to the problems connected with the previously established “central cities”.

4.2.1.2 Political Administrative Reforms

As theory suggests, in order to achieve well-functioning modern self-governments, the decentralisation had to go side-by-side with reforms touching the 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, I will first present various administrative/managerial reforms affecting the local governments in general. Secondly, I will present the Slovak municipal political system with reflection on changes that touched the formal decision-making power of Mayors and CEOs.

Administrative Reforms

As mentioned in the previous section, by the end of the millennium, public administration (either on the national or local level) has not been experiencing significant changes in the management of public services. However, starting from year 2003, the local administration experienced a progress in its modernisation. As Bouckaert with colleagues (2009) argue “during the second legislation of liberal Prime Minister Dzurinda’s government (2003–2006), radical NPM changes were realised, such as massive decentralisation and introducing performance-financing schemes,” (cited in Nemeč, 2010). The main reason for these reforms was the well-known call for transforming the non-transparent, inefficient, poor quality provision of public services. The Slovak academics, think tanks, consultant companies, media, and the state representatives have all been talking about the inevitability to improve the public management by using the private company-like practices. Principles of the “almighty” markets operationalised via privatisation, contracting-out, public-private partnerships, budgeting reforms, management by objectives, benchmarking, or cost-benefit analysis, and others, were supposed to be a panacea for the above-mentioned problems of inefficient service delivery.

The features of using the NPM came also to the national 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 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 was not only to forecast and visualise the future, but it has been also a tool permitting to apply financial support from 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 to use 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 was to find balance between strategies (visions, goals, and objectives) and the use of financial resources for implementing those strategies. In other words, program budgeting was supposed to help link inputs to outputs, outcomes and results, and, if properly implemented, it could significantly increase “value for money” from public expenditures (Nemec, 2010).

The last mentioned legislative regulation, Act 523/2003 about the public procurement, was directly connected with the actual provision of services. This legislation created 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 was the creation of public-private partnership likewise used for improvements in service delivery.

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

As the theory suggests, the implementation of new managerial practices is supposed to lead to the empowerment of municipal executives – those who are the main

means for assuring the expected results. In the context of the Slovak municipalities, the executive powers are in the hands of political leader and executive board. However, since the success of the Mayor is dependent on his or her cooperation with and technical dependence on civil servants, the position and role of leading administrators has been in these changing days, also pulled into the spotlight. The CEO theoretically became very important actors in municipal decision making. This position was institutionally empowered by very significant amendment from year 2008, when the Local Government Act declared a transfer of competences to appoint this leading administrator from the council to the Mayor. Thus, Mayor nowadays can appoint the head of the municipal office independently, which is allowing the establishment of even stronger relations between the political and administrative officials. Hence, this legislative amendment yielded to a change in the character of the CEO's position. As mentioned earlier, before year 2008, the CEO was nominated by the council to act as a "watchdog" of Mayoral administrative activities. Today, the Mayor can select the CEO according to his or her personal preferences, which predetermines strong personal/professional connections between these leaders. This connection can further assure that Mayoral visions, which received legitimacy among the electorates, are also accordingly implemented into practice.

One can say that this type of recruitment has, again, a tendency to be based on the clientelism (Sopóci, Hrabovská, & Bunčák, 2006) – giving a preference to a friend without taking into consideration the objective professional quality of other candidates. Others might see it, again, as politicised recruitment – where emphasis is not on appropriate professional skills, but "only" political loyalty. However, it needs to be stressed that various studies show that majority of Slovak CEOs are not partisans¹⁵, and rather they are recruited because of their professional expertise (ibid). This is supported also by the comments of the elected representatives who consider the professional qualifications and competence of administrative staff to be

¹⁵ In the Slovak town Myjava, the situation is quite exceptional. There, the functions of CEO are in the hands of vice-Mayor (councillor). The explanation for this kind of organization was that the municipal office wanted to save some financial resources, thus they accumulated these two positions into one. As the law does not forbid it, municipality used this possibility. In such a way they do not have to pay two salaries, moreover, whereas the vice-Mayor (CEO) is a councillor, he or she has better influence over the municipal council.

very good. Moreover, the majority of administrative employees responded that their prime objective on the job is to comply with the valid laws, rules, and procedures (Sopóci, Hrabovská, & Bunčák, 2006). Interviews with respondents from selected municipalities, which was part of the research at hand, also revealed that it is common to remain in the position as head of the administration also after the change of the political leader. This can further demonstrate, that at least in the case-municipalities, instead of subjective or political preferences, Mayors really rely on professional quality and experience of leading civil servants, who are supposed to help fulfil the Mayor's political visions. These statements can also predict that political leaders, who care about the qualified experiences and skills of their leading administrators, would care also about the modernisation of their communities as such, either by using NPM practices or not. However, more data and further research is needed for proving these statements.

Political Reforms

In many countries, due to the implementation of NPM practices, decentralisation processes and the inclusion of more private and public actors to municipal decision making (in the spirit of democracy), some scholars recommend to strengthen also political leadership (John, 2001). In Slovakia, however, this did not need to happen, since from the very beginning (when the first free communal elections took place in 1990), State legislation created predispositions for a very strong executive as well as political Mayors (Bennett, 1993; Soós & Price, 2002). However, this strong Mayor was put under a tight control of other elected representatives. Importantly, in addition to the balance in powers, this arrangement also assured direct democracy and full direct personalised accountability to citizens, which has been often lacking in the systems with strong collective decision-making authorities in other European countries (John, 2001).

Despite its relatively strong position during the last 10 years, the intragovernmental relations with focus on strengthening political leadership experienced two amendments in the Local Government Act. One legislative modification in 2008, was the previously mentioned right to appoint the CEO, i.e., the Mayor can freely decide who will be his or her "right hand" in executing political wishes and accomplishing administrative tasks. Thus, apart from potential (but not guaranteed)

loyalty from among Mayoral supporters in the council, the Mayor was finally given full control over the running of the municipal administration – full control over the implementation of policies, as well as control over the character of policy-proposals. However, the strength of the council remained still quite strong, because councillors are still part of the municipal committees, members of the executive board, and all the policies needs to be approved by the council.

The second amendment, which by principle goes against the power of representative democracy, caused a decrease in 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 the maximum was 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 a wasting away 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 Appendix 5). 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.

The most recent institutional modification from year 2010 put additional “alliance” powers (Pfeffer, 1992) in the Mayor’s hands. Nowadays, he or she can appoint two vice-Mayors (before it was only one vice-Mayor and it was a council’s nominee)¹⁶. That means that, in addition to the establishment of a loyal co-worker in the executive area, the Mayor obtained loyal team-members also in the political area. So little by little, the trend shows that from a surrounded partisan and advocate of the citizens’ interests, the Mayor is becoming an unrestrained presidential entrepreneur keeping control over the efficient delivery of public services.

¹⁶ The interviews were conducted in year 2009; therefore the last two amendments could not be reflected in the interview questions, that is why they will not be further discussed in the analysis.

4.2.2 Spain

4.2.2.1 *Decentralisation*

In Spain, the process of democratisation and consequent decentralisation started after a death of fascistic dictator Franco in 1975 and it was legitimised via the creation of the new Constitution in 1978 (see Beukenholdt-ter Mors & Schaap, 2000). This process of the transfer of competences from the state to lower-governmental bodies ended already in the late 90s (OECD, 1997). As already mentioned, for this reform of public administration was typical a strong empowerment of autonomous regions, while the powers of local governments were neglected. Some authors even claim that during the process of decentralisation, the transfer of specific powers and responsibilities to local governments was “largely forgotten” (Niveiro de Jaime, 2008). Hence, instead of former “Madrid centralisation”, in Spain has prevailed the centralisation of regional capital cities (Beukenholdt-ter Mors & Schaap, 2000). Alba & Navarro (2007) call this phenomenon, “the regional-local centralism”. The scope of public services provided by municipalities was even by the end of the 90s, similar to the one 30 years ago (Beukenholdt-ter Mors & Schaap, 2000).

Yet, what is more important, during the following 10 years this situation has not been changed. Only the share of municipal expenditures on the total public expenditures has increased to 13.6% (OECD, 2009c). The quality and quantity of performance of most of the welfare functions remained in the hands of regional governments (Rodríguez Álvarez, 2005). Each region has its own legislation for specifying extra competences assigned to the municipalities within its boundaries. This means that the unification of the country from the Franco era got ruined, because a variety of local services became different from one municipality to another. Furthermore, the performance of particular local public services has always been dependent mostly on skilful local representatives, who must have been able (and/or willing) to bargain better financial resources for their municipalities with regional representatives.

Already during the 90s, this unsatisfactory municipal situation led to several movements for obtaining more financial resources and acquiring autonomy that

would be more effective. For instance, it is relevant to mention a lobbying group G-7, which was a composition of representatives of seven major Spanish cities (Madrid, Barcelona, Valencia, Seville, Zaragoza, Malaga, and Bilbao). These cities wanted to obtain a law, which would strengthen their position both financially and in terms of competences (Rodríguez Álvarez, 2005). Unfortunately, the activity of this group declined after a few years without reaching its objectives. However, the pressure for systematic institutional change was constantly present until the year 2003. That year, the Spanish Congress finally approved a proposal for the modernisation of local governments.

This new Law 57/2003, regulated the situation mainly in big cities with more than 250,000 inhabitants. Smaller towns, with more than 75,000 inhabitants, could apply this law only after obtained approval from the regional governments. The small and medium-sized municipalities were not treated in this law at all. If one takes into consideration a percentage of municipalities, which have less than 75,000 (around 90%), the control of Autonomous Regions over their territories remained very strong.

In conclusion, during the last ten years, no major changes affected the position of small and medium-sized local governments in the structure of the Spanish public administration system. Slight amendments affected only metropolitan cities; however the reform of the empowerment of local government autonomy still waits for its operationalisation. Thus, the dependency of local governments on the regional governments remained unchanged during the first years of the 21st century. Therefore, talking about decentralisation reforms affecting the local governments in Spain after 1999 is pointless, because such a process was simply not performed.

Territorial Reform

Despite of its large fragmentation¹⁷ (though still smaller than the one in Slovakia), the territorial reforms dominated by a process of municipal amalgamations, did not play a big role in the Spanish public administration reforms. Together with other Southern European countries, this process was in the late 70's based on the principal of "voluntarism", which at the end, did not bring any changes to the original

¹⁷ The average number is approx. 5,680 of inhabitants per municipality.

territorial structure of the country. This lack of interest could be caused mainly by the strong identity to the historical roots of many Spanish communities, but also due to the main function, which Spanish municipalities perform – public interest defenders (John, 2001). Therefore, municipal representatives did not have a reason to develop the need to have bigger communities for the purposes of benefiting from the economy of scale, since the most expensive welfare services remained in the hands of the “centralised” Autonomous Regions. On the contrary, smaller territories are more convenient for applying political powers and satisfying governmental ambitions of local politicians. Therefore, territorial reform and their effects in the 21st century is not an issue for Spanish municipalities.

Inter-Municipal Cooperation

Even if the amount of municipal public services has not been changed and did not reach the level found in the Nordic countries, the inter-municipal cooperation in the last years became a very common phenomenon. Although it did not have a character of real reform, the current Spanish legislation started to recognise the right of municipalities to pool resources voluntarily in order to provide services that fall into their responsibility (Hoorens, 2008). The most common became “*mancomunidades*”, the unions of municipalities aimed at carrying out civil engineering joint projects, water supply, waste collection and disposal, transport, social services and civic protection. These “*mancomunidades*” have mushroomed in the past few years. At present, there are more than 1,000 of them, regrouping 75% of municipalities. Another form of inter-municipal cooperation is consortia – unions of municipalities and other public and private organisations assuring the services of public interest. These consortia operate for assuring such services as harbour management, transport, water supply and social services (Hoorens, 2008).

In addition, Autonomous Communities can create “*comarcas*” or metropolitan areas. “*Comarcas*” can be established to fulfil a variety of goals at the local level or provide a variety of local services common to the municipalities involved. Metropolitan areas are local entities gathering municipalities with large built-up urban areas whose inhabitants have economic or social bonds that make joint planning or work/ service coordination necessary.

In spite of a relatively low number of public services assured by small and medium size municipalities, the existence of inter-municipal cooperation as well as public-private-partnerships promises good predispositions for applying governance practices. In addition, having a number of loyal partners (EB members and civil servants) who collaborate with administrative issues within the town hall, allows Spanish Mayors to freely concentrate on fostering external relations, establishing networks, partnerships and cooperation for managing bigger development projects.

4.2.2.2 Politico-Administrative Reforms

Although the first decade of the 21st century did not bring significant changes to the scope of functions and financial autonomy of Spanish municipalities, Navarro and Ruiloba (2009) claimed, the Spanish local governments are not the same as some twenty years ago. The biggest changes affected mainly the internal organisation as well as the external structures of politico-administrative relations under the pressure of current challenges and demands. Authors further believe that the biggest part of these changes was concentrated on new forms of relations between various local political actors. In the following paragraphs, I present some of these changes.

Administrative Reforms

According to the Napoleonic tradition and culturally given “mind-set”, the attitudes of Spanish officials towards managerial reforms have always been quite reserved (John, 2001; Hofstede, Hofstede, & Minkov). Although Spain has a tradition in providing public services by private companies, many local services (such as water, public transport, and waste collection) had already been contracted out by the end of the 90’s (see Warner & Bel, 2008). Also, the actual application of New Public Management practices with a focus on output effectiveness was postponed. This was caused by the strong and rigid bureaucratic character of the Spanish public administration system – typical for countries with high uncertainty avoidance index – and local governments’ dependency on the upper-level authorities. Slight improvements were achieved by putting into force general laws with various regulations.

For the purpose of this paper, as already mentioned in the previous section, the most important aspect was Law 57/2003 on the Modernisation of Local Governments. This brought significant changes to the modernisation of local administration, though its main objective was to modernise large cities. This Act recognised that the excessive uniformity of local regulation, inherited from the Continental style of local administration, made it difficult for big cities to deal with the complexity of their tasks. One of the main purposes of this law of 2003, was to foster practices guided by the New Public Management principles. Therefore, management by objectives, strategic planning, client-approach, outsourcing, etc. became an integral part of municipal activities (see Urratia Mingo, 2008). Hence, instead of focusing on law restrictions and asking the question “Is something allowed?” the local representatives became more inclined to pay more attention to the question “How to make something happen (efficiently)?” For answering this question, in big metropolitan cities, Mayors were obliged to reorganise their municipal structures and establish a position of professional Chief Executive Officers or local managers (*Gerente Municipal*). These new CEOs became responsible for the efficient provision of public services and they started to act as mediators between employees and politicians (for further discussion see Rodríguez Álvarez, 2005). Their main task, however, has been to unload Mayors from the involvement in administrative issues, in order to let them focus on the political tasks needed for assuring the good governance of the municipality.

Unfortunately, this Municipal law does not address the position of CEOs in small and medium-size municipalities (less than 75,000 inhabitants – object of this research project). These municipalities, indeed, are supposed to perform their practices in quite a traditional way. However, information gathered during the pilot study from the locals, allows me to claim that experiences from large provincial municipalities serve as a good benchmark also for smaller municipalities. Thus, by the institutional process of mimetic isomorphism (Berg, 2006), smaller municipalities started to imitate practices occurred in bigger and most likely more successful local governments, even without waiting for the legislative framework provided by the upper-level authorities. So especially in Catalonia, it has already become a fashion to establish a position of CEO, and the legal justification of this post did not seem to be important. On the contrary, it allowed greater freedom in

arranging the operational functions of this manager (e.g., cumulating various responsibilities) according to the specific organisational needs. The everyday practices from Catalonia became a benchmark also for some other regions, for example Basque country and Valencia, where the establishment of the position of CEO is increasingly popular.

Political Reforms

Further changes, which the new Municipal Law of 2003 brought about, were focused also on additional empowerment of already relatively strong Mayors with their EBs. All this was at the expense of the municipal council and the General Secretary. Nowadays, the municipal council is only for approving general strategies and development directions, but all the formal powers of prepared policies and minor projects are in the hands of municipal execution. In addition, instead of being a legal advisor for the entire local government, the position of General Secretary was downgraded to provide the controlling tasks only for the municipal council. And since the council has lost lots of competences and influence in the municipal decision making, so did the General Secretary (García, 2005). Even though Secretaries are still expected to provide legal advice to leading politicians, this advice has only an informative character. Nowadays, Mayors take personal responsibility for making executive decisions which are on the list of their competences. Also, their working relationship with the Secretary is no longer that tense. In conclusion, the Mayor received the majority of the executive as well as the political functions, and from the “semi-presidential” form of government (a term used at the end of the 90s by, for example, Delgado, López Nieto, & López, 1998) became a “presidential” form of government (Geniey, Ballart, & Valarié, 2004) in which the Mayor decides and the others (council, the Executive Board, and administrators) are expected to follow (Schaap, Daemen, & Ringeling, 2009). This empowerment was related also to the professionalisation of the Mayoral position. Mayors, as heads of the administrative office and heads of the executive board, take full responsibility over the running of the municipality and its development, and due to weakening the position of the council, most of the political functions are also in their hands.

4.2.3 Finland

Due to different development stages, the public administration reforms in Finland at the beginning of the 21st century followed slightly different sequential logic than one could find in Slovakia or Spain. Here, the sequence of events is rather in the following order: the increment of municipal autonomy by the decentralisation of political authority and fiscal amendments, was accompanied by the administrative reforms. These retrieved stronger focus on territorial reforms containing voluntary municipal amalgamations, and almost obligatory inter-municipal cooperation. Thus, while in the late 90s the state legislators were concentrating on proposing reforms driven by NPM practices, in the first years of the new millennium, the implementation of *governance* practices started to play a more important role.

4.2.3.1 *Decentralisation*

According to Anttiroiko and Valkama (2006), “Nordic countries never needed a large-scale decentralisation of service provision or authority from the state to local governments, as the evolution of welfare society was initially based on the idea of local self-government.” (p. 3) However, as indicated in the previous section, by the end of the ‘90s the Finnish local governments were operating with many public functions, but their management had a strong State centralised profile. In spite of a constitutionally guaranteed autonomy of Finnish municipalities, the State has been always holding a significant influence in the implementation of the statutory welfare services. These features stretch back to the beginning of the creation of the Welfare state (between the 1950s and 1980s). This was when the State had the right to interfere with the municipal administration in order to assure equal treatment of all citizens by strengthening the role of norms in municipal administration, unifying municipal administration, and increasing municipal duties (Heuru, 2003). Thus, as Pihlajaniemi (2003) mentioned, “The State set the constitutional framework for municipal tasks, defined the statutory duties and the principles of municipal income, and monitored the legality of municipal actions” (p.256). This “State guidance” (ibid.) with all the rules and norms, unfortunately, led to the situation where the municipal capacity to implement the flood of norms exceeded its limits. So many norms were created that it became virtually impossible for municipalities to follow them in all respects (ibid.). In addition, the State granted and/or subsidised all the

statutory tasks, thus, the sovereignty was, in fact, continuously weakened even if the role of municipalities (to implement the State goals) in the structure of public administration was gradually empowered (Heuru, 2003; Pihlajaniemi, 2003).

Therefore, with the beginning of the new millennium the process of decentralisation, meaning decentralisation of political authority and revision of the grant system, was requested (Heuru, 2003; Pihlajaniemi, 2003). This process was accomplished by the creation of the new Constitution of 2000, when municipalities finally received relatively greater freedom in communal policymaking (Heuru, 2003; Pihlajaniemi, 2003).

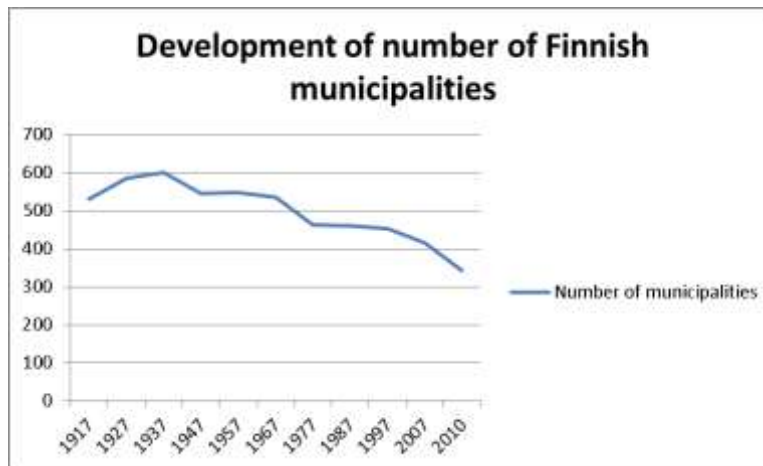
This *de jure* autonomy of Finnish local governments was, however, not the only problem which accompanied the delivery of public services. A large number of welfare services and their associated costs (caused mainly by aging population, and migrations from the remote areas) have been entailing a lack of financial resources (mostly in smaller and remote communities). Mainly for these reasons, local governments have been forced to find new solutions for the management of their tasks (despite of the already implemented practices driven by NPM).

Territorial Reforms

One of those solutions was territorial reform connected with the amalgamation of municipalities and creating supra-municipal authorities. Thus, the focus started to be more on the horizontal governance and not just on improving the management of public services.

The territorial consolidation has been present in Finland already since the 30's from when the number of municipalities has been constantly falling. In less than 100 years, from the original 600 local governments the total amount decreased to 336 (as of 2011).

Graph 1: Development of Finnish municipal amalgamations



Source 2: www.statistics.fi

As expected, the number of municipalities has been falling mainly due to economic reasons in order to benefit from economies of scale (see Juntunen & Leinonen, 2009). Small and isolated municipalities have had difficulties with independently assuring the provision of all public services, and therefore, the merges or at least cooperation with other municipalities has been inevitable. Municipalities have had the chance to merge based on the principle of voluntarism, though the central government used to have several attempts to implement the amalgamation reforms based on the legislative arrangements as well. Yet, protests of local representatives did not allow the obligatory merges; therefore, the state legislation has been strictly encouraging (by financial incentives) at least establishment of inter-municipal cooperation (joint municipal authorities) and other upper-governmental bodies (functional regions) in order to guarantee higher quality and efficiency of public services delivery.

Inter-Municipal Co-operation

Joint municipal authorities and functional regions were present already in the 90s. The effects of the reforms from the 80's and 90s, however, started to be visible in the first years of the 21st century. The evaluation of the reforms revealed that the efficiency and effectiveness of the provision of public services was not achieving expected results. Therefore, the central government started to generate even more pressures on inter-municipal cooperation. In the first decades of the new millennium, the "Joint Municipal Boards" (*kuntayhtymä*) and further pressures on

“voluntarily” based municipal amalgamations were included for fostering the horizontal governance in delivering public services.

In autumn 2000, the Ministry of Interior together with the Finnish Association of Local and Regional Authorities launched the SEUTU Project (literally *Sub-region project*) for supporting the sub-regional co-operation as required by the central government (Anttiroikko & Valkama, 2006). As authors mentioned, the aim of this project was to find new methods for sub-regional co-operation, in order to improve the organisation and structure of decision-making in sub-regional co-operation and to promote such co-operation. The implementation of the project was planned till 2012.

Meanwhile, the central government made a very important step in 2005 when it launched the PARAS project. This initiative was supposed to start a new round of inter-municipal cooperation and amalgamations. This project focused on the restructuring of local governments and local services, in order to satisfy the needs of the population in the changing social environment. The main purpose of this project was to assure “a) a vital, well-functioning and cohesive municipal structure, b) high quality services accessible to all citizens; and c) a comprehensive and economically sustainable service structure” (Local Finland, 2009). The amalgamations usually joined 2-4 municipalities together¹⁸ (Local Finland, 2009) and between years 2002 and 2010 there was a 23% decline in the total number of Finnish towns and cities (446 in 2006, and 336 in 2011) (Sandberg, 2004; Local Finland, 2011). Even though the cooperation within the Joint Municipal Board was voluntary, due to specific legislative requirements (for example, only municipalities with more than 20,000 inhabitants can provide the health care and social services) local governments were indirectly obliged to join this inter-municipal organs.

Although Finland formally does not have a third tier of self-government, these joint municipal authorities, regional councils, and Joint Municipal Boards successfully supplement this tier. There were some tendencies for creating the institutionalised and legitimate regional level of government, the same as can be seen in Spain or

¹⁸ Municipality called Salo is an exception, because in year 2009, 10 municipalities merged together and created one big municipality called according to the biggest town Salo (Local Finland, 2009).

Slovakia. However, as Haveri observed in his empirical study, “critics of the integrated government point out that Finland already has enough government and new formal structures should be avoided” (2003, p.324).

4.2.3.2 *Politico-Administrative Reforms*

Administrative Reforms

In the last decade, reforms shaping the local politico-administrative relations did not have a character of strict and specific normative regulations, as was found in Slovakia or Spain. Rather, indirectly – due to the implementation of the SEUTU and PARAS projects, the central government was empowering local representatives to find the most optimal solutions for providing their services via co-operation with others. This means that municipalities obtained the power and the possibility to define and decide the exact content of (and expedients for) the restructuring and reorganisation of their services (Stenvall et. al. 2009, cited in Juntunen & Leinonen, 2009, p. 5). Thus, the implementation of these projects no longer required a focus on the improvement of managerial processes or practices (this was the object of the improvements in the previous reform rounds (Heuru, 2003)). Instead, the focus was on the improvement of horizontal – hierarchy-free – collective decision-making needed for finding the most appropriate solutions, directions, and strategies, which, only in consequence, are supposed to improve the efficiency of delivery of public services in larger areas.

Throughout the years, it has been largely debated, what is the ideal size of areas in order to assure expected efficient and effective delivery of services. The discussion led to the state proposals of having as big municipalities as possible. It should be reminded, however, that according to Luoma and Moisio (2005 cited in Anttiroiko & Valkama, 2006) on the basis of empirical studies, there is no clear correlation between population base or the size of the production unit and efficiency. “In fact, decentralisation systems have many advantages, which have been neglected in the discussion about service structure reforms. For example, in decentralised systems decision-making and the use of resources are flexible. Moreover, in such conditions decision-makers have strong incentives to organise services cost-effectively. The

only clear exception to this, are very small local government units, which have problems in cost-effectiveness, quality, and adjustment to structural changes,” (Luoma & Moisio, 2005 cited in Anttiroiko & Valkama, 2006; p. 26). Finally, from the (direct/participative) democracy point of view, smaller governments are closer to citizens, they have tighter relations with them, since everybody-knows everybody. So the responsiveness and accountability of local representatives is higher, because it is under closer public control. Despite of these risks, the Ministry of Finance is between 2012 and 2015 planning a radical decrease (80%) in the current number of municipal units (Local Finland, 2011).

In connection to the character of mentioned reforms (projects) – no assignment of new formal tasks and responsibilities to municipal officials – the character of formal tasks and responsibilities belonging to municipal CEOs has not changed either. Therefore, it is expected that these non-elected officials will remain as very influential actors in the municipal decision-making, as it was 10 years ago. And, due to the characteristic weak position of political leaders, who delegate most of the executive functions, it is expected that these professional CEOs need to actively participate also in the above-mentioned governance activities, and thus also perform political tasks.

Political Reforms

As already mentioned before, the SUTU and PARAS projects strongly affected municipal political decision-making. This process was pushed beyond the boundaries of the town-hall, which brought in a number of new actors, with whom municipal leaders now have to deal with and co-operate. As the theory of governance suggests, this kind of hierarchy-free environment requires strong political leaders, who would be able to manage the network of partners and at the same time, achieve appropriate solutions for their citizens. However, as the previous discussion showed, the political leadership in local governments has been quite weak.

For this reason, the Local Government Act from 1995 with amendment in 2006, made a significant step forward in improving the municipal political leadership (Leinonen & Juntunen, 2007). The intention of this amendment was to allow municipalities to re-organise their politico-administrative relations and choose

between the old leadership model of local government and the new one. The former was already presented in the previous section. The new leadership model however, assures the establishment of the **full-time** political “European-like” Mayor (*Pormestari*), elected by councillors for a 4 year period. The competences of the new Finnish Mayor, represent a combination of tasks and responsibilities belonging to the traditional head of the Executive Board and City Manager (CEO). Thus, the new Mayor becomes not only the Chairman of the Executive Board but also the Head of the municipal administration, with personalised rights and responsibilities. In this way, the Mayor acquires more control over the executive and administrative issues, and thus; becomes a visible and more accountable face of the municipality; becomes also, a mediator between the directly elected politicians and civil servants, and municipal representative also in so important and demanding inter-municipal relations. This new system also infringes on the traditional and very strict politico-administrative dichotomy (where politicians were excluded from the administrative tasks) and rather creates a stronger partnership between the citizens’ elected representatives and bureaucrats. New Finnish Mayors, thus obtained features which can be found also among the Slovak and Spanish Mayors.

What is most important, however, is that the new Mayor is expected to move things faster but at the same time, due to strong a consensus decision-making culture in Finnish institutions, he or she has to co-operate greatly with other powerful actors. Such actors, for instance, may include the Executive Board, Council, Board of Managers, and committees within the municipality. If he or she is not able to find the “same language” with all these municipal bodies, his or her position can become very precarious. One good example, is provided by the case of Mayor of Pirkkala (the second Finnish town, which established a Mayor-model), who was dismissed from his office after two years of being in the position due to a “lack of cooperation and autocratic behaviour” (STT, 2010). Of course, a similar case could happen (and has happened already many times) in Slovak or Spanish local governments as well. However, strong leadership and firm control over other collective organs, is in the other two countries, very common and culturally predefined (due to a high power distance index (Hofstede, Hofstede & Minkov, 2010)). The Finnish Mayor (from both the old and new models), is thus institutionally and culturally shaped to perform facilitative leadership – by empowering others and enhancing their

performance, and not seeking power only for him or herself (Svara, 2003). Such co-operative skills, however, help Finnish Mayors to be successful also on the inter-municipal level when negotiating over conditions for his or her municipality.

By now, however, this new Mayoral office is implemented in only in two out of 336 municipalities: Tampere (2006) and Pirkkala (2009). Therefore, it seems that Finnish municipalities still hesitate when it comes to having strong personalised political leaders, or simply, they are satisfied with the traditional distribution of powers between politicians and administrations. This may be the case, even if the current socio-economic situation would require following the new arrangements with stronger leadership in more municipalities (see Leinonen & Juntunen, 2007).

In this section, I intended to demonstrate the most important local government reforms, which I believe have had the most significant influence on the position and role of political and administrative leaders in studied countries. In the following chapter, I will summarise and compare obtained information on the country level, and I will analyse if and how these reforms affected the moves within or between the previously defined categories characterising central-local and intragovernmental relations in studied countries.

4.3 Changed Formal Decision-Making Powers in 2009 (?)

The previous chapter demonstrated that during the last 20 years, all studied countries went through various local governance reforms. Expectantly, the most significant changes occurred in Slovakia, Finland followed, and the least progress was encountered in Spain. In this section, I will summarise the particular shifts that these reforms have caused in the formal decision-making powers of studied political and administrative leaders. This will also allow me to make suggestions for the potential re-classification of studied countries, that is, within the initially defined clusters created by scholars who studied (several years ago) the central-local and intragovernmental relations from a comparative perspective (Hesse & Sharpe 1991, Mouritzen & Svara, 2002; or Heinelt & Hlepas, 2006).

4.3.1 Central-Local Relations

A few years after the velvet revolutions, researchers describing the central-local relations in Slovakia, had a tendency to position the Slovak municipalities within the group of Southern European countries (Baldersheim, 1996). Presented data, synthesised by using Heinelt and Hlepas (2006) indicators show, however, a divergence from this argument.

Nowadays, the current, formal central-local relations in Slovakia are in favour of independent local self-governments. Municipalities have many competences, a relatively good position in terms of financial discretion, and also, their share of the municipal spending on the total GDP is on a par with the average European level (see Heinelt & Hlepas, 2006, p.26). These characteristics, in fact, have some features in common with Hesse's and Sharpe's Northern and Central European group. Nevertheless, it would be somewhat imprudent, to group the Slovak with, for example, the Finnish municipalities. Especially, "the historical background and, in particular, the quite recent (radical) decentralisation, [and different] meaning system of what is perceived as appropriate or in-appropriate" (Heinelt & Hlepas, 2006, p.27) do not allow one to place these countries into one category. Moreover, the territorial fragmentation is causing significant differentiation from the Finnish model of local government. Nevertheless, the trend, which is institutionally set in the Slovak local governments, clearly indicates the legislative approximation of these two countries.

The position of the Spanish municipalities has not changed as radically as in Slovakia, and it clearly has remained in the Franco group. This is not very surprising, when taking into account the culturally given slower implementation of new (especially coming from outside) practices (John. 2001; Hofstede, Hofstede, Minkov, 2010). Only big cities achieved greater financial independence, but small and medium size municipalities remained in the development stage from before the year 1999. The territorial fragmentation is still a valid status quo; the amount of public services has not increased; and neither have the financial resources, even if the discretion for managing those few services has always been relatively high.

Finally, the review of the secondary sources showed, that the positions of the Finnish local governments have experienced several changes in last 10 years. However, as well as in Spain, it has not been such a radical and rapid change as the one in Slovakia. Finnish municipalities still have to take care of a large number of public welfare services (although their provision and management was transferred outside the boundaries of one municipality). The municipal spending as a percentage of GDP is still very high, and after the reform of the state finances, also the financial discretion has improved. In addition, the process of further territorial consolidation is still in the agenda of the state representatives. Thus, the current central-local relations according to Hesse's and Sharpe's indicators, even strengthened the Finnish position in the Northern and Central European group.

Table 6: Central-Local Relations in Studied Countries in 2009

Countries	Competences	Financial autonomy	Municipal spending in % of GDP	Territorial consolidation/fragmentation	Municipal role in the PA	Categorisation in theoretical clusters
Finland	Many	High	High	Consolidated	Service-provider	Northern-Central European group
Spain	Few	Medium	Low	Fragmented	Interest-defender	Franco group
Slovakia	Many	Medium	Medium	Fragmented	Interest-defender & service-provider	CEE group with features from Northern-Central European group

In reflection to the discussed theory about the two basic roles (John, 2001; Stoker, 2011), which municipalities provide in society, by the end of the year 2009, the Slovak local governments could be already included in the set of countries characterised as welfare-services-providers. However, practices in too many and (intentionally) poor small municipalities keep this country somewhere in between the service-providers and interest-defenders categories. The situation in Spain and Finland has not changed in this respect – Spanish municipalities are still interest-defenders (though metropolitan cities already fulfil the function of service-providers) and the Finnish ones are service-providers. The position and role of local governments in the overall structure of the public administration system, will help to

determine whether, inside the boundaries of the town-hall, the emphasis given on the political or managerial tasks has also changed. Also, it will help to determine whether politicians or administrators gained additional decision-making powers.

4.3.2 Intragovernmental Relations – Focus on Mayors and CEOs

By following Wollmann's indicators for describing the intragovernmental relations (2004, 2008), it is evident that during the last 10 years nothing has changed. The Slovak, Spanish, and Finnish Mayors still operate within a *dualistic system* of local government. Mayors still exercise the executive functions collegially (with a board), or individually (in Slovak municipalities, which decided not to establish the Executive Board) and the council takes care of the legislative duties. However, if one looks closer into the division of powers in the local governments and follows power indicators defined by Mouritzen and Svava (2002), some significant changes have occurred during the last decade.

4.3.2.1 Mayors

As defined before, Slovak and Spanish municipalities still clearly belong to the *strong-mayor form of local governments*, but Mayors' positions have been significantly strengthened since 1999. Nowadays, the Slovak Mayors have a chance to preside over a smaller council and they can hire Chief Executive Officers without needing to ask the council for approval. This gave them better control over the municipal office, which can, in consequence, provide good sources for exercising "expert power" (French & Raven, 1960) during council meetings. Control over the municipal office can ensure that the Mayor can acquire the "right" technical background information for policy proposals presented in front of councillors¹⁹ and thus influence the council based on very rational arguments. Hence, the current formal position of Slovak Mayors' in the organisational structure, seems to be very

¹⁹ This institutional arrangement might be considered as politicizing the civil servants and threatening the professionalization of municipal management, however, at least it guarantees that democratically and directly elected person is clearly leading the community.

convenient for making efficient executive decisions and assigning municipal directions according to their interests²⁰. At the same time, one should keep in mind that the electoral system does not guarantee the automatic majority of votes for Mayor's proposals during the council meetings. Also, the principle of proportional representation, applied for advisory municipal organs, it does not provide many automatic supporters of the Mayor. Thus, in a case where the Mayor's alliances do not have a majority in the council (and consequently in derived decision-making bodies), the Mayors' formal position is still quite limited. But, in terms of the position of Mayors' nowadays, compared with the position as of 10 years ago, Mayors are now definitely more empowered.

In connection to the function/role which current Slovak local governments fulfil, one can expect that the leadership of Slovak Mayors has a tendency to shift from the pure political type, to a more *executive type* of leadership (based on Heinelt & Hlepas (2006) typology). This is because nowadays, Mayors are expected to take care of many more services, i.e., they have much more executive power in their hands compared with 10 years ago.

However, it would not be appropriate to conclude that the Slovak Mayors are not **political Mayors** anymore. As was already presented in the description of formal functions, the Slovak Mayors play a very important political role as well; especially in cases where the position of Chief Executive Officer is established and when Mayors appoint these loyal co-workers on their own. The CEOs are responsible for the administration/implementation of political decisions, thus Mayors can fully concentrate on leading and representing the community. However, the over-empowerment of CEOs by a number of delegated administrative functions may lead to a transition between the leadership roles. If I were to not follow, for instance, the precondition that Mayors are not elected heads of municipalities, then they could fall also into the *ceremonial Mayor* type. This is because, by delegating all of the administrative tasks to CEOs, these professionals might start to intervene also in the political sphere. Their significant knowledge about "how" policies should be implemented can transform their willingness to decide/or at least strongly influence,

²⁰ As all the interviewed Mayors stated, their interests are always related to the needs of inhabitants.

“which” policies will be implemented. However, this radical release of administrative functions seems to be less likely because it is expected that due to cultural predispositions (a very high power distance index), Slovak Mayors would maintain a durable leadership position in the municipal decision-making process.

Similarly, the amendments to the Local Government Act from the year 2003, strengthened the position of Spanish Mayors in the municipal decision-making process. This, as many argue, was done in order to achieve an efficient and flexible decision-making process. Also, this was done to achieve a faster implementation of these decision, as well as to clarify the strong political leadership eligible for open cooperation with public actors and performing good governance. Thus, the main idea was to emphasise the executive functions of an elected politician, in order to have better possibilities for assuring the proper implementation of all the municipal duties. Thus, it could be argued that from a previously defined clear “political Mayor” (Heinelt & Hlepas, 2006), there is now a tendency to have more “executive Mayors”. This is even supported by a possibility to appoint professional managers (CEOs) for the purposes of helping Mayors with all the executive tasks. However, as well as in the Slovak case, the possibility of having professional CEOs leaves room for a Mayor to also perform classical political tasks. Thus, it is up to the Mayor to decide which tasks he or she prefers to focus on more. Despite this situation, in order to successfully defend local needs and interests, it is still quite essential for Mayors to have tight connections with upper Government levels.

The Finnish State legislators offered Finnish municipalities an opportunity to experience the most profound transformation in the local politico-administrative relations. From the old municipal model (with a dominant CEO position), which belonged to the *council-management form* (Mouritzen & Svara, 2002) of government, can emerge a new “Mayor-model”, which is meant to approximate to the *collective form* (e.g. Belgium and the Netherlands belong to this group as well), with some aspects of the *strong-mayor* form of local government. This is because, strong traditional professionalism and managerialism, typical for the council-manager governmental form, is supposed to be replaced by empowered elected collective bodies (Executive Board and Council), as well as a “layman principle” and stronger political leadership. Hence, the formal position of ‘new Finnish Mayor’

is supposed to allow better control over the executive as well as administrative issues. The face of the municipality, personalised responsibility and higher accountability to citizens, are the key aspects which characterised the new institutional arrangements. Nevertheless, by now, these arrangements have not attracted many municipalities. Instead, the old ceremonial Mayors, with a lack of administrative functions and the strong personalised influence of the CEO, still prevail in Finnish municipalities.

4.3.2.2 *Chief Executive Officers*

The presentation of local government reforms in studied countries, showed that municipal CEOs were also significantly affected by the mentioned institutional changes. In the Slovak case, CEOs received a possibility to be closer to the political area, by having tighter and more loyal relations with strong executive-political Mayors. This, in consequence, is expected to lead to the delegation of several Mayors' executive functions to these highly educated professionals. Thus, it is assumed that from being mere classic administrators who just follow their political masters, they can now also become political bureaucrats. That is, political bureaucrats who are active in the new environment in terms of shaping the municipal decision-making, in order to assure the efficient and effective provision of a large number of public services.²¹

In the Spanish case, the formal position of General Secretary was significantly weakened, and thus, the classical administrative role of the official has not been changed. However, the position of the newly created professional CEOs has received clear features of a political bureaucrat, who is helping political leaders to manage the run of the municipality in a more efficient way. Thus, the application of managerial practices and following the doctrine of NPM, empowered these non-elected officials and helped them to have a strong position in the municipal decision-making process.

²¹ According to the set of formal competences prescribed in the LGA, the Slovak CEOs are still formally expected to perform the role of classic administrators (see Bátorová, 2010).

In the Finnish case, in the majority of municipalities which kept the old council-manager model of local government, the traditional distribution of power remained the same as it was 10 years ago. However, the strong political role of non-elected administrative leaders within a relatively deregulated governmental system, gives them possibilities for being even stronger political bureaucrats due to their delegated active role in inter-municipal cooperation.

Table 7: Intragovernmental Relations: The Position of Key Municipal Actors, in 2009

Countries	Mayor	Mayoral Election	CEO	CEO's Appointment	Council (in relation to Mayor)
Finland	Weak / Medium	Indirect	Strong	By council	Medium
Spain	Strong	Indirect	Weak / Strong	By state / By Mayor	Medium
Slovakia	Strong	Direct	Medium	By Mayor	Strong

Table 8: Intragovernmental Relations: Categorisation based on the Theoretical Comparative Clusters, in 2009

Countries	LG form	Decision-making style	Mayoral leadership type	CEO's role
Finland	Council-manager form / Collective form	Consociationalism	Ceremonial / Political	Political bureaucrat
Spain	Strong-mayor form	Majoritarian	Political	Classical bureaucrat / Political bureaucrat
Slovakia	Strong-mayor form	Majoritarian	Executive-Political	Classical bureaucrat – Political bureaucrat

The presented institutional analysis, helped to make conclusions that due to local government reforms, the formal decision-making powers of Slovak and Spanish Mayors have increased, formal decision-making powers of all CEOs increased as well, and only the Spanish General Secretaries lost some formal authority.

In the following chapter, obtained results from the institutional analysis are compared with the opinions of Mayors and CEOs' about their perceptions of actual and (not) changed (formal and informal) decision-making power. Firstly, I will describe respondents' definitions of DMP. Then, I will portray their attitudes towards (not) having decision-making power. This will then be followed by presenting factors, which Mayors and CEOs consider to be the most important for

being successful with their proposals in collective decision-making. And finally, I will construct the DMP type, placed in the Decision-Making Power Matrix, which is typical for respondents in studied countries.

5. Perceptions of Decision-Making Power

Dedicated to my mother

The previous chapter helped to find out what are the formal powers belonging to Mayors and CEOs in Slovak, Finnish, and Spanish municipalities and how these powers have been changing during last 10 years, due to local government reforms. As already defined before, formal powers represent only one part of the overall decision-making power belonging to a leader. The other part, is represented by informal powers, which a leader brings to the decision-making process with his or her personality. However, I am aware that not everybody might share the same opinions about this term. Therefore in the following chapter, I intend to reveal different perceptions of decision-making power as expressed by studied political and administrative respondents.

5.1 Definitions of Decision-Making Power

While doing an international comparative research, almost every researcher has expectations that due to cultural and institutional differences, the same term has different meanings in different societies. Therefore, I felt an obligation to find out how the respondents comprehend a key concept of decision-making power, as this concept was used throughout the whole interview. For this reason, after asking about the personal background information, the very first question asked was “*What do you understand with the term decision-making power?*” The purpose of this rather hard question right at the beginning of the interview was to find out the pure (uninfluenced) understanding of this term. The respondents did not have much time to think about or analyse the term beforehand, nor they did not have a chance to prepare the “supposed-to-be” answers. Therefore, during the interview they had to express only their first thoughts and values, which, I assume, are strongly rooted in their minds.

5.1.1 Mayors

Despite of strong cultural (national and organisational) differences, the content analysis revealed that the Mayoral respondents understood decision-making power within three main categories. Some respondents understood it as a process during which they make collective decisions (perform leadership), while others understood it as a set of formal competences given by position (authority), and as a set of personal abilities. This last category, can be divided up even further: while for some respondents, the personal abilities refer mainly to the social skills needed for influencing others, for others, the personal abilities refer to technical skills (an analytical way of thinking) needed for choosing the right alternative out from many.

It is evident, that respondents built their definitions based on their own experiences in their respective working environments; therefore, the understanding of this term is very subjective and consequently quite diverse. However, the substance of the definitions – determining if the DMP is given by the position, if it is a personal ability, or if it is a process – can be easily recognised and the aggregation of these definitions on the macro-level show evident similarities. As Table 9 presents, studied Slovak Mayors showed very strong attitudes towards understanding decision-making power as a set of competences given by position. The Finnish studied Mayors, however, prefer mostly to understand this phenomenon as a set of personal (mainly social) abilities needed for influencing others. Among the Spanish Mayoral respondents, the decision-making power was often perceived as a mixture of positional competences and personal (technical and social) abilities.

In addition, most of these definitions also contain aspects describing the character of DMP, which is a main theme in another question asked during the interview. Especially, these further explanatory descriptions of the term caused interesting differences among the answers of respondents even within one particular country. In the following subchapters, I will briefly mention some of these aspects of DMP; their further development will be in the next chapter.

Table 9: Mayoral Attitudes towards Understanding the term DMP

Country	Understanding of the term DMP		
	DMP is given by position	DMP is a personal ability	DMP is a process
Slovakia	Strong attitudes	Weak attitudes	Weak attitudes
Spain	Medium attitudes	Medium attitudes	Medium attitudes
Finland	Weak attitudes	Strong attitudes	Medium attitudes

5.1.1.1 Position

Referring to Table 9, the first category contains respondents who mentioned that decision-making power is by-institutional-system-given a unique “right”, “formal competences” or a “possibility” for making municipal decisions on behalf of and for others. Thus, these unique competences are assigned to a particular Mayoral position in the hierarchy, and nobody else can officially operate with them. Such an understanding of DMP appeared mainly among Slovak and Spanish Mayors. For example, Mayors from different parts of Slovakia stated:

“[Decision-making power] is a *possibility* to decide, and to take the responsibility,” (Slovak Mayor, SN°5, 2009).

“In my opinion, the decision-making power refers to *by-law-given competences* and that you can decide about these competences in accordance with the law,” (Slovak Mayor, SN°1, 2009).

Similarly, some Mayors in Spain defined DMP accordingly:

“Decision-making power means having a greater capacity, *more competences* for solving problems, for making solutions and then for ordering actions,” (Spanish Mayor, EN°5, 2009).

“The work of [the Spanish] Mayors is very executive. Therefore, [decision-making power] gives a *possibility* for making decisions with immediate effects,” (Spanish Mayor, EN°9).

An interesting difference between the responses of the Slovak and Spanish Mayors, is that the Spanish Mayors were more often referring to decision-making power as a possibility given to them by the *citizens* during the elections. Hence, citizens

provided them with a mandate to execute proposed and (consequently by-citizens) approved electoral programs. Consequently, Spanish Mayors were more often elaborating this term as a possibility allowing them to execute the municipal development tasks mentioned in these electoral programs. On the other hand, the Slovak Mayors rather understood DMP as a right assigned to them by the constitution, in order to perform executive – operational tasks given by the state. The possibility to execute tasks written in the electoral program, was not mentioned even once in their statements, though a few Mayors mentioned that DMP gives them a possibility to affect the municipal development according to their own wishes.

In contrast, the Finnish studied Mayors almost never mentioned that decision-making power is related to their formal position in the hierarchy, thus their attitudes towards this understanding of the studied term were very weak. Only one Mayor from Southern Finland defined decision-making power from the positional point of view. However, this Finnish politician was not referring to his personal power position, but to the formal decision-making power belonging to the entire Executive Board. Thus, in his statement, he was talking about a collective or group DMP and not the personalised formal capacity as it was found among the Spanish and Slovak political leaders. Moreover, in contrast to the Southern countries, this Mayor clearly pointed out that decision-making power is not strictly concentrated only in the position which is formally at the top of the hierarchy. Instead, decision-making power can come also from positions lower down in the organisation.

“Decision-making power is that one is deciding on things, important things. And, well I feel that the municipal government is the most important deciding body in the municipality. Even though the council is higher in the hierarchy....” (Finnish Mayor, FN°5, 2009)

Yet indirectly, this Nordic respondent had already indicated that decision-making power contains also more than just formal authority assigned to the top position in the hierarchy. Other respondents (mainly from Finland), expressed even more directly, the other complementary aspects to decision-making power. For this reason, therefore, I grouped their opinions within the following category called “personal ability”.

5.1.1.2 *Personal Ability*

As already mentioned, the Finnish political leaders strongly prefer to define decision-making power as a personal ability for making decisions. For them, the formal competences are not considered as the main source for making decisions. Instead, the understanding of decision-making power is mainly related to personal power, or the ability to use informal power sources for convincing others. Hence, in their definitions, they focused on the personal capacity or skills to change a direction of certain actions and they focused on political power games present during the decision-making process. That means that instead of relying on formal competences coming with the position in the hierarchy, these Nordic leading local politicians perceived decision-making power as a dynamic process of influence during which they use informal power sources. Proper knowledge (technical, legal, or situational), good communication skills – the ability to convince others by using proper arguments while presenting versatile policy proposals – and the trust of others, emerged as some of the most important aspects defining this phenomenon.

“Decision making power is of course that kind of thing, that for me as Mayor, the decision making power starts from the fact that I have a good knowledge about those issues that the executive board is dealing with. Then I have the trust of the civil servants and then of course of the city board members, too. That this trustworthy cooperation is working, so I believe that I have pretty much such power that I can take issues until the end in an open manner. And, when things go through unanimously so then I have lots of power, because the conversation has been successful with the civil servants and councillors. Conversation – this is the power tool in reality,” (Finnish Mayor, FN^o4, 2009).

Similarly, the Mayor from the central part of Finland stated:

“In an ideal case, the decision making power goes of course that way that [...] representing official brings in and prepares the issue in a way that he/she should, in principle, be able to show that he/she has been investigating more than just one option. The report should be in this way versatile. It must tell as well the factual content, but also cost effects, so that everybody can straight away find out, what is it going to bring about...In this respect, the role and power of the representing official is the biggest one, that this way he can lead the decision making in some

**way. This is how I see it. In my opinion, this is the essential part of it.”
(Finnish Mayor, FN°3, 2009).**

Some Spanish political representatives also considered decision-making power as a personal ability. However, they focused more on the personal skills needed for gathering all of the relevant information from various stakeholders and an appropriate analysis of the complex situation in order to select the “right” alternative for making a final decision. For example, one Mayor from Catalonia understood DMP as a personal ability to choose the right solution from several alternatives (Spanish Mayor, EN°6, 2009), i.e., he was referring only to the last stage of the decision-making process, whereby he has to make the right decision. In the second case, the Mayor from the Northern West, sees DMP as a sequence of various steps (no further elaboration) which he has to use in order to design the future municipal development according to the common interests (Spanish Mayors, EN°1, 2009). In both examples, the aspect of influencing others was not mentioned, which gives the impression that it was not as relevant as in the Finnish case. Instead, the focus was on making the right decisions, which would satisfy all relevant actors affected by particular decisions.

5.1.1.3 *Process*

Some respondents, instead of understanding DMP as a personal (formal/informal) capacity, understood this phenomenon as a process of making collective decisions – thus according to the theory, they concentrated more on decision-making *style* (or leadership) and not on decision-making *power* per se. Nevertheless, since in this first question, my intention was to find out what is a discourse about this term in studied countries, I believe it is relevant to mention also these (few) distinct definitions.

Decision-making power understood as a process, can be found among both Finnish and Spanish respondents. In these cases, Mayors were referring decision-making power mainly to the cooperative process needed for achieving shared and preferably unanimous agreements among the group of decision-makers. The only interviewed woman-mayor from all the respondents stated:

“Decision-making power means cooperation, working together with members in the EB and directors in the office. The nearest partner is the city manager. But also the political groups in EB are partners in cooperation.” (Finnish Mayor, FN°1, 2009).

Alternatively, the Mayor from the Eastern part of Spain mentioned that even though the political leader has legal rights to make decisions alone, the Mayoral office (Mayor and deputy Mayors) makes the final decisions only after wide ranging cooperation with other actors (technicians, other councillors and different social agents).

“I think that decisions are constructed from various legal authorities. The Mayor has this authority; but we say, that what we do from here, from this department [Mayoral office], it is to try to create consensual decisions together with civil servants, and different councillors. Those who are responsible for specific issues, as well as different social agents. Thus, the process of making decisions is constructed by all these actors and the final decision is taken from here [Mayoral office],” (Spanish Mayor, EN°2).

Yet, at the same time, this Mayor believed in fostering the “bottom-up approach” by encouraging different interest groups to bring forward their proposals, in order to make decision based on participative principles. Thus, instead of top-down ordering or authoritative decision making, participative decision making and facilitative leadership seems to be preferred.

In the summary, all the above results clearly show that while all the Slovak Mayors and some Spanish Mayors described decision-making power from the individual’s point of view – from the point of view of the individual formal leader who has prescribed formal authority at the top of the hierarchy, all the Finnish Mayors and some Spanish Mayors were reflecting on personal (gained technical and social) abilities needed for influencing others and for making shared/collective decisions. From the institutional perspective, such interpretations are very much in line with the local government models used in all three countries. In the Slovak strong-mayor model, the directly elected Mayors take overall responsibility alone for running the city. Therefore, it is not surprising, that their definitions of DMP have a similar tone. In the Spanish strong-mayor model, the quasi directly elected Mayors also take sole

overall responsibility for managing the city, but they have a possibility to share many leadership functions with members of the EB. Therefore, it was possible to find definitions connected to the aspect of personal power. In the Finnish council-manager model, Mayors do not have formal decision-making powers, so they can only use informal/personal capacities for influencing the management of the city. Further analysis of the interview transcripts intends to support these results with more evidence. Before this, however, I will present the way in which interviewed CEOs defined the term decision-making power.

5.1.2 Chief Executive Officers

Based on different roles, missions, positions, and job descriptions in the municipal decision-making process, I anticipated that the responses of the administrative leaders would follow a somewhat different logic in defining the term decision-making power. That is, when in comparison to their political colleagues. However, the analysis showed that CEOs' responses were also circulating around the same three categories created for Mayoral responses – the functionalist's point of view, the personal ability point of view and the process point of view. However, there were two differences which are connected to stated expectations. The first difference, was in the perspective of holding and not holding decision-making power. The second difference, was connected to the perspective about the direction to and object towards which the decision-making power can be used. While in the Mayors' case, the definitions often contained the top-down direction with a focus on the Mayor-council/executive board relations (though in the Finnish case, also in the Mayor-CEO relations); in the CEOs' case, the definitions contain a bottom-up direction with a focus mainly on the politico-administrative – Mayor-CEO, or council-CEO – relations, but also a top-down direction with a focus on the CEO-civil servants relations.

Among the Slovak CEOs, I identified two groups of definitions. One group of respondents automatically connected decision-making power with the leadership position in the hierarchy, while assuring the interviewer that CEOs do not have any (formal) decision-making powers. Or if they have, it can be used only towards

employees. The other group of respondents also acknowledged that they do not have formal decision-making powers but they do, however, have quite strong informal (influence) decision-making power – used mainly towards councillors. The interpretation of such division again seems to have roots in the institutional system. In the strong-mayor form of government, the CEOs usually play the role of classical administrators – without intervening in the political process. However, the particular arrangements of the Slovak local government system – with a lone leader – requires tight cooperation between the Mayor and CEO. And so, it is expected that CEOs would also play quite a significant role in policymaking. Also, some respondents had already illustrated this intervention in their definition of DMP.

A similar two groups can also be found among the Spanish administrative respondents' definitions. Here, however, the difference is very clearly dependent on the job-title. In their explanations, General Secretaries focused on formal powers – which they are by law supposed to control, whereas the CEOs focused on informal powers – which they use in their mediator's role in the municipal organisation. Since, by general law, CEOs do not have any formal powers, it is not surprising that they did not reflect on them. However, since their position was created with a purpose to delegate Mayor's coordinating and management activities, CEOs reflected on this in their responses.

Finally, the responses of the Finnish studied CEOs cannot be divided into several groups. Rather, they all seem to share very similar opinions about not having formal decision-making powers, but they are also aware that they have very strong informal powers allowing them to manage the city according to their desires. Thus, in line with the council-manager form of government, they positioned themselves as strong informal leaders of the municipality.

Below, I will describe these conclusions in more detail.

5.1.2.1 Set of Formal Competences

As well as the interviewed Mayors, the majority of the interviewed Slovak and Spanish CEOs generally understood decision-making power as a set of formal

competences belonging to a certain position in the hierarchy. However, regardless of the country of origin, many administrative respondents started their discussion about DMP by pointing out on the fact that formally, they do not have any decision-making power. They claimed that the overall (formal) decision-making power is only in politicians' hands. Already from this argument, however, one can see that city managers connected the term DMP with the position in the hierarchy and with the set of formal competences and responsibilities belonging to that leadership position. The following quotes obtained from the Slovak respondents, demonstrate these kinds of perceptions:

“Decision-making power is a possibility to make the last word in the decision-making process in the boundaries of law; [...] But, CEOs do not have decision-making powers, unless the Mayor delegates some of his powers.” (Slovak CEO, SN°5, 2009).

“Decision-making power is a ‘givenness’, which by law or by other regulations, or by other organs, is assigned to a person. This provides him or her a final competence to decide in these particular issues, [...] but, I do not have any specific formal competences. There is not a CEO who would have them, unless the Mayor entrusts the CEO with them,” (Slovak CEO, SN°2, 2009).

Spanish General Secretaries had very similar opinions. To define decision-making power, they used the following words:

“It is a capacity given by law for solving particular problems, [...] but we never have the last word in making certain decisions, we can only give advice” (Spanish General Secretary, EN°8, 2009).

“Decision-making power is a faculty, which municipal organs (council and Mayor) have for making decisions in the boundaries of law, [...] I do not have decision-making power, I only execute political decisions [...] I can only determine if a certain intention can be operationalised or not – from the financial and legal point of view,” (Spanish General Secretary, EN°10, 2009).

A few respondents proposed a slightly distinct definition of the studied term. For example, CEO from one Finnish municipality stated:

“I understand decision-making power in such a way, that a body which makes decisions, has a freedom of choice to decide. So, this body then has decision-making power. But, if there is a law which says that you must decide in this way, then you don’t have decision-making power. Freedom of choice and all the alternatives...and because of a lack of money, we don’t have all the alternatives. The real decision-making power is not as big as people think.” (Finnish CEO, FN°7, 2009).

This understanding, is also related to the position in the hierarchy and the set of formal competences belonging to that position. However, this interviewee took it from a bit different perspective. While, for the rest of the respondents the set of formal competences has an enabling factor, for this Finnish CEO the set of prescribed laws is a limiting factor. In addition, this CEO reflected on the central-local relations within which municipal representatives have to perform their duties, while the other respondents were concentrated mainly on the politico-administrative relations in one municipality.

A typical response for this group of respondents, is that in their definitions they hardly usurped decision-making power to themselves; rather they constructed the definition by using a very general term and often tacitly assigning it to some other decision-making bodies. In the following chapter, I will present the opinions of another group of respondents who were more concrete in defining the decision-making power from their personal point of view. Their definitions thus lost the pure functionalists’ tone and rather focused on other aspects forming the character of the studied concept.

5.1.2.2 Process

Several city managers tried to explain the studied term from the process point of view. The first respondent interestingly combined a functionalist and process perspective:

“Decision-making power is a process during which I have a right and a responsibility to make decision,” (Slovak CEO, SN°8, 2009).

While the other interviewee was more concrete and focused on the actions of influencing:

“...when we talk about decision-making power, I would concretise it that way that it is,...erm..., an act ion which makes the things go in the way you want...” (Finnish CEO, FN°6, 2009).

Some Spanish CEO's also understood DMP from the process point of view. In their case, DMP is a process of searching for equilibrium between the interests and the possibilities:

“Decision-making is a process of searching for equilibrium between what inhabitants request - not necessarily what they need - and what we are politically going to do in general (based on the initiatives, which we get from citizens) and the appropriate management capacity [...] and we CEOs we suffer – because the capacity of politicians, as well as the capacity of civil servants, is limiting us,” (Spanish CEO, SN°7, 2009).

In all these definitions, a reader can already see that respondents were focusing more on the person's personal involvement in the decision-making process, as well as the person's active role in shaping municipal decisions – and not only on powers belonging to their political superiors. It should be noted, that this was common in the group of respondents treating DMP from the functionalist's point of view.

The above mentioned definitions can be further divided into two sub-groups. While in the first two transcripts, respondents were concentrating more on “how I can contribute to the decision-making process (with my formal and/or informal powers)?” in the last transcript, the respondent was concentrating more on “how the others – with my help –, contribute to the final decisions?” This little nuance in interpreting the decision-making power from the process point of view, has a relatively strong connection with the cultural as well as institutional factors shaping the environment of studied CEOs. Especially in the Spanish case, the CEOs are hired for being mediators between the interests of politicians, citizens and administrators, and not only for assuring that political decisions are correctly implemented (as it is in the Slovak and Finnish case). This factor, was shown also in the Spanish CEOs definition of DMP. These different process definitions are also connected to the attitudes towards a cooperative / individual decision-making process, which will be described in more detail in Chapter 5.4.

5.1.2.3 *Combination of Formal and Informal Powers*

Strictly speaking, only a few respondents defined the term decision-making power as a personal ability allowing a man to make decisions, as it could have been seen among the Finnish Mayoral respondents. Spanish CEOs (*Gerentes*) provided only a few such interpretations. For example, the following respondents mentioned:

“[DMP is] a capacity to analyse the situation in order to make the right decision and to coordinate the group of decision-makers,” (Spanish CEO, SN°2, 2009).

“[DMP is] a capacity to choose between various alternatives in order to achieve the highest satisfaction of inhabitants,” (Spanish CEO, SN°9, 2009).

To this category, I included also definitions which do not directly point out on particular personal abilities but rather focus on informal – influence power in general. Several respondents mentioned that although they do not have formal decision-making powers, they do have informal / influence powers which they can use in the decision-making process. Especially among the Finnish respondents, it was possible to find those, who in a very sophisticated way, elaborated the definition of DMP based on focusing on different types of powers. They were distinguishing mainly between powers which belong to politicians (political power), and those belonging to CEOs (operative power). And, they also mentioned powers which are formal, and those which are informal (or real). One could argue, therefore, that these definitions also should be placed in the group, where DMP is understood from the functionalist’s point view. My intention, however, was to emphasise the fact that these respondents were openly stating that although they do not have formal powers, they do have strong informal powers. Therefore, they directly and straightforwardly expressed an awareness of a possibility to shape the municipal decision-making process also without having formal authority in hands. Thus, in their definitions, they elucidated their *de facto* position and role in the municipal decision-making process.

For example, in the following statement, one Finnish CEO acknowledges that various powers exist, but even if the formal (political) decision-making power is

concentrated only in the political leadership position, the real (political) decision-making power belongs to CEOs.

“In Finland, we use to have a political and operational power. And we have a very clear distinction between these two. Politicians have political power and civil servants have the operational power. And, I think that mainly politicians have the decision-making power in Finland. And also, civil servants have only such kind of power which relates to processes, so we don’t have political power. But, that is only a basic idea. In practice, the Finnish CEO has very big political power. We are the only ones in Western Europe, where civil servants have political power,” (Finnish CEO, FN°3).

Similarly a CEO from the Central part of Finland, also pointed out on his informal (indirect) influence on the policymaking process:

“So, there are two kinds of decision making power: there is this formal power and then there is this, should I say, real power that arises from prestige, experience and authority. And of course, when we’re talking about this city manager’s position, it is this kind of preparing and presenting officials’ power, that is slightly indirect,” (Finnish CEO, FN°1, 2009).

Making distinctions between formal and influence power it was possible to observe it also among the Slovak and Spanish respondents. For example, the Slovak CEO expressed is accordingly:

“From the position of CEO, you make decisions which are related to the running of the municipal office. You decide about the usage of financial resources in these little operational tasks. You prepare background material, in which you don’t actually use decision-making power. But, because you prepare the budget (for example), and because you defend it, it is up to you in which way you (together with the administrative team) defend it. It is not a decision-making power, but let’s say, these councillors, since they are often not familiar with this field, or in these particular areas, it is dependent on you, how you prepare it and how you defend it. So it is not a direct decision-making power, but it’s an indirect influence, which you have for defending – that what you have proposed – and what you will at the end change on little tasks and decide – that it is the right thing. You must provide the right content of that proposal,

you must fill it up in such a way that you will convince people, that YES, this is what we want to do. This is the right thing,” (Slovak CEO, SN°3, 2009).

This respondent already presented strategies and tactics, which allow her to be successful in the policymaking process. In addition, this respondent also presented features typical for leaders. Because, if I follow the previously mentioned Peter Drucker classical distinction between leadership and management, ‘management is doing things right, leadership is doing the right things.’ In the above example, this respondent was emphasising the aspect of doing the right things. Thus, her intention is to provide directions, provide solutions, to make municipal decisions, even if she does not have the formal authority to do so.

Finally, it is worth mentioning one more definition, in which a respondent interestingly combined positional power with influence power by stating that:

“Decision-making power is given by a position, in which you have a chance to influence the run of the institution,” (Slovak CEO, SN°6, 2009).

Thus, even if the interviewee started her definition from the functionalist’s point of view, not mentioning the formal competences but rather directly pointing out on the process of influence outlined the possibility of using other than formal powers for making municipal decisions.

In the summary can be concluded that CEOs definitions of DMP followed certain patterns which shape the institutional systems of local governments in all three countries. In particular, these definitions reflected on the position and role which Mayors and CEOs play in local governments. However, if the demarcation line for Mayoral responses was quite clear, in the case of CEOs, national culture does not seem to play such a big role. CEOs responses were more diverse and it was possible to find representatives from one country in all three defined categories. This seem to be connected to the very specific position of the CEO – which, as already mentioned in the institutional system analysis – is very broadly defined in Local Government Acts, and thus highly dependent on specific organisational structures. Also, it is

dependent on interpersonal Mayor-CEO relations in each municipality. Other interpretation of these in-country differences can be done from the institutional change point view. While some – more traditionally minded respondents – would follow the traditional definitions and traditional distribution of powers in their organisations, more progressive respondents would follow new trends in their functions and roles in local governments. Hence, by following the assumption that the application of practices within the framework of NPM empowers municipal managers, managers inspired by using these practices would be more willing to express their active involvement in the municipal decision-making process. Others, however, would rather fulfil the role of classical administrator.

Finally, it is intriguing that none of the interviewed Mayors have perceived decision-making power in its complex meaning, as it is defined in the theoretical model – as a proper combination of formal and informal powers used for affecting others in the collective decision-making process. The respondents focused only on a few parts of this definition. The Spanish and Slovak Mayors were concentrating on its static part (a set of formal competences referring to the legitimate or positional authority). The Finnish Mayors and some Spanish Mayors, however, were focusing on the informal (personal) powers used in the dynamic part (influencing others) of this definition. On the contrary, among the studied CEOs one can find more examples of those who were able to recognise both elements of DMP. Especially, several Finnish CEOs reflected on this issue very thoroughly but also some Slovak and Spanish CEOs acknowledged that although they do not have formal powers during the decision-making process, they can still benefit from their informal powers.

5.2 Internalised Understanding of Decision-Making Power

Another question asked during the interviews was “*What does it mean for you to have decision-making power*”. With this question, I intended to go a step further in exploring the understanding of the key term. From the general conceptual level, which provided a common/popular definition (something which people are used to saying due to culturally defined traditions or expectations), I went to the internalised perception of respondents’ personal feelings about and experiences with the studied concept. I expected some divergences between the “general” definitions and these personalised feelings, mainly due to current institutional changes which are supposed to change the practices (behaviour) but their impact on the personal values might not be observable yet. This is because, by following the anthropologists’ views, the values (about the proper power relations) are changing much slower than the practices shaped by the institutional systems within which the leaders have to operate. As well as in the previous chapter, also here the Mayor’s responses will be followed by CEOs opinions.

5.2.1 Mayors

The answers on the above interview question were, once again, quite diverse but the country frames were visible. The most frequent categories emerging from this question were a) responsibility; b) attitudes towards responsibility; and c) delegation (sharing) of responsibility. In the following paragraphs, all these topics are elaborated as country cases enriched by the between-country comparisons.

5.2.1.1 Slovak Responsibility

In connection to the previously expressed attitudes towards understanding DMP as a set of formal competences assigned to the leading position in the hierarchy, for the interviewed Slovak Mayors, *having* decision-making power in the first place, means having responsibility. The responsibility, that is, for municipal development, for municipal employees, and for all the citizens in the governed area. Responsibility,

therefore, is an integral part of formal decision-making power. The one who has an authority to make decisions, is at the same time responsible for the consequences emerging from those decisions.

In the Slovak case, the Mayors' feelings of responsibility have two sources: the first one comes from the direct accountability to citizens due to direct Mayoral elections; the second one comes from the institutional system according to which the Mayor is the highest (and the only) statutory body in the municipal office. Therefore, his or her responsibility for the running of the city is exclusive and strongly centralised. The following quotations nicely illustrate these claims:

“Having decision-making power for me, means responsibility, because the Mayor is the one where all the information and all the various requests are gathered. And you know, we have various departments [...] and I take it as a personal responsibility, because all the decisions must be balanced. They also have to take into consideration all the requests and, of course, all the possibilities, which we have for covering and fulfilling these requests,” (Slovak Mayor, SN^o1, 2009).

“Decision-making power for me means responsibility. Because the practices has shown me that when a person makes a decision, especially in crisis situations, for instance, when there is a flood and you must give an order that something must be operatively done; and when you make the right decision, people usually expect it from you as something natural, because you are here [on the leading position] so you have to make the right decision. But if you make a mistake, it is unacceptable. That is why I consider it [decision-making power] as a big responsibility, so that after each decision which I made, I want to be able to stand in front of anybody and say that I decided it this way or that way, because of this and that reason. So, I need to show that I had relevant reasons, and that I felt that in that particular situation those arguments were the most relevant and the strongest for making that decision,” (Slovak Mayor, SN^o2, 2009).

Attitudes towards Responsibility

Most of the respondents expressed positive attitudes in having these exclusive formal decision-making powers. This is because the personalised decision-making power brings them a chance to use it for transforming the municipal development

according to their own wishes. In addition, having exclusive legal rights and consequent legal responsibility, provides them with strong negotiation arguments during the policymaking process. They can simply say: “I have a legal right to make this decision, so I will do it!” Consequently, if one adds to this the fact that current Slovak local governments have a relatively large financial and content discretion (in comparison to the past situation) for shaping the municipal development, Mayors have justifiable reasons for being content with these concentrated (centralised) decision-making powers. This phenomenon is summarised by the Mayor from a municipality in the western part of Slovakia:

“[Having decision-making power] is for me a feeling to realize what I want and a possibility to implement my own ideas. I don't like to do things which other people tell me to do.” (Slovak Mayor, SN^o5, 2009).

In addition to the emphasising the positive attitudes to holding the decision-making power, this quotation, more than others, also highlights the fact that in the Slovak municipalities, it is possible (and due to historical reasons, still accepted by the society) that the leaders make decisions alone, or that they execute strong authoritative (individualised) leadership. This, however, is possible only if the council decides to delegate some of its executive (formal) powers to the Mayor and thus concentrate this authority into the Mayoral position; because according to the organic law, the positions of both the Mayor and the council are hierarchically equal. Thus, it is common that based on unique local needs and circumstances, the particular sharing of powers between the Mayor and council differs from one municipality to another.

The delegation of executive powers has a positive impact also on the promptness in making decisions. Especially, in terms of managerial efficiency, which follows the eminent slogan “time is money”, one of the most positive aspects of individualised decision-making powers is a possibility to make fast decisions without a need to wait for achieving consensus or approval from other decision-making bodies (council). Collective decision making with shared decision-making powers (as it is in Finnish municipalities), is often criticised for having a slow process of achieving the agreement and consensus among all decision-makers. Therefore, some Slovak

Mayors tried to create even more freedom for making decisions alone. For instance, the Mayor from the Southern part of Slovakia concluded:

“Of course, everybody who accedes to this position has to make decisions. Of course, everybody can usurp bigger or smaller decision-making power. Me, when I started, I set apart some competences that here I want to decide alone, with no need to ask or get approval from the council. This is not because I would like to make decisions alone, but because it gives us a chance to be prompt and faster. And, people do not need to wait for a meeting of the municipal council, as I can decide for them. But, if we have to make some bigger decisions, which are related to municipal development, or which are related to people’s ideas, there I suppose, it would require approval from the committees, the Executive Board and the council. But if somebody is going to build a family house in a normal family building-up area, there I don’t ask anybody and I just make a decision alone.” (Slovak Mayor, SN°7, 2009).

The delegation of executive powers can happen only if the Mayor gains confidence among the councillors. In addition, this can be achieved mainly if the Mayor has an absolute majority in the council, i.e. when his or her political party holds the majority of the assembly’s posts; or when the council trusts and believes in the Mayor’s proven expertise. In the case of the former above-displayed transcript, when the Mayor (with the code SN°5) said that he does not like to do things which others tell him to do, he was able to make such a big statement about absolute decision-making power mainly because his political party (or parties supporting him in the election) had an absolute majority in the council. Another reason, also, was because he was able to obtain the confidence of the citizens as they had already elected him to the Mayoral position for the third time. In the case of the latter respondent (SN°7) however, the composition of the council was quite heterogeneous (out of 19 councillors, 7 were independent and the remaining seats were distributed between three political parties). In this case, the Mayor spent “only” 2 electoral periods in the council and he was not affiliated with any political party. Therefore, it seems that he was able to convince the majority of the councillors to delegate more executive powers to him, with arguments of managerial efficiency and the need for fast fulfilment of citizens’ satisfaction. This perception is also connected with *direct accountability* to citizens yielding from direct Mayoral elections giving the Mayor

additional decision-making powers. Thus, this individualised power (the way as it is institutionalised in the Slovak municipalities) gives Mayors a chance to be “managerially” efficient as well as democratically accountable to citizens, though still under the council’s control. This is preventing them from a descent into pure authoritarianism.

Returning back to the attitudes towards responsibility, not all studied Mayors only expressed positive feelings for having this unique formal possibility to make decisions alone. Instead, for several Mayors, the responsibility connected with personalised and formal DMP is a “burden”, “displeasure”, or “worry”, which they have to deal with “24/7”.

“[Having decision-making power] is a burden. But of course, it is also a responsibility, not only towards me but mainly towards those people who elected me; but also towards my colleagues and towards the overall municipal image,” (Slovak Mayor, SN°7, 2009).

“You know, if I would be an egotistical person, I would have said that ‘aah power, nobody can take it from me, it is mine’. But, because I am not a supporter of private ownership, I have never thought that I have any power. I perceive the term decision-making power as having a responsibility. Thus, for me it is not a pleasure that I have something, merely that I have a preoccupation,” (Slovak Mayor SN°3, 2009).

These statements expressed that the exclusivity in the exercise of power has in addition to a number of positive also some negative aspects. These negative aspects are connected mainly to lots of pressure and stress yielding in public opinions, because if something goes wrong, the Mayor is the first one who is going to be criticised for any potential negative consequences. Some leaders can handle this kind of situation easily, others however, may experience problems. However, it is assumed that with larger numbers of functions the level of stress, connected to the “right” implementation of decisions, increases. And, as the institutional analysis showed, the Slovak Mayors really do have a large number of executive as well as political public duties which they are expected to perform according to the needs of the majority of citizens. Therefore, it is understandable why they expressed also negative feelings.

Delegation (Sharing) of Responsibilities

One would expect that when somebody has lots of competences and consequent responsibilities, he or she would tend to share them with others in order to decrease task overload and increase the rationality of decisions. The institutional structure assures participative decision-making processes between the Mayor and the council, since the council is on the same hierarchical level as the Mayor and makes key strategic decisions together with the Mayor. However, the councillors cannot be legally accused of making mal-policies, because only the Mayor is the statutory organ. In addition, councillors are part of the group and group guilt cannot be legally prosecuted. Therefore, all the social pressure falls on the Mayor's shoulders, even if he or she were to perform a co-operative or democratic decision-making process.

Therefore, these cooperative attitudes (while answering on this particular question) directly presented only one Mayor from the Southern part of Slovakia. He mentioned that he, actually, does not feel to have any decision-making power, because he is sharing it with other councillors.

“I think I do not have all that much decision-making power. I even think that there is no need to use it [the formal power], because we need to come to an agreement. And I am not saying that I am hiding behind the councillors, but the decision-making should be shared. That is how I feel it. I probably have that power to select my co-workers, and that I select the heads of the departments, that I chose with who I will meet, *in which direction I will lead this town*, this is dependent on me. But other decision-making power I do not feel is there,” (Slovak Mayor, SN^o4, 2009).

From this opinion, one can comprehend that the direction of the municipal development is unambiguously dependent on this Mayor, because he prefers to keep mainly strategic political decisions for himself. However, other executive functions or minor political tasks, he is most likely sharing with others. In this way, the Mayor intends to follow practices found mainly in the Spanish municipalities – where a formally strong leader delegates many executive as well as political functions to the members of the EB.

At the same time, the Mayor's statement also acknowledges that personalised (one-man) leadership is a very important part of the Slovak local political culture. This is expressed in the part of the transcript where he pointed out that by sharing powers with others, he does not want to *hide* behind the councillors' decisions. In this manner, he, somewhat, vindicated his cooperative behaviour, because if he were to not do so, he might have been perceived as a weak or incompetent Mayor. In contrast, Mayor SN°3 (from the previous quotation) also stated that he feels that he does not own power. However, he did not explicitly express that he is sharing it with others or that he performs cooperative decision making. Instead, he just "translated" the concept of formal decision-making power to the feeling of big responsibility, which is a burden for him.

To sum it up, the main reasons why only a few Mayors expressed their willingness to share formal decision-making powers with others, could be rooted in the challenging circumstances shaping the institutional system of the Slovak local governments. The transfer of tasks and responsibilities is a process which requires a high level of trust and productive personal relations between the Mayor and those who are empowered to fulfil Mayor's formal duties. Therefore, the basic assumptions are that one can delegate and share only if he or she can rely on and trust his or her subordinates, and that this trust is created by knowing the performance of subordinates. For these reasons, one might also have a chance to choose with whom he or she wants to cooperate. Unfortunately, the Slovak municipal system is not very flexible or "Mayor-supportive" in this respect. The Slovak Mayor can influence only the composition of the municipal office, as he or she can select the CEO and hire all the employees. Only to these civil servants, can the Mayor delegate several operational tasks (formally defined in the Internal Organisational Rules). This is because there is a strong potential for selecting the kind of people who are loyal, reliable, and who can be trusted in accomplishing Mayor's visions. However, I have not discovered a situation where Mayors would delegate the majority of administrative and executive functions (as can be found in Finnish municipalities) whilst keeping only political functions for themselves. This could be explained perhaps by a not "yet" strong tradition in the professional post of CEO, and perhaps a not "yet" strong willingness of CEOs to take on the overall responsibility for these administrative tasks. In addition, total delegation of

executive and administrative duties to the CEO could yield to the problem of reduced democratic accountability, for which the Finnish local government system is strongly criticised.

In addition, having these strong relations with administrators might lead to the creation of a barrier or an information gap between the Mayor and the other elected officials, as the latter might lose control over made executive decisions. Also, on the other hand, leading politicians might not get enough information, which the other councillors within municipal council could provide for making more rational decisions. Thus, the democratic as well as the rational decision making might be threatened. However, this system is only acknowledging the typical politico-administrative dichotomy, where big developmental/strategic decisions are done by all the local political representatives, but the operational and administrative tasks are conducted by administrators led by the executive leader (Mayor), without other political interventions. Yet, in terms of efficiency and administrative sustainability, such a dichotomous system would be ideal if the leading executive officer would not be changing ever four years.

Yet, even if, in terms of administrative tasks, Mayors from medium-size municipalities can use the help of an administrator, in terms of the political tasks (e.g. fostering the electoral plans, promoting new projects, being informed about citizens, attracting external resources), everything is formally in the Mayor's hands. This is not such a formal organ (if we do not count Mayor's political party, which Mayor would have a chance to compose by his or her loyal supporters. There is no other formal body, which would serve Mayor as a platform for unconditional delegation of his or her political duties²². It is true, that the performance of committees and the executive board is very useful and they certainly unload some of the Mayor's political functions. That is, those mainly related to the initiation and preparation of policy proposals, and many Mayors use the help of these organs intensively. However, the creation of such bodies, as mentioned before, is only optional and their composition is dependent on the council's decision; in addition, it

²² At the time when the interviews were conducted, even the vice-Mayor (deputy Mayor) had to be approved by the council, though Mayor had a chance to provide his or her suggestion. As of 2011, Mayor has a chance to appoint his or her own deputy (or even two) without a necessity to wait for council's approval. The deputy Mayor must be a councillor.

must follow the proportionality rule. Thus, it can happen that these political bodies are ideologically very heterogeneous and for the Mayor, it is difficult to perform full control over them. The worst scenario, is when the Mayor's political party has a minority in the council or when the Mayor is not affiliated with any political party. In this case, the advisory and initial political organs are a compound of the ideologically different-minded representatives, which are most probably not in line with the Mayor's interests, or proposals. Thus, the Slovak Mayor cannot fully rely on these councillors and their interests in governing the municipality. It is for this reason, that the Slovak Mayors usually do not have particularly smooth chances to share and delegate their political tasks and rather, the institutional system encourages them to act alone and fight with the stress and pressure of overload. Alternatively, they then also involve loyal and highly educated CEOs to the preparation of political tasks (which, as the further analysis of CEOs' interviews shows, is a very common practice).

Even if the heterogeneous composition of decision-making organs is also a very common practice in Finnish municipalities, with the intention to assure democratic plurality of opinions as well as increase the rationality of decisions, the main difference is that formal responsibility for made decisions is shared among all the members of these decision-making bodies. Hence, there is not one individual leader who would have to bear all the consequences for potential mal-policies, as it is in the Slovak case. Thus, if the decision-making powers are shared and collective participative decision making is performed in Finland, it is because all members of the decision-making body are *hierarchically equal*, with equally distributed responsibilities. Whereas, in the Slovak municipalities the cooperative decision making seems to be performed only as a result of a compulsion caused by the heterogeneous composition of the municipal council. This is because otherwise, the constitution as well as the society, expect the Mayor to take full responsibility for the running of the municipality. This only confirms what Sagie and Aycan (2003) claimed, that in the post-communist countries, the participative decision making has only a pseudo character, which does not put a great relevance on the character of the final decision.

In connection to the initial assumption that the definitions of decision-making power would differ with the personalised perception of this term, at this stage of the analysis, I can conclude that for the Slovak Mayors, the feeling about having decision-making power is strongly connected with their initial definitions of this term. Hence, the decision-making power weds with the responsibility assigned to the leading position in the hierarchy. For some Mayors, this responsibility is a positive attribute, for others, it is a negative one. Nevertheless, most of them try to cope with it as strong individual leaders, though elements of some cooperative decision making can be found here as well.

5.2.1.2 Spanish Matter of Personal Choice

The Spanish Mayors' perceptions about holding decision-making power were slightly different, though the feeling of responsibility also played an important role in their responses. In addition to this aspect, the Mayors also quite intensively mentioned that having decision-making power brings them honour and respect, as well as the opportunity to change the municipal development according to their respective visions.

“For me, to have decision-making power brings me honour, but also lots of responsibility. Because I want to continue to live here, I want people to greet me on the street after I finish my Mayoral term,” (Spanish Mayor, EN°7, 2009).

“[Having decision-making power] is an opportunity to execute projects. It is a bit of fortune for changing things, to make them more attractive and it is power, which allows you to make decisions,” (Spanish Mayor, EN°6, 2009).

“It is an opportunity for turning on the administrative machinery – for giving economic resources in disposition to the citizens. Moreover, [decision-making power] gives the possibility to be a mediator – because the Mayor can help citizens with very fast and efficient decisions on a daily basis. And because with these [public] decrees, you can solve many things. Thus, in case you have access to this machinery, you have your administrators and financial resources, which are very important. Also, hands for helping these people, these are very important things, because

not many people have them in their disposition. *You* have it and it is clear that it is a great opportunity, but also a great responsibility as well as a great honour for doing it,” (Spanish Mayor, EN°8, 2009).

Attributes towards Responsibility

The aspect of responsibility is equally important for the Spanish Mayors, as well as for their Slovak counterparts. However, none of the interviewed Southern European respondents stated that the responsibility is a problem or a burden. It seems that Spanish Mayors take it as a natural feature coming with their leading position, without showing any negative feelings in this respect.

One of the reasons, why negative feelings towards the responsibility appeared seldom in the responses of the Spanish interviewees, could lie in the smaller amount of executive duties assigned to the Spanish municipalities. Traditionally, the Spanish municipalities are considered as weak authorities, with having few duties in provision of public services, since most of them are provided mainly on the regional and the state levels²³. Thus, Spanish Mayors do not have so many administrative tasks, such as for instance, when compared to Slovak Mayors. Therefore, the Spanish political leaders do not need to feel such big pressure for having so many operational responsibilities.

In addition, recent municipal reform has empowered Mayors and their team (the executive board) with additional executive competences, to the disadvantage of the municipal council. Therefore, in many administrative and executive issues, currently, Mayors do not need to wait for the council’s approval and they can decide in the realm of a presidential model (Bäck, 2005). This is because:

“[...], council is only for controlling the Mayor’s and EB’s executive decisions, without making decisions by themselves. And that’s the biggest promptness which the Mayor obtained; because the Mayor makes decisions every day, whereas the EB meets once a week. Also, the council meetings are only once in 1-3 months [...]” (Spanish Mayor, EN°8, 2009).

²³ This statement is the most relevant especially for small and medium size municipalities, since particular distribution of public tasks is dependent on the size of the municipality.

Thus, not surprisingly, according to Mayors' perceptions, decision-making power gives them a great possibility to make fast decisions which consequently helps to satisfy their citizens. In comparison to the Slovak case, Spanish Mayors do not need to convince the council for delegating additional competences, because the general local government law already puts the Mayor and the EB in this principal position.

Similarly, a big influence on these relatively positive feelings, might be coming from the electoral system, which usually assures the Mayor's majority in the municipal council. At the time of conducting the interviews, political parties or party coalitions of all studied Mayors had a majority in the council. Therefore, Mayors did not need to feel any stress over whether their proposals would be accepted by the council or not. This is because, if their ideas and proposals are in line with the interests of their political parties (or party coalitions), then they will be automatically accepted also by the entire council.

Interestingly, the neutral or positive feelings of having formal responsibility for the running of the community, were further strengthened by considering decision-making power as an honour (with a very positive connotation). The factor of honour appeared only among the Spanish respondents. In addition to the cultural stereotype that Spaniards are not very humble people, this emotion seems to have its origins again in the electoral and party system. The electoral system determines that the Mayor becomes one who is selected from among elected municipal councillors. This, in practice, usually means that the leader of the political party which won the elections, nominates its candidate for the Mayoral position and the new council has to accept this nomination. Furthermore, since the Spanish communal electoral system is based on a closed party-list of proportional representation (without a possibility to vote for independent candidates), by voting for a particular political party, citizens already vote for their community Mayor. Thus, the Mayor's accountability is spread between the party members – who nominated him to lead their party in the municipal elections – as well as citizens – who quasi directly voted for him in the elections. In addition, this expressed trust in the Mayor's ability to lead the political party as well as the entire municipality, might create a very strong feeling of honour and pride.

Delegation (Sharing) of Responsibility

Another reason, and probably an even more important one, why Spanish respondents did not express negative feelings in having responsibility, is anchored in Mayors' possibility to delegate their powers to their collaborators. Sharing decision-making powers and their consequent responsibilities, with other municipal representatives is, actually, a very common practice among the Spanish local leaders. The most empowered officials are deputy Mayors and other members of the Executive board. Although the Mayor is expected to say the last word in made political decisions, in practice, the proposals are usually brought and prepared by the EB members responsible for particular policy areas. However, other civil servants are not left out from sharing the powers with the Mayor. One Spanish leading local politician concluded:

“Having decision-making power does not mean to be authoritative. Some people identify power with authority. I think that power is to *share the decisions* and that the final decision should be a *compromise* – in order to improve the life in our city. It is not like when using authority, one should say, ‘I am a Mayor and it is going to be how the Mayor says!’, because this is not efficient and it brings *tensions* between the members of the government [EB]. For that reason, I try not to apply this principle of having *presidential power*. I believe in *horizontal power*, were all the people are having the responsibility in power,” (Spanish Mayor, EN^o1, 2009).

Analogous to the Slovak Mayor with the code SN^o4, in this above-presented transcript, it is observable that the Spanish respondent was also somehow vindicating his willingness to perform cooperative instead of authoritative leadership. Hence, he was defending his willingness to share his formal decision-making powers with others, which is slightly in contrast with the traditional, as well as current, institutional system encouraging and allowing strong leadership. However, as already demonstrated in their initial definitions, Spanish political leaders prefer to understand decision-making power more as the personal skills needed for satisfying the interests of various stakeholders, as well as the personal ability to gather all the information needed for making the most optimal solutions. Therefore, the personification of formal authority (especially related to executive and administrative functions) connected with their leading position in the hierarchy,

seems not to be as significant aspect as in the Slovak case. Rather, they prefer to use the informal decision-making powers to a greater extent.

The analysis further showed, that the Spanish Mayors do not delegate only because they want to but also because they have an institutional support to do so; which is in contrast to the Slovak local leaders. The organisational structure of local governments, allows them to act along these cooperative lines. The most important, is that Mayors can independently select the EB members; who are from their political party or coalition of parties. Thus, the Mayor can fully rely on and trust his or her associates who have a possibility to perform important executive and political roles. It means that the Mayor has “guaranteed” supporters in doing political and executive tasks and he or she does not need to feel such great pressure, because he or she does not need to act/decide alone (which is in contrast to the Slovak case). In addition, he or she does not need to possess all of the information and technical knowledge, because his or her selected councillors are expected to bring this information and knowledge to the “round table”. Therefore, it is quite effortless for a Mayor to distribute and share decision-making powers, as well as consequent responsibilities.

These claims might also explain why the Spanish Mayors belong to a political rather than executive/technocratic type of leadership. Thus, not only the limited scope of the state functions (Heinelt & Hlepas, 2006), but also the institutional settings allowing the delegation of administrative/executive and partly political tasks, shape the predispositions for performing the political leadership. It also explains why most of the interviewed Mayors constantly talked in the plural form, “we decide, we do, we have...” even though the interview questions were addressed to their *individual* behaviour.

During the interviews, I also came across two Mayors from the Northern part of Spain who went even further in this “de-personalisation” of DMP. They explicitly emphasised that they appreciate a possibility to delegating all the formal

competences to the vice-Mayors and other members of the EB²⁴ or civil servants. These “post-modern” Mayors expressed themselves accordingly:

“Having decision-making power means a possibility of not making decisions. If you have a right to give orders and command, and if you do not have to exercise it, that is fantastic, because it means that everything works well. You do not have to intervene. In my personal case, one councillor responsible for the department of urbanism tells me, ‘you do not need to go, you do not need to intervene, and you do not need to ask. The Mayor is here for representing the institution but not for organizing the work’. And that is what I prefer to do,” (Spanish Mayor EN^o4, 2009).

“I don’t use decision-making power. I delegate it all to councillors or civil servants. I make decisions only when the others are not able to find solutions,” (Spanish Mayor, EN^o5, 2009).

These interviews thus put the character of the Mayoral figure from a *de jure* strong president to a *de facto* weak ceremonial leader, who relies on the work of *his* municipal officials. It is evident that such a situation cannot be generalised for the whole country; however, what is more important, is that this situation can more easily occur in the Spanish municipalities than say, for example, in the Slovak municipalities. This is because the institutional system in Spain allows for making such provisions. At this moment, it is also important to stress that there is a significant difference between the Spanish and Finnish ceremonial leaders. While the Spanish Mayors put themselves into this “weak-Mayor” position based on their *own personal decision*, the Finnish Mayors are put into this situation by the institutional system itself. Therefore, for the Spanish studied Mayors, having decision-making power seems to mean a personal choice to perform either authoritative leadership (based on concentrating and using only formal power sources) or collective leadership (based on sharing formal and using also informal-personal power sources).

At the end, it is essential to remark that the Spanish local government system could possibly lead to one extreme situation: when too vigorous involvement of EB

²⁴ Interestingly, the EB is a compound only of the Mayor’s political party even if they do not have majority in the council.

members in the executive functions may limit more proactive and dynamic Mayors in asserting their ideas. The specialised knowledge and active participation of executives may yield to the elimination of a Mayor's control over the character of particular policy-areas. This limited access to information may eventuate in a situation where the Mayor becomes a ceremonial leader, not through personal choice but because his/her political party members would not allow him/her any other style of leadership. Among the respondents of the study, such a perception of an "institutional trap" was possible to observe especially among young Mayors, who lack experiences and/or personal skills for influencing (especially) senior councillors.

This feature is also related to the Mayor's dependency on the municipal administration. While for instance, the Slovak Mayor is institutionally obliged to rely on the administrative staff, the Spanish Mayor performs with a weaker dependency because of the interventions of the previously mentioned intermediate level, i.e. the deputy Mayors or political heads of the administrative departments. Thus, the information flow coming to the Mayor about the administrative issues is indirect and may cause a lack of control over the implementation of policies and the execution of services.

Furthermore, the relations with administrators may not be as productive or efficient as in the Slovak case, because the Spanish Mayor may face conflicts with bureaucrats more often. The main reason, is that the leading administrators, without counting the newly established municipal managers (*Gerentes*), have a statutory position designed by the state. This means that the upper-level government appoints these functionaries. In such a way, the top administrator becomes a "watchdog" (Plees & Leemans, 2002) or a state agent controlling the running of the city. For a Mayor, it means a very peculiar situation. In a situation where the *Secretario* and the Mayor do not share the same or at least similar values or interests in preparing/implementing policies, the Mayor may face severe resistance instead of receiving administrative support needed for implementing political decisions. It should be noted, that the *Secretario*'s powerful position is created not only because of his or her controlling duties but also because of his or her knowledge and expertise, which usually the layman politician lacks. Thus, in case there is a not

enough of “fits” in the contextual and personal features of both actors, the running of the city may be restrained – even if it is expected that the *Secretario* fulfils his or her duties in the most politically neutral way. Therefore, in order to avoid conflicts, the Mayor needs to work much harder on building productive cooperation and inevitable trust with the head of the administration (*Secretario*). This is in order to assure municipal development and achieve common municipal goals.

In the conclusion can be stated that even if the theory calls for strong individualised political leaders and the cultural predisposition also assigns the existence of strong forerunners, it seems that a number of interviewed Spanish leaders prefers to go in a more cooperative direction with diffused powers and consequently diffused executive responsibilities. This is in order to keep better inter-municipal relations as well as for having more time for political and representative functions on upper governmental levels (as was already observed by the seminal work of Page and Goldsmith almost thirty years ago). Such perceptions of shared decision-making power (flowing from the willingness to share) also acknowledge the two approaches in defining and comprehending decision-making power as a set of formal competences and personal abilities.

5.2.1.3 *Finnish Personal Aspirations*

Since the studied Finnish Mayors almost never defined decision-making power as a legitimate possibility to make decisions alone, I did not expect that their personalised perception would diverge from this definition. This expectation was confirmed when the interview transcripts revealed that Finnish studied Mayors frequently connected the tenure of decision-making power to one’s personal values and skills for making decisions on behalf and for others. In contrast to the Spanish and Slovak situation, the possibility to shape municipal decisions individualistically is not embedded in the constitution and the system does not provide a legitimate support for it. Yet, still, it is rooted in a deep personal motivation and aspiration to influence the life in the community. In connection to the theory of decision-making power, the fact that Finnish Mayors collectively share formally assigned responsibilities, forces them to build their decision-making power only on informal (personal) power sources. These specific personal power sources and altruistic

values are then supposed to motivate them to aspire for leading the development of their communities. In other words, if somebody does not have these aspirations or interests in shaping public affairs, he or she cannot have decision-making power. This is because the (personal) decision-making power belongs only to those who are willing and at the same time, able, to make a change.

“[Decision-making power] I suppose it is a kind of weird character that one has. For sure, it means that one has to be interested in public matters in general...it is one’s own choice in life, that something has caused that one wants to do this. I cannot say it more accurately anymore,” (Finnish Mayor, FN°3, 2009).

“Well, first of all you should look at the personality from a longer distance, that one has got into municipal politics to take care of the common issues and one has been elected to it, so the purpose is [...] that one can affect those things [...] I’ve set myself those goals when I joined the party, SDP. So I set myself goals, and the amount of work, and to what degree I want to be involved in the decision making and even the way in which I want to be involved. So I have this view,” (Finnish Mayor, FN°4, 2009).

Attitudes towards Responsibility

From these two above-mentioned transcripts can be predicted that feelings which Finnish Mayors have about their decision-making power, significantly differ from their Southern European colleagues. While Spanish and Slovak Mayors perceived decision-making power mainly from the functionalist point of view, the Finnish Mayors focused exclusively on their own personality and their personal involvement in the process of influence. Among the responses of studied Finnish Mayors, it was very rare to find a word “responsibility”. The following transcript is thus very exceptional.

“I think [to have decision-making power] is very interesting. And, I also feel that I have a responsibility; towards the Executive Board and the citizens, towards all the citizens, not only towards those who elected me. And some decisions are about companies. So I feel that I am responsible also for those decisions, which influence the opportunities for companies,” (Finnish Mayor, FN°1, 2009).

The majority of respondents brought up the word “responsibility” in their responses during answers on other questions but they referred it only to something obvious or natural, which automatically comes with the representative role of the politicians in the municipal council. Thus, I did not observe that having decision-making power, in connection to the appertained responsibility, would be a problem or a burden for the top Finnish local politicians.

Delegation (Sharing) of Responsibility

The above mentioned observation seems to be in line with the previously mentioned general character of the Finnish culture, where the responsibility is shared between all the members of the decision-making body, because the decision making itself is a collective process. Such a practice seems to have its origins in the Protestants’ values, according to which, everybody is equal (but with unique skills and abilities) and thus, everybody should have an equal chance to contribute to the decision-making process. Although from the democratic accountability point of view, shared decision-making power prevents pointing out on the “guilty” one, at the same time, it leads to less social pressures generated on political leaders. This is because, if something goes wrong, everybody takes part in that responsibility – not only one person (as it is in the Slovak or Spanish case). Thus, Finnish Mayors can act in an atmosphere which is more relaxed and, most probably, also more productive.

This relaxed atmosphere, is fostered also by a possibility to delegate a number of executive and operational functions to civil servants. In addition, even if the amount of public services is several-fold bigger in comparison to Spanish and partly also to Slovak municipalities, all these services are due to a long tradition and thanks to the strong influence of NPM, managed by CEO. Therefore leading politicians have even less pressure on their shoulders.

As the theory suggests, the best source for persuasion (especially in the non-hierarchical bodies) is an expert power, which politicians can gain mostly from having good relations with civil servants. Finnish Mayors often mentioned that their decision-making power is very dependent on good cooperation with the CEO. What was interesting, however, is that the chairs of the EB often stated that when they have some proposals, first they **try to influence** civil servants (the CEO) and only with their approval do they present the proposal to the EB and council. For example,

in Slovakia, Mayors usually give orders to civil servants. In better situations, Mayors ask for advice from administrators. In addition, if the civil servants see that a proposal is not feasible or has some other drawbacks, it is up to these civil servants to convince Mayors and change their opinions. But Mayors, however, do not need to convince civil servants with their proposals. It always goes the other way around. Therefore, it was very fascinating to read that some Finnish Mayors are so dependent on the expertise of the CEO, that it leads them to consider the CEO more influential than themselves.

Returning back to the previous topic, in addition to the cultural values, also the institutional system favours the sharing of decision-making powers and their consequent responsibilities. Firstly, chairs of the EB (Mayors) are usually elected every two years. Therefore, more councillors have a chance to conduct political leadership, thus more people share the (chairing) responsibility during one electoral period. Secondly, the proportional representation applied in the creation of the EB causes a heterogeneous composition of this body, which again strongly fosters cooperative decision making. Thus, even if during the decision-making meetings, Mayors have to act “alone” against the representatives of all the other political parties in order to enforce their own proposals/interests (or those of their own political parties), they cannot really exercise authoritative leadership; because, if they want to satisfy all heterogeneous interests while giving them equal importance and at the same time achieve unanimous decisions (typical for decision-making practices in Nordic countries), they have to apply a process of consensus building and compromise-making – typical practices for cooperative leadership. Thus, even if this process usually does not lead to complete personal satisfaction (since usually the proposal is hardly accepted in its initial form), at least it does not create strong opposition or big personal tensions. This is due to the fact that all participating decision-makers have a possibility to achieve at least partial satisfaction in made decisions. But everybody has a chance to express his or her point of view and everybody has a chance to contribute to the final character of made decision. Even if this process requires lots of time, the productive relations among (and satisfaction of) all decision-makers seem to be more important than the time spent on the decision-making process. In addition, since Finnish Mayors usually do not deal with operational or everyday administrative decisions, as those are delegated to civil

servants (and also, such decisions usually require immediate actions), the aspect of time and consequent efficiency does not need to play a big role in their perceptions of decision-making power. This, I might add, is in contrast to their Spanish and Slovak colleagues.

In respect to required co-operative or democratic decision making within the executive body, the Finnish Mayors' negotiating position seems to be very similar to the Slovak Mayors' one (if the election causes a heterogeneous composition of the council). There is, however, one significant difference – for the Finnish Mayors, the EB's decision is binding, while for the Slovak Mayors, it has only an informative character. Thus, the Slovak Mayors still have a chance to make certain decisions without reaching acceptance from among the EB members. This is because the Slovak Mayors are hierarchically above the EB members, while the Finnish counterparts are an integral part of this executive body.

Therefore, even if the Finnish politicians would like to perform strong autocratic leadership as it can appear in the Spanish or Slovak municipalities, the cultural predispositions and the institutional system of local governments do not allow them to attain it. The opinions of several Mayoral respondents also ascertain this conclusion:

“Sure one can beat his fists on the table, but this might lose the whole [decision-making power] game” (Finnish Mayor SN^o2, 2009).

“I don't want to be the only one, who says that now we do this and later we do that. If I were to behave like that, I think that people would think that ‘she wants to do all this by herself’ And, I don't think that this is the best way to do this job.” (Finnish Mayor SN^o1, 2009).

To sum it up, the Finnish Mayors cannot easily choose between authoritative or cooperative decision making, or between using formal or informal powers for making collective decisions. These political leaders are institutionally forced to perform strong cooperative decision making while using only informal powers, because they simply do not possess with formal powers. Therefore, if they want to assure the implementation of their political agendas, they need to have very strong personalities, very good negotiation skills, an ability to persuade, as well as an

ability to gain supporters. Otherwise, they just become passive players who merely solve conflicting situations but never make big (political, strategic or executive) decisions alone. This consequently gives room for other decision-makers who are able to use their personal decision-making powers in a more appropriate way.

5.2.2 Chief Executive Officers

In the Mayor's case, the attitudes towards having decision-making power served for illustrating what kind of decision-making styles these political leaders prefer to exhibit. It helped to show whether studied Mayors rely only on their formal powers – derived from their leadership position, or whether they rather benefit from their personal capacity to influence the collective decision-making process. With CEOs, it is a bit different. If CEOs wish to influence the strategic municipal decisions – such as for instance, the character of the municipal budget – their subordinate position in the municipal hierarchy automatically necessitates the usage of informal powers. Furthermore, these informal powers need to be supported by their political masters' personal will to allow the CEOs' involvement in the strategic decision-making process.

The “will factor” plays a very important role in CEO's perceptions of decision-making power. Because, by following the traditional understanding of governmental organisations, civil servants are not expected to participate in political activities; they are only expected to implement what their political masters design. Though, as the theory of politico-administrative relations shows, this line between the roles of politicians and administrators is very thin. The ‘thickness’ of this line is dependent on a particular distribution of formal powers adjusted to local conditions but also on the personal attributes of both political and administrative leaders. One of these attributes is that of *personal will*. In the Mayor's case, it is a will to allow the CEO to take part in municipal decision-making, whereas in the CEO's case, it is a will to take part in that municipal decision-making. Because, if the political leader – especially with many formal powers – prefers to exhibit strong autocratic leadership, then the CEO's expertise, knowledge and willingness to shape municipal development, might not be taken into consideration. Another extreme, is when a

more cooperative Mayor is willing to provide space to the CEO for being influential in the strategic decisions but the CEO is not interested in such activities.

In this respect, I expected at least four types of administrative leaders: a) those who have the will and the possibility; b) those who have the will but do not have the possibility; c) those who have the possibility but do not have the will; and finally d) those who do not have the will, nor the possibility to be influential in strategic municipal decision-making. Depending on the participation in one of these groups, I would expect different approaches in perceiving one's own decision-making power.

The analysis showed that those respondents, who were from the beginning able to focus on DMP from the personal influence point of view, did not encounter problems when answering the interview question "*What does it mean for you to have decision-making power?*" Others, whose definition of DMP was mainly from the functionalist perspective – with assigning formal powers only to Mayors and other politicians – contested that they do not have any decision-making power; therefore according to my expectations, they found it difficult to answer what do they think about having DMP. However, with the intention of sharing the knowledge, I explained to these respondents that DMP can be defined also as a capacity containing both formal and informal powers, which one uses for affecting (influencing) others in order to make collective decisions. Therefore, I asked the respondents to reflect (if possible and applicable) on their personal ability to influence the municipal decision-making process. After this clarification, the majority of the CEOs acknowledged that they do influence the decision-making process, but a few – especially the Spanish General Secretaries and one Slovak CEO – stated that they do not even try to perform this activity, because that is not their job. In other instances, some respondents – especially from Slovakia – stated that although they do not have formal powers towards making political/strategic decisions, they do have some formal powers for making operative decisions in connection to guiding the work of municipal employees, or preparing the municipal budget. They stated that this indirectly helps them also to influence strategic municipal decisions. Nevertheless, while talking about their decision-making power, the majority of the Slovak CEOs (in their statements), reflected on the aspect of

CEO-civil servant relationships, and less on the aspect of the Mayor-CEO relationships.

Not surprisingly, in respect to the above stated interview question, the main topics emerging from CEOs' opinions, were slightly different in comparison to those encountered among the political officials. Although the topics of responsibility and general attitudes towards having DMP appeared quite frequently, the respondents were treating also aspects of dependence and independence on political leaders in connection to their actual DMP. In other words, they reflected on how willing their Mayors are for letting them participate in municipal decision-making. As in the Mayors' case, in the following section, I will elaborate the respondents' opinions as country studies enhanced with the between-country comparisons.

5.2.2.1 Slovak Request for Operational Independence

Before presenting the opinions of the Slovak administrative leaders, it is important to point out, that due to a strong-mayor form of government, these officials work in an environment where the Mayor has a very strong impact in both the political and administrative functions. Therefore, the Slovak CEOs do not have guaranteed independence or guaranteed formal powers for managing the municipal office, nor for participating in strategic decisions according to their ideas. However, since not all Mayors fully utilise their chance to be very active in administrative/operative functions, they allow and often demand from CEOs be fully in charge of these activities. In terms of strategic (political) functions, the CEOs involvement is, however, quite limited. Not surprisingly, in such circumstances, the opinions of the Slovak leading administrators were the most divergent from among all three studied countries. I was able to distinguish three considerably different categories of respondents. By following the Mouritzen and Svara's (2002) types of CEOs, firstly, I recognised a group of *professional agents*. These respondents are independent in managing a municipal office but their activities are quite strongly controlled by executive Mayors, and their involvement in the political arena is quite limited, as well as unwanted. Thus, these leading officials seem to be willing (and also have a possibility to) lead the operational functions, but their involvement in the political arena is less possible and less likely. The second group, consisted of *interdependent*

CEOs, who are independent in their administrative tasks but they are also allowed (and are at the same time willing) to be active in political functions. In addition, the third group were *classical administrators or political agents* whose administrative functions fall under the strict control and dominance of the political leaders. Furthermore, they are neither expected nor willing to participate in the development of political decisions.

Independence in Operational Functions

As well as for their political masters, for the majority of the Slovak city managers, possessing decision-making power is connected with responsibility. In contrast to the Mayors' opinions, this responsibility is usually taken only over the management of a municipal office. Also, such responsibility covers the correct implementation of policies affecting the citizens' well-being and not so much over the overall running of the community. Therefore, in the following statements, the CEOs described their feelings towards having decision-making power related mainly to their operational functions in the context of the municipal office:

“Decision-making power, for me, means primary responsibility. Decision-making power is always about great responsibility, severity, and professionalism. I perceive it in this way. Because, if I have to decide about something, I need to be good in it, I need to be good with my team, not only with myself but also I need to have a good team, in order to be sure that we make a good decision,” (Slovak CEO, SN^o5).

“Decision-making power I do not consider as a big victory. Although for sure, many people take it in such a way that ‘Oh my God, she is CEO, she can make decisions.’ But I believe that having it [DMP] is mainly about having a responsibility. Really, and this explains everything,” (Slovak CEO, SN^o1, 2009).

Since these two respondents acknowledged that they have decision-making power, and they connected it with the aspect of responsibility, I included them into the group of CEOs who have certain independence at least in the administrative/operational functions. Such conclusions were supported by various additional statements, where respondents claimed that they do not need to have more formal powers, because everything that they need they have already got and thus, they can perform everyday tasks without restraints. They can select and manage their administrative team, they can apply new managerial practices, they

can bring up their opinions about policy proposals, they can be active in the budget preparation, they can suggest new development projects, etc.

However, as they said this was achieved only because they have created very good relations with the Mayor. They trust each other, they share opinions, they listen to each other, and they try to understand each other, which, as some said, help them to work in a partnership.

“I have one advantage, and this is during the preparation of the budget, or actually in all the decisions. In the final instance of course, the Mayor makes the decision but he builds his decision based on our recommendations. Hence, I give recommendations to the Mayor for each item and then he, as we say, makes the decision. But I think that we have a mutual consensus, a mutual listening about how it should be and what should be the best. And that’s why we are successful,” (Slovak CEO, SN°1, 2009).

“Our luck is that our cooperation is 20 years old. For 20 years we have been working together, so from the professional point of view, we know everything about each other. Thus, despite of the fact that the CEO does not have official decision-making power, we do, for sure, consult a lot. Simply, everything is discussed with the office, with us, so every Mayor’s decision grows from the knowledge of the office, from our opinions,” (Slovak CEO, SN°5, 2009).

From these responses, it is also possible to see that although these particular CEOs demonstrated relative independence for performing their administrative duties, in comparison to the Finnish context, the Mayors’ control over these administrative issues is quite strong; because the CEOs must assure that the Mayors accept and agree with the CEOs’ steps, since they take the overall responsibility. After cross-checking the opinions of these particular administrative officials with their political leaders, I observed one important aspect. Mayoral respondents portrayed themselves as very strong executive leaders who are interested in applying new managerial practices and who enjoy the current public management reforms (and actively benefit from it). Therefore, although this group of CEOs now perceive that they act as relatively independent managers, it is only because: a) their Mayors willingly decided to give them these operational powers; b) their Mayors allowed them to bring up new practices; c) their Mayors themselves demonstrated a managerial way of thinking and let the professional managers manage, yet under

the Mayor's control. Thus, if there would not be this personal will from the Mayors' side, CEOs would not be so free. From this, it could be concluded that these CEOs are independent in performing operational functions but they are strongly dependent on the Mayors' control. Therefore, they seem to play a role of **dependent professional agents**, tightly cooperating with an executive Mayor in achieving the implementation of common goals.

Among the interviewees, who also portrayed themselves as quite independent agents – by acknowledging that they have some decision-making powers – I found those who provided more politically minded opinions about feelings towards having decision-making power. One of these interviewees, believes that a person should not own any decision-making power, because decision-making power should be shared. Decision-making as such, should be a process of seeking compromises and consensus, because nobody is so smart that they could realistically make all the decisions alone. However, at the same time it is important that a person is willing to take part in the overall responsibility for made decision:

“I say it again, I was educated in such a way, that alone one cannot achieve anything. It is important to connect with people who are on the same wave line. Simply, not some dictator. It is important to use compromises and it is important to use arguments. It is absolutely not in that way, that I just go and say how it will be done. You have to know the opinion of all the experts...but then, it's important to take also part of the responsibility on you,” (Slovak CEO, SN^o4, 2009).

When talking about DMP, this CEO was very often providing examples from his relationship with the council and not that much from his relationship with municipal employees. Moreover, he never mentioned practices which he would be using for the management of municipal employees. Instead, he was very often talking about the initiations of new municipal development projects, about providing ideas for solving certain public problems, about the influence of political parties, etc. Thus, he was often portraying himself as somebody who is very interested in the political aspect of his public duty (asking the question “what to do?”), while highlighting the means by which these duties could be managed (asking the question “how to do it?”).

It is important to note, that this respondent was for many years working as a municipal councillor. From this, one could theorise that the explanatory factor for

his more political approach to the topic of decision-making power, has most likely roots in his political history. However, the long-term managerial experiences in the private, as well as public sector, predetermine him also, for an efficient performance within the city manager's position. In addition, the cross-reference with the opinions of this Mayor, elucidated that this CEO has complete freedom in the management of municipal office; the Mayor explicitly mentioned that the operational tasks and the responsibility over the municipal offices are fully in CEO's hands, because he believes that Mayors should not intervene in these activities. Though, this Mayor does believe in clear politico-administrative dichotomy also from the other side of the coin. This means, that he does not consciously allow the CEO to be very active in political functions. Despite of this, as the administrative respondent showed, his interest in political functions is very high and he claimed to be greatly active in this field. This, therefore, entitles him to be categorised as a "want-to-be" **interdependent CEO**.

Among the respondents, there was another CEO with experiences of the duties in the municipal council. This respondent in addition, still acts as a councillor and as a Vice-Mayor. The municipal council accepted that the position of vice-Mayor and CEO can be accumulated. The main reason for making such an arrangement had, as the respondent said, an economic dimension. By accumulating these two posts, the municipality could save financial resources. However, the other dimension is also political. Since this CEO is also part of the municipal assembly, she has a mandate from citizens; therefore her negotiating position towards councillors is much higher than that of her colleagues from other municipalities. This is because, she does not need to rely only on professional expertise; she can benefit also from the *equality* which she shares with other politicians. While councillors are on the same hierarchical level, they cannot treat this CEO only as somebody with an advisory voice. So as she mentioned, they are really forced to listen to her and take her seriously.

Not surprisingly, her responses about DMP had also a political essence. She was often reflecting on the development projects, on difficult decisions affecting the society, thinking about the future plans, and her relations with the council. Topics about managerialism, professional expertise or guiding employees were a bit dimmed. As well as the previously mentioned CEOs, for this Vice-Mayor-CEO,

having decision-making power is connected with responsibility. Although, in this case, it has quite a negative tone, since sometimes it requires making decisions which are not always the most popular among the citizens.

“You know, sometimes, to have decision-making power, I won’t say it, but it is a burden. Sometimes, you would rather not even make a decision. Decision making – if you want to make good decisions – is a very responsible and sometimes very difficult activity. This is because if you work with, and for people, you are never able to satisfy everybody. It is not possible. And you are forced to say also some bad things, even though it is very unpleasant. But you have to do it because the circumstances force you to do it,” (Slovak CEO, SN°3, 2009).

In the cross-reference with the Mayor’s responses, this CEO has full independence over the management of municipal office, however, the Mayor also let her participate in the creation of policies, influence and actively interact with councillors, and be part of the political functions. This automatically yields also from her specific dual role but it also reflects on the Mayor’s willingness to have a strong partner in the administrative, as well as political issues. Thus, it can be concluded that this CEO plays a role of **interdependent agent**, who on the one hand, is accountable to citizens while fostering general public interests but on the other hand, actively provides advice to elected officials.

Before presenting the opinions and attitudes of the other Slovak respondents, it is important to mention, that all the interviewees presented in this group of respondents have been appointed to their positions because Mayors asked them to work for (with) them. In all the cases, these CEOs and Mayors knew each before the Mayors were elected to their leadership positions. So both actors had the time and the possibility to establish strong professional as well as personal relations, based on trust, expertise, mutual commitment and an ability to cooperate. These seem to be very important factors, which allow Mayors within the strong-mayor form of government and with a high power distance index, to make their CEOs to believe to act as strong (influential) administrative officials.

Dependence in Operational Functions

Not all the respondents were so lucky in being relatively free in managing the municipal office. Rather, the opposite. Especially one particular CEO, who felt that

her dependency on the Mayor's intervention in and control over the operational functions is quite significant.

For example, this CEO mentioned that having DMP is a very important thing for her, because it gives her a possibility to act as a sovereign expert. But, according to her opinion, the municipality does not provide her with enough (or an appropriate amount of) space for acting in this way. The organisational structure demands from her to be dependent on the Mayor's final word, which she finds as very inefficient and unsatisfactory.

“Having DMP is for me a very important aspect, for sure. Not that it would bring me satisfaction but if I deal with some task, it is important to me, that I feel that I also have decision-making power... So without discussion, from my point of view, it is very important to have it [DMP] physically in hand. Because if I don't have it, then it is useless to draw up some projects if I know that it still requires going to somebody and persuading him. Although, I do not have problems with teamwork...but I like to have the last word. That yes, it will be done in *this* way if I think that it's the right way. If I take on the responsibility for the running of those things, for solving that problem, then of course I like to have that feeling, that in the end, I make the decision.” (Slovak CEO, SN°6, 2009).

The respondent further continues:

“From my point of view, the decision-making power is not quite as I would have imagined it. There are things, where I would have thought that also the law says that they are my competences, so I could act...so there are things, which I think I would not need to deliberate. That as a director of this municipal office, there are some issues which are from the organisational point of view, connected to my competences, so automatically I should decide about them. But by now, it's not like that. I would say that it's due to tradition here...” (ibid).

Clearly, this CEO is requesting a possibility to make decisions about particular operational issues without a necessity to ask for the Mayor's permission, without a necessity to persuade the Mayor about the appropriateness of certain actions, and without a necessity to wait for the Mayor's approval. Therefore, this CEO was asking to have a formally permitted possibility to perform a more autocratic (one-woman) decision-making style, which would abandon the need to use “only” influence power for performing her administrative duties. It could be also

interpreted in such a way, that this respondent was asking for a greater respect of her capabilities and her expertise, experiences and skills in managing the city while using new managerial practices. The cross-reference of the responses of her Mayor, showed that this political leader relies on strong formal powers, a clear hierarchy, and at the same time he claimed to be very active in executive functions, which the above-mentioned strong managerial CEO seems not to appreciate very much.

In addition, her quotes, more than others, nicely illustrate the conflicting situation within the distribution of formal powers in the Slovak municipalities. As has been mentioned several times, Mayors are formally heads of the municipal office. The Local Government Act (LGA), defines that if the council decides to establish the position of CEO, he or she then becomes responsible for the running of the municipal office. However, the LGA does not clearly state that once the position of CEO is created the Mayor then loses the responsibility for the administrative issues. The LGA only recommends that a Mayor may delegate some of his or her functions to civil servants (in general). Therefore, this can create a situation, which the above-mentioned respondent illustrated, that the CEO shares the responsibility for the running of the municipal office together with the Mayor but without having formal decision-making powers in hand. This is because the Mayor keeps them all. Hence, the Mayor executes strong control over the administrative functions.

It needs to be also mentioned, that at the end of the interview, the respondent stated that in fact, she cannot complain because everything that she asked for was at the end accepted. She would just prefer more (time) efficient space for implementing all her ideas related to the management and guidance of municipal employees, as well as participation in development projects for citizens. So, this CEO presented strong needs for applying new managerial practices but at the time of the interview, she did not have enough freedom for doing it. This is because, instead of being an administrative leader, she feels that she is treated as a simple administrative subordinate. Such statements, allow me to call this respondent the “want-to-be” **professional agent**, within the environment of strong political dominance.

It was interesting to observe that one respondent, who claimed to have a satisfactory position within her municipality, also explicitly expressed

dissatisfaction with the fact that the institutional system does not provide universal formal powers for managing the municipal tasks. She was mainly complaining that it is not appropriate that obtaining “decision-making independence” can be achieved only by having “good” personal relations with Mayors. The CEO from the central part of Slovakia summarised it:

“[...] I think that as a principle, it’s not set correctly. If there is a Mayor who focuses on political power, then it [the management of the city] can go in really many [bad] directions; and then the expertise and vocation of the civil servants is getting lost. So I would also focus on the expertise and on the CEO’s formal competences. But then, at the moment, I would have a problem to recall which competences should be added. Erm, for sure, in the area of the labour relations but the other things I would have to think about...” (Slovak CEO, SN°5, 2009).

The same respondent continues:

“The self-government can’t be built only on our mutual [personal] understanding [between the Mayor and CEO]! What if we have consensus only in the working dimension? Then there can emerge many friction areas...at the moment, if one wants to have successful functioning of the local governments, it is based only on good personal relations between the Mayor and the CEO...but that’s not right...lots of things are still not solved [by the legislation],” (Slovak CEO, SN°5, 2009).

From the comparative point of view, these statements are in strong contrast with the developmental institutional approach, which can be found in Finland and recently also in Spain. In both countries, the constitution leaves the relations between (and the tasks of) Mayors and CEOs quite loosely defined. This is in order to allow municipalities to accommodate these relations and the distribution of powers and tasks based on their local needs. Because, as one Spanish respondent mentioned, “People are different, and one coat does not fit to everybody.” (Spanish CEO, EN°5, 2009). For this reason, the institutional system should also provide freedom in being different, a freedom of choice, and a possibility to be flexible. Especially, this flexibility plays the most crucial role in currently very complex and unpredictable times. However, the legislative freedom requires the existence of one important personal feature: a willingness to satisfy citizen’s needs. If both Mayors and CEOs are able to find common understanding in what is the municipal

objective and goal, then there is no need to have strictly defined formal powers. Because, at the end, it does not really matter who made the decision. What should matter, is if the goal itself was achieved – if citizens’ needs were fulfilled. Nevertheless, this flexibility also requires that elected officials at least listen to their administrative partners, as well as respect and acknowledge their expertise. At the same time, leading civil servants need to show their loyalty and compliance with set political goals. All these need to be blended with mutual trust providing successful cooperation.

To this group of respondents, I added also, those who stated that they feel that they do not have any decision-making power. Of course, they might influence and cooperate with the Mayor in creating the content for policies by providing their expert knowledge, and in managing municipal employees but in comparison to the previously-mentioned respondents, these CEOs seem to perform a role of pure administrators. That is, without big aspirations for applying new managerial practices, without requesting more powers, without questioning the institutional system and without innovative thinking. For example:

“I do have a possibility to influence, but I don’t have any decision-making power [...] here, all the things related to the hiring, laying off, or remuneration of employees are done by the Mayor. But, well, to a certain degree after my recommendation,“ (Slovak CEO, SN^o2, 2009).

“I can have some decision-making power but only towards employees. But I do not feel like I have some decision-making power...only the Mayor has decision-making power... I do not influence the decision-making process...” (Slovak CEO, SN^o7, 2009).

The statements of these two respondents portrayed them as classical administrators or **political agents**, even without reflecting on managerial or leadership practices, which were visible among the previously described respondents. Another feature, which is common for these two CEOs, is the fact that their Mayors did not select them as their nominees. Both of them were working on their positions before the current Mayors came in to office. Therefore, the creation of the professional relationship and the trust-building was based on different grounds. These representatives did not know each other from previous work. In my understanding, this leads to a Mayor’s strong control over the administrative issues and thus it is

hard to talk about the complementary between these two officials, rather about the political dominance of strong executive Mayors.

5.2.2.2 *Spanish Juridical Rigidity and Managerial Autonomy*

Making distinctions between “independent and dependent” Spanish administrative respondents based on their attitudes towards having DMP, is quite straightforward. As mentioned in the previous chapter, there is a clear line and a clear difference between the opinions of General Secretaries and *Gerentes* (CEOs). This difference is evidently rooted in their distinct roles, and the purposes for the establishment of their position in the municipal organisation. Whilst the former, is a watchdog of correct interpretation of law and is independent on having good relations with politicians, the latter oversees the actual implementation of all the activities within the boundaries of these laws while being very loyal to political masters. Paradoxically, even if the General Secretaries do not have formal decision-making powers over political resolutions, they act as independent administrative agents who fulfil their role of law protectors; while the *Gerentes*, with relatively large discretion in administrative and political decisions, are more dependent on politicians’ control but could be categorised as **interdependent managers**.

No, we do not have Decision-Making Power

The studied General Secretaries, in general, claimed that they do not have any decision-making power because it is not their task to intervene in the political decisions – they are only supposed to provide professional advice about the legislative correctness of certain policy proposals.

“We only manage everyday activities [...] I don’t have decision-making power. I just inform whether something is in line with the law or not,”
(Spanish General Secretary, EN^o1, 2009).

“Of course we influence the DMP, because we say if some idea is feasible from the legal point of view but we never intervene in the questions of possible alternatives, that is politicians’ task [...] The system is set in such a way, that we do not even have a chance to want to have DMP. We are limited only to show our professional expertise, because anyway, decisions are made by those organs which were democratically elected.

And our role is just to give [legal] advice to politicians and execute their decisions.” (Spanish General Secretary, EN°8, 2009).

From these transcripts, it can also be seen that if talking about DMP, General Secretaries were automatically referring it to the political decisions, without even thinking about referring it also to the operative decisions, as it was found among some Slovak respondents. However, as the general organisational structure of Spanish local governments shows (Appendix 6), General Secretaries are not officially responsible for the management of a municipal office. Nor, are they formally responsible for the appropriate implementation of political decisions from the management point of view. They are, however, only responsible for approving whether or not political decisions meet all the legal requirements. So, these functionaries fulfil only the role of a notary and not the role of a manager. Therefore, among these respondents, it was not possible to encounter those who would reflect on their activities and functions related to the municipal management. A few, did mention that they do guide the everyday operative activities, since Mayors sometimes delegate such activities on them but in their statements, however, these respondents did not develop this topic further in connection to their decision-making power.

Additionally, in comparison to CEOs (either from Spain or from the other two case countries), studied Spanish General Secretaries seemed to keep their distance from politicians. They rarely mentioned that they would be partners with Mayors or other politicians from the EB, or that they would somehow cooperate in creating policies. Even during the preparation of the municipal budget, where the interaction with politicians and other municipal functionaries is highly intense, they tended not to participate.

“My formal decision-making power is very small. My role in the creation of the budget is only after the budget is ready. I can influence it only if something is not in accordance to the law. Definitely, I cannot and I even do not want to influence political decisions. I do not influence anything which is in the budget,” (Spanish General Secretary, EN°1, 2009).

Similarly:

“The Secretary cannot influence the budget. Only politicians suggest criteria for making the budget. So, I cannot influence anything. So, for sure I don’t have formal decision-making power, neither do I have informal power. Because the Secretary does not create the budget, he only executes it. But of course, it [the Secretary] can slightly say within which boundaries the budget can be created,” (Spanish General Secretary, EN°10, 2009).

Interestingly, none of these interviewees connected DMP with a feeling of responsibility. Although they are aware of performing a very important job, the feeling of responsibility did not emerge in their responses. It is possible that for lawyers (as all the interviewed Secretaries were), it is natural to take responsibility for providing correct legal advice, therefore respondents might find it unnecessary to articulate this issue. Another interpretation, could be related to the recent legislative changes according to which the responsibility over the legality of municipal decisions is fully in Mayors’ hands. Thus, they lost their source of formal power assisting them to participate in municipal development.

There was one respondent who was a bit braver (and most likely more honest), in saying that although she does not have decision-making power, her expert juridical knowledge allows her to choose a specific interpretation of the law, which in the final instance, affects the selection of the final (political) decision.

**“I have very little DMP [...] but I have a power to *choose* whether I say that some already made decisions are in line with the law or not,”
(Spanish General Secretary, EN°4, 2009).**

This freedom of choice, indirectly gives her a possibility to influence the municipal development. Such a statement, is also in line with commonly approved discourse that General Secretaries are the second most influential people in local governments (after Mayors), and it also acknowledges the results of the research provided by Delgado, López Nieto, & López already some 20 years ago. The specific characteristic of this respondent is, however, that she has been working in the municipal office already for many years, but on a different position. When the previous functionary abandoned the office, the Mayor used a possibility to appoint this civil servant as a temporary solution until such time that some other

professional state officer could fulfil the official requirements for obtaining this job. However, as the practice often shows, once the position is occupied by an internal employee, Mayors are not eager to actively search for professional outsiders. Therefore, it is quite clear that the relation between these two officials can be quite strong and mutually beneficial. However, this General Secretary tried to assure the interviewer that although she has a possibility to influence the political decisions, usually she does not do so. Maybe, only when some decisions would be from the legal point of view, not feasible, she could say that the proposal could be changed in a certain way in order to meet all the legislative necessities. However, she also stated that she does not need to do it very often, because the Mayor along with his political team, are already very experienced officials and so they already know what is feasible and what is not.

It is quite questionable, as to why other respondents in this category did not explicitly acknowledge that they also have this opportunity to choose a certain interpretation of the law. And thus, by doing so, indirectly yet informally participate in the municipal development. One of the interpretations, might be found in Mayors' strong involvement in executive functions and their prior gained experiences and knowledge in legislative issues. The Mayors from the municipalities with the interviewed General Secretaries, have been in their positions for more than two electoral periods, so they had time to learn about what is allowed and what is not. Another interpretation, could be also related to the Mayors' fear of losing full control over the implementation of their political ideas, so that is why they do not allow Secretaries to even think about influencing the political decision-making process. One Mayor even mentioned that he employs another six lawyers who are supposed to challenge the Secretary's interpretation of law. The final and the simplest interpretation, could be that the interviewed General Secretaries just wanted to portray themselves according to the traditional normative role, which is expecting them to act as the most neutral (as possible) protectors of the law.

Yes, we have Decision-Making Power

Spanish CEOs (*Gerentes*) provided categorically different opinions. First of all, as has been mentioned already, they are aware of having decision-making powers, so they are also able to express what it means for them to have it. As well as the other respondents who claimed to have decision-making power, these Spanish CEOs

connected the possession of decision-making power with a feeling of (legal and moral) responsibility. For example, *Gerente* from the Western part of Spain stated:

“I make decisions every day; it is my legal and moral obligation. So having decision-making power is a responsibility for the professional running of the municipal office,” (Spanish CEO, EN°6, 2009).

Alternatively, a CEO with a cumulated function of General Secretary:

“Having decision-making power means a legal and moral responsibility. It also contains a possibility to influence decisions which serve for improving the citizens’ lives. It is a satisfaction for me, that also my decisions helped to improve the quality of life of our citizens,” (Spanish CEO, EN°9, 2009).

More penetrative than their Slovak colleagues, Spanish CEOs admitted that although they do not have official political power, they have very strong operative power and political influence. This operative power, is delegated to them by the Mayor and members of the EB, since all the functions related to the running of the municipal office are officially in the Mayors’ hands. Mayors, that is, who can consequently assign them to their appointed vice-Mayors. But since these councillors are usually specialised in particular policy areas, or they do not have managerial experiences and technical knowledge, professional CEOs are supposed to centralise the information from all the politico-administrative departments. And thus, assure complex control over the administrative issues which are supposed to coincide with political interests.

One CEO, again from the Eastern part of Spain, provided very distinct attitudes towards having decision-making power. This respondent mentioned as follows:

“My decision-making power provides me an independence from the other functionaries. I am not part of them, so I don't need to be friends with them... this is very good, very comfortable – because when the Mayor will leave, I will leave as well...so I can do what I want to do,” (Spanish CEO, EN°7, 2009).

This attitude, is highly connected to the specific labour relationship which several CEOs have. For example, this CEO (as well as many others) is appointed as a trustee (*funcionarios de confianza*). The fact of being a trustee and not a civil servant (*funcionario*), plays quite a big role in characterising CEOs’ decision-

making power. First of all, it determines that they are both politically loyal and managerially efficient. Especially managerial efficiency, however, brings them problems in performing their duties in municipal offices. Several respondents mentioned that their position is quite negatively perceived by municipal employees, because they are seen as outsiders who want to destroy the working routine. Since this position is not yet normatively defined by law, and it has not been common in small and medium size municipalities, municipal employees have not been prepared to accept that somebody from outside comes in to re-organise their everyday work. Assuming that the organisational culture is built on the existence of symbols, beliefs and social identities (Scotts' cognitive pillar of institutionalism), Mayors represent a natural authority respected by everybody, even though they might be changing every four years. However, Mayors are not that often involved in detailed administrative issues, since they have to take care of a number of political tasks – often outside the boundaries of the municipal office. Although Mayors delegate the political control over municipal departments to vice-Mayors from the EB, these politicians are not always professionals in assigned policy areas. Therefore, municipal employees have a relative freedom in conducting their traditional administrative duties. However, as several respondents stated, this freedom and lack of political control caused unsatisfactory outcomes in public administration. As a result, new practices such as for example, the creation of the position of professional CEO, were in demand. But, since this position was created specially in order to increase the Mayor's control over the administrative issues and improve the efficient performance of civil servants, municipal employees do not seem to enjoy this change. One CEO mentioned, that civil servants have severe problems in trying to digest the fact that somebody from the outside is bringing in new practices, ruining their old routines and changing their organisational culture.

“You know in our municipality, there have been only two CEOs so far. The first one survived here only for 3 months...they [civil servants] simply discredited him and he was not able to handle it,...so he left.”
(Spanish CEO, EN^o7, 2009).

Following the classical organisational change theory, such resistant employees' behaviour is quite expected (see Schein, 2004), and even more exaggerated in a country where people are traditionally reluctant towards institutional changes (John,

2001). Positive thing is that current *Gerente* was able to recognise this feature and tries to act accordingly. He mentioned that he is trying to deal with this unpleasant environment by having good relations with everybody but at the same time, by not creating friends with anybody. In particular, he benefits from the fact of being just a trustee – who might leave the municipal office with the shift of the political garniture – because it is giving him a freedom in running the municipal office based on his expectations, without being influenced by personal ties with municipal employees.

This depersonalisation in the working environment, was visible also among some Slovak respondents who strictly denied having a Mayor-CEO relationship based only on inter-personal relations. However, too strict depersonalisation of the organisational leader might lead also to the lack of commitment and loyalty of the subordinates, which might influence also their overall performance (see Pfeffer, 1992). This is because, ordering and commanding might not always bring the most expected results.

Another solution for avoiding conflicts between CEOs and employees, could be seen in municipalities where they accumulated the CEO's position with the position of General Secretary or Treasurer. This means that the internal functionary with already highly respected authority, gained by years of working with the same administrative team, was assigned additional functions for improving the performance of municipal functions in the realm of NPM. These respondents did not mention any problems with municipal employees; they just found it sometimes difficult to cooperate with politicians, who are not satisfied with this strong influence of the CEO in municipal development.

Anyways, either coming from the internal or external environment, both CEOs are aware of having very strong decision-making power towards the management of the municipality, but also towards the influence of political decisions. Especially, in terms of preparation of the municipal budget, they coordinate these activities, they evaluate if some projects / departmental requests are worthy of being implemented or not, they provide their vocational advice, which at the same time considers political priorities and administrative (economical-legal) possibilities.

In comparison to their Slovak colleagues, I have not encountered any CEO respondents who would claim that he or she has little DMP, or respectively, that he or she would want to have more powers for accomplishing his or her objectives. Even if the legislation does not assure any general formal powers, everything is dependent on the agreement between the Mayor, EB and CEO, in terms of what exactly this municipal mediator will be doing. In all the cases, CEOs expressed contentment; respectively, they did not express dissatisfaction with the current state. The position of CEO was established in municipalities where Mayors were either too busy with accomplishing political functions on the upper-governmental levels, or they were new-comers to the Mayoral post, and therefore, they obtained relatively great freedom and autonomy in managing the operative functions²⁵. And since they are also political nominees who participate in the EB and council meetings (in an advisory role) with their expert knowledge, they have a strong possibility and they are also expected to influence political functions, what all of them also claim to do.

From the CEOs' statements and further analysis of the environment within which they operate, it is quite evident that they work in strong cooperation with political leaders playing the role of **interdependent agents**. And thus, in this capacity, they have great independence in fulfilling operative functions which, however, are expected to be in line with political preferences.

5.2.2.3 *Finnish Bureaucratic Autonomy*

In terms of dependency or independency on political masters, the Finnish respondents formed the most homogeneous group from among all the studied city managers. Their responses clearly demonstrated a factor which has been described much earlier on, that they have a strong **informal bureaucratic autonomy**, thus allowing them to manage the running of the municipality according to their beliefs. That is, without experiencing strong political interventions or control over their administrative activities. The Finnish studied CEOs also mentioned that they are responsible for steering the entire municipal machinery, for assuring that things are going in the way which is agreed in the political priorities, or strategies. They also

²⁵ Details about the reasons for appointing Spanish CEOs are presented in the following chapter.

have to take care of any issues which are connected to the outside world. In Spain and Slovakia, CEOs were more oriented towards the issues inside the organisation – the management of employees, taking care of their performance, assuring legal issues, maintaining the financial operations, and the like. Finnish CEOs, however, claimed to be more active in factors such as managing the whole municipality, creating the image of the community towards the external world in order to attract investors, and the arrival of new citizens. In addition, they also mentioned being very much involved in the intergovernmental cooperation, while negotiating more convenient solutions for their municipalities. These specific realities could also explain, why some respondents stated that they actually do not have formal decision-making powers – especially related to the management of the municipality or delivery of public services, because these are in the hands of hierarchically lower civil servants.

“The CEO has very little DMP - many civil servants have a lot more actual decision-making power, when talking about the actual substance of decision-making. What the city manager can do, is actually just represent and organize events and those kinds of things; if we look at it from the formal-juridical point of view. But of course, city managers’ power is before everything else, influence power. This is related to managing the whole machinery, preparing things and presenting them to the city board,” (Finnish CEO, FN^o2, 2009).

So, Finnish CEOs perform all the tasks which the Slovak and Spanish Mayors claimed to perform. Therefore, as the tradition says, the Finnish CEOs deserve the title of Mayor. But, as I already mentioned in the methodology part, for the purposes of consistency, in this paper the term Mayor refers only to elected politicians, and the term CEO refers only to the non-elected civil servants.

Almost all the respondents acknowledged that they have very strong influence power during the strategic decision-making process, which can be relatively freely used in a legally unbounded system. Such a loose system can provide them with room for implementing what they consider appropriate. One respondent emphasised it with very positive attitudes, accordingly:

“One has as much power now as one wants to use. There is a sufficient amount of it [...] no one comes and tells me what I need to do...and, you know, the city is not managed by any municipality law. Nor with any

other law, and for some unknown reason, there is no real regulation for these administrators, this is like that basic thing, the basic thing...it is essential that I know what one actually needs to do...at the end, the job is relaxing and actually quite enjoyable even...at least I wouldn't know what would be as nice as this...basically every day you can do what you want; what comes to your mind," (Finnish CEO, FN°6, 2009).

For another respondent, though, the feeling of responsibility connected to the possession of decision-making power, had quite negative connotations:

"Well it [DMP] means a big responsibility. It would be a lot easier not to use it, because nobody likes it, and every level shouts and it's very quarrelsome and very demanding." (Finnish CEO, FN°5, 2009)

For the majority, the responsibility is just a natural part of their job. What matters is that decision making power means also something more than just responsibility. For example, for one CEO from the South of Finland, it means a value to the content of his job:

"[Decision-making power] relates to the meaningfulness of this work. If one wouldn't have any kind of possibility to influence on these things, one couldn't really do this job for too many years," (Finnish CEO, FN°1, 2009).

Alternatively,

"[Decision-making power] brings additional value to the content of the work...it brings also responsibility", (Finnish CEO, FN°4, 2009).

Right after that, the respondent added that one very important feature of overall decision-making power, is the personality of the CEO. Since the position of the CEO is not regulated by law, the assurance that the municipality is running properly depends on skills, experiences and expertise of this leading official. This point of view is very similar to the opinions which were expressed by their political colleagues. What differs, however, is that this bureaucratic respondent tried to connect a necessity of the right personality, with the specific Finnish council-manager model – with weak political leadership. Thus, as one respondent indirectly expressed, it is up to the CEO to take over the municipal leadership, since the politicians do not have the means for doing it.

"One can see that many things depend on the city manager's personality; it determines what can succeed and what cannot. And this

political power is often very scattered. This is different than, in my opinion, the European system. In the Finnish system, there are no full-time politicians but there are...erm...they participate in it like it is a hobby,” (Finnish CEO, FN^o4, 2009).

These findings do not bring anything new. They just acknowledge what has been described already twenty years ago, that Finnish CEOs are strong municipal leaders. This, however, also means that although during the last twenty years there were many attempts to decrease the CEOs’ strong role in local governments, it has not been reflected in the opinions of studied respondents.

Many city managers also stressed that having decision-making power based on influence, is a very essential part of their work and often, they perceived it with positive attitudes. The following respondent expressed it accordingly:

“I am quite happy to use it [influence] and we... or let’s say our municipality, for some reason, traditionally is..., or at least I have gotten such a picture, personally, that the role of the city manager in these kinds of things [decision-making] is quite strong...one does not go against the city manager...and of course, one needs to use it [decision-making power], there is no problem with that, [...]” (Finnish CEO, FN^o6, 2009).

As these statements show, the Finnish city managers show strong confidence in themselves and strong self-esteem build on expert power, referent power and in particular, reputation. This is emphasised also by the respondents long working experiences in the municipal office (in average 17 years), which provides a proven quality of their performance.

The presented interview clips also illuminate that Finnish city managers strongly personalised DMP. They did not talk about cooperation; they did not talk about sharing DMP with others; they did not talk about empowering others; they did not assign DMP to other authorities. Instead, they consciously assigned DMP to themselves. Additionally, these statements also evoke that the politico-administrative dichotomy, or the power balance typical for Finnish municipalities sounds somewhat like a bit of an alibi, which allows for the making of political decisions without having political responsibility (Haveri, 2009). Because, as from their responses, it can be seen that these administrators are fully involved in political

activities, thus they propose the politico-administrative dichotomy only for having more space for managing the city alone.

In summary, for most of the studied CEOs, having DMP was also highly connected with a feeling of responsibility. In contrast to some political colleagues (especially from Slovakia or Spain), it was perceived mainly with positive attitudes. Importantly, several (mainly Slovak and Spanish) heads of the administrative office claimed not to have any decision-making power – they claimed not to have formal authority nor did they try to influence the municipal decision-making process by using their informal powers. Rather, they prefer to obediently follow the requests of their leading elected officials.

In connection to this, other (mainly Finnish) respondents brought topics related to the necessity to differentiate between the character of tasks, and consequently persons, towards which the decision-making power is used. While for managing the operational tasks and municipal employees, it is possible to benefit from formal powers yielding from the position in the hierarchy; for participation in the political task and influencing politicians, it is possible to benefit only from informal powers yielding from personal features of a particular CEO as well as personal features of leading politicians.

Subsequently, topics related to the politico-administrative relations in general and the dependence and independence of Mayors in particular, emerged in connection to the internalised understanding of possessing decision-making power by leading civil servants.

5.3 Preferred Power Sources

Previous analysis helped to clarify how Spanish, Slovak and Finnish Mayors perceive the term decision-making power, from the conceptual as well as emotional point of view. In the following paragraphs, I focus on describing the perceived performance of decision-making power. This means that I will present examples of particular power sources used by respondents, which will lead to the discussion and comparison of the decision-making styles used among studied political leaders.

In order to elaborate a particular decision-making style used by local leaders, during the interviews I asked three questions. The first one “*What do you think are the main factors, which influence the success or failure of accepting or refusing your proposal by other decision-makers during the Executive Board meetings/council budget meetings?*” The second one, “*How would you characterise your decision-making power (when, how, and over whom you use it)?*” And the third one, “*What do you do if you want the others (councillors and EB members) to accept your proposals?*” All these questions complement each other, and above all, explain what kind of power sources and strategies leaders use for influencing others during the decision-making process. I believe that decision-making style in combination with the powers coming from the institutional settings, help to classify the respondents’ position in the Decision-Making Power Matrix. Thus, even if the previous set of responses allowed me to indicate decision-making styles, that induction was based mainly on the (not) usage of formal powers (not) anchored in the institutional systems. In this chapter, I will focus only on informal/personal powers which leaders perceived themselves to use during the municipal decision-making process.

The content analysis of the transcripts, led me to the conclusions that the most common factors which help respondents to succeed with their proposals, have a double character. The first category contains factors describing some status, specific conditions, or a potential. For example, charisma, personal relations with other politicians and good relations with administrators belong in this group. This is why I call this category the *capacity-oriented factors*. In the second category, are factors which describe some activity used for influencing others, for instance, personal (face-to-face) meetings with councillors, assuring the assimilation of priorities, or flattering someone can be found herein. Therefore, I call this group the *action-oriented factors*. By using Pfeffer’s (1992) terminology, the first group can refer to so called power sources, while the second group refers to strategies and tactics for employing the power.

5.3.1 The Capacity-Oriented Factors

The analysis revealed, that in terms of capacity-oriented factors, representatives from all three countries have very diverse opinions and big differences can be seen already on the municipal level within one country. This is because many mentioned factors appeared only once in one country, and only a few were common for respondents from all three countries. Yet, after deeper comparative content analysis, I defined a few sub-categories helping me to see the similarities and differences also on the country level.

5.3.1.1 *Mayors*

One of these sub-categories containing a set of factors, which the interviewed Mayors use for influencing others, is the ability to present **rational proposals**. With regard to rational proposals, respondents often meant proposals which are:

- Based on profound socio-economic and legal analysis, SWOT analysis and benchmarking;
- Versatile and contains clear priorities and alternatives;
- Feasible and satisfy the needs of the majority of councillors and potentially the majority of inhabitants;

Out of the mentioned factors, this set of factors represents half of all Mayors' responses. Its frequency is the highest among the Slovak²⁶ and Spanish studied Mayors. This means that Mayors from both countries, in order to influence others (from the council or EB), strongly rely on their expert power and technical knowledge, which is exhibited in well-prepared policy proposals. Such perceptions certainly have their origins in the executive character of the Mayoral role, and direct and intensive access to technical (administrative/operational) information. For the Finnish interviewed Mayors, technical knowledge is important as well but in addition to it, they are aware of an identical necessity to use other sources supporting this expert power. For example, many Finnish Mayors mentioned that

²⁶ In fact, every interviewed Slovak Mayor mentioned this factor or its component in his or her responses.

they need to have strong **personal confidence** in the rationality of proposals. Because, only if decision-makers believe in what they are presenting, they can more easily convince and inspire other decision-makers to accept certain proposals. Another, very crucial power source, is **expressed support** from their *political party*, and finally having a strong **administration team on their side**.

“Well it has to go in such a way, that I have to have good grounds for it [to convince others]. I make my point clear and versatile, so that each councillor understands it and gets it right. And well, there’s no other possibility than those good grounds. One cannot steer it anyhow, it’s that open conversation on that matter and good grounds. That one has the channel [of communication]...I have to get these decision-makers on my side. And of course, if the civil servants agree, it’s easier. But, if they stick to their own proposals, then it’ll be quite tricky to make some decisions. Sometimes we have these [situations] and sometimes they go through [even if the civil servants do not agree]. But in these cases, we must be basically unanimous [in the EB] because if we have to vote, it’ll walk against you and it won’t work out,” (Finnish Mayor, FN^o4, 2009).

These factors further emphasise the collective/consensual practices used in Finnish municipal decision making, where without expressed or latent support of the others the “one” person – even if he or she is supposed to be a leader – is not able to achieve the acceptance and further implementation of his or her proposals. Such proposals need to be a creation of the entire collective or team. Moreover, the expert knowledge of Finnish Mayors is, in comparison to the Slovak and Spanish colleagues, limited due to a limited direct access to technical information. Such knowledge, after delegation, “belongs” to the professional Chief Executive Officers. Therefore, for achieving the acceptance of their proposals, Mayors inevitably have to use other (more political) techniques and strategies, which shape the character of their (informal) decision-making powers.

For the Spanish Mayoral respondents, a very important power source became the support from the political party, too. This finding was expected due to the Mayors’ political nomination and strong ties with EB members. For the Slovak respondents, on the contrary, having support from the political party does not play almost any role. Only one Mayor stated that, especially, in terms of enforcing the implementation of municipal priorities, it is very important to have the support of

the political party already at the beginning of the electoral term. However, during the term, more important than the party support, seems to be **good personal relations with the majority of councillors** and other stakeholders, irrespective of their party affiliation, as well as a **good knowledge of the others' needs**. Without these features, and especially in a very heterogeneous council (or when the Mayor's political party is in a minority), Mayors do not have chances to proceed with their policy proposals. Mainly "modern" (management-oriented) Mayors, stated that their municipalities are apolitical, meaning that they do not have "party clubs", where voting on particular policies could be pre-agreed. Instead, their municipal decision-making (in the council), is based on an open and transparent communication, where everybody has a possibility to express their opinions and propose counter arguments for presented policy-proposals. However, since Mayors have strong technical knowledge gained by direct access to the municipal office, as well as direct support coming from the majority of citizens, it is common that they "win" the argumentation "battles" quite smoothly. One Slovak Mayor expressed it accordingly:

"My intention is to assure consensual solutions. And I think that in our town, it works quite well...nevertheless, many people think 'that Mayor does whatever he wants in this city!' And, it is true that I do want I want, but I propose solutions which citizens want...If I were to propose something else, they would 'kick me off' and it wouldn't work. So, often they tell me [councillors], you are doing whatever you want with us, or whatever you propose, everything is passed. But please, tell me, when did I propose something stupid? So everything lies in this..." (Slovak Mayor, SN^o3, 2009).

It is striking, that only a few respondents mentioned that during the decision-making process they can benefit also from their personal attributes; such as from their charisma, personal strength, or personal appearance. One Slovak Mayor expressed it accordingly:

"Charisma is very important, because the councillors must see that I believe in it [the proposal] and that I am totally convinced about it. And, they must see that I go for it. And one has to put one's personal charisma into it. If I would have been a weak person, they would not take me

seriously. And then I would have had problems to convince them about what is right and what I want to do”, (Slovak Mayor, SN°6, 2009).

Other respondents, simply did not mention these power sources or they do not consider them as relevant. This could be caused by the Mayors’ intentions to be as objective as possible and thus they prefer to focus on their expert power and not on the referent one. This is either because the expert power is more transparent or because people usually do not like to talk about their referent power since “the others are supposed to judge it”.

5.3.1.2 Chief Executive Officers

Almost all interviewed CEOs, also strongly rely on the usage of **rational proposals** and their profound preparation with a number of objective arguments, in order to be successful in the municipal decision-making process. Strictly speaking, this is the most important power source which these administrative leaders are formally allowed, and are expected to use, towards the politicians in pursuing their technical points of views. As well as their political masters, CEOs also expressed that presenting rational proposals must be connected with the **personal confidence** that such a proposal is the best solution for the citizens of their community. Many said that this confidence can be built only on profound technical **knowledge** and gained **experiences**. One respondent expressed this confidence accordingly:

“I use decision-making power every day with over everybody, without counting Mayor and two vice-Mayors. Those three have very strong power. Except them, I use the decision-making power with everybody, also with other politicians. Even if theoretically I work for them, in practice I have very strong influence over them,” (Spanish CEO, EN°7, 2009).

Furthermore, politicians’ **trust** in CEOs’ gained expertise and good intentions with proposed ideas, is an inevitable part of CEOs’ success in the decision-making process. Especially in the Finnish case, this trust seems to be connected also with a tradition of having powerful city managers. Thus, among the political and administrative leaders the trust is not created only because of the CEOs’ personal features but also because of **the fame**, which the position in general carries. With

this factor in mind, respondents also tightly connected **respect**, gained **authority**, and **credibility**. Also, by following the theory of power sources, these factors could be grouped under the French and Raven's (1960) referent and expert power sources. One Spanish respondent nicely illustrated how credibility is helping him to successfully influence the municipal decision-making process:

“The most important factor is credibility. You can earn credibility only by providing solutions to some problems, which, once some time has passed, turn-out to be successful solutions [...] it is something which cannot be bought; it is created from one day to another. If you are credible, then doors open everywhere [...] and it is also about the quantity – the time that you spent at work, and the quality – the knowledge that you have,” (Spanish CEO, EN^o9, 2009).

Although it was not very common, some Slovak respondents mentioned that sympathy, charisma and the power of personality are also very important factors. In connection to these personal features, one respondent claimed that no matter how good (analytical, objective, rational, etc.) one's proposal is, if politicians do not like the presenter, if they do find him or her attractive, it is very unlikely that the proposal would be accepted. According to Pfeffer (1990) and many psychologists, factors which cause some people to be more likable than others are, in addition to the physical attraction, aspects such as sharing the same opinions, interests, ideologies or points of views. If two people are tuned on the same mental waves – if they achieve social consensus, the success for their cooperation or acceptance of their proposals is very high. Therefore, it was quite expected that many CEOs mentioned that a very important factor helping them to pursue their ideas, is to have **good relations with municipal decision-makers**. Most of the time, respondents were referring to their relations with the Mayor – the leading decision-makers. This was the case mainly among the Finnish and some Slovak CEOs.

“The chairman of the city board and the city manager should have amicable relations in public; otherwise, it is soon seen in the media, as if they don't click...” (Finnish CEO, FN^o1, 2009).

Already in the previous chapter, I mentioned that there is a big difference in attitudes towards this Mayor-CEO relationship. In the Slovak case, some CEOs use these good relations because they often do not have any other choice for pursuing

their proposals, since they have to share the formal operational powers with Mayor. In addition, although they are aware of benefiting from this social consensus with the Mayor, they are not personally satisfied with such a situation. As many said, this relationship should be based purely on professional foundations and personal sympathies, and mainly, antipathies should not play any role in here. For this reason, respondents were requesting more and clearly defined formal powers, which would formally protect the consideration of their professional advice and consequently assure the management of the community according to their (professional and objective) expertise. This is because, especially, if these two elected and non-elected officials are in personal conflict due to their weak formal subordinate position and due to traditional pseudo-participative decision-making practices (Sagie & Aycan, 2003), the Slovak CEOs can only with great difficulty convince Mayors and other councillors of their vocational arguments. According to Peters (1987), such an environment could clearly follow the *formal-legal model* of politico-administrative relations, where the political master solves the conflict only by command. However, due to empowered administrative leaders, who recently gained a strong managerial education and are expected to manage the municipal office according to new practices, such commands are not easily accepted anymore. Therefore, the legal protection is in demand.

Even if Finnish CEOs have a better negotiation position, and a very strong tradition in participative decision-making – where the most convincing argument usually wins – keeping professional relations between the Mayor and the city manager seems to also be very important for some of them. Especially, one Finnish respondent stated that having the institutional system causing frequent changes in the political and administrative leadership is a very positive feature, since it allows keeping the politico-administrative relationship on the professional level. Because, as the respondent said:

[...] If you have had a quarrel with somebody, or if there are different interests, sometimes these kinds of things can accumulate here. Also, how one feels about how somebody has behaved in some situations - all these are things that accumulate. And, the longer term the CEO has and the longer term a politician has, the more they have these issues. That's why it's a good thing that politicians are changed and city managers are

changed, so that you don't have too much 'baggage'..." (Finnish CEO, FN°5, 2009).

On the contrary, the majority of Finnish CEOs mentioned that they actively try to build strong personal ties with Mayors in order to assure harmony in the perception of the municipal development. Although in public, this strong interconnection between political and administrative officials is not always perceived as the most accepted one, one respondent mentioned that for him, the agreement with the Mayor is incredibly important. So important in fact, that he was even willing to make up a fake affair, which would create an image of some conflicts with the Mayor in order to present the dichotomy of roles. The respondent mentioned that at the end, he did not implement his intention but the fact that he was willing to lie to the public only because he wanted to keep smooth cooperation with his political master was notable.

In comparison to their Slovak colleagues, none of the Finnish city managers mentioned that he or she would need to have more formal powers in order to assure that his or her proposals are accepted. This difference in perceiving the need for legal protection, might be caused by the fact that the Finnish CEOs do not need to compete with one autocratic and very executive Mayor. This is because the Mayor alone does not have any formal powers to decide about municipal policies. The Mayor can only recommend to the Executive Board, if a certain proposal should or should not be accepted. The entire EB as a homogeneous unit, makes the decision. In addition, since the proposals are prepared by CEOs (together with their administrative team), it is the CEOs' obligation to convince Mayors as well as other EB members, about the relevance of the proposal. However, due to their detached position from the daily executive tasks, Mayors and EB members can usually hardly argue with professional CEOs. As many of them mentioned, usually 95-99% of their proposals during the EB meetings are accepted by EB members without any problems.

Some Finnish and Slovak CEOs also stated that having a **good administrative team**, which participates in preparing the policy proposals, is a crucial factor influencing their own decision-making power. While for Slovak CEOs, a good administrative team is important mainly for assuring an appropriate implementation of policies, for Finnish respondents, it is important for preparing the policy

proposals. Some Finnish CEOs explicitly stated that the heads of municipal departments or directors of municipal companies, have actually a greater influence in municipal decision-making than CEOs themselves. For example, a city manager from the central part of Finland stated:

“The city manager has very little decision-making power. Many civil servants have a lot more actual decision-making power, that is, when talking about the actual substance of decision-making,[...] and [for me] usage of the power happens when running this organization, in the way that I cooperate with other civil servants, with other leading civil servants. And it’s kind of fixing things and moving forward,” (Finnish CEO, FN°2, 2009).

On the one hand, such an opinion is in line with participative decision-making practices in a Finnish organisation. On the other hand, it also supports the assumptions that the council-manager model, typical for Finnish local governments, provides CEOs not only control over the municipal office but also a possibility to be actively involved in political duties, as well as exercising activities connected with the external environment (in order to back-up the limited capacity of elected representatives). This, consequently requires that the day-to-day operational activities connected to the appropriate provision of public services, needs to be done by other executive civil servants. Nevertheless, since all the municipal proposals are presented to the Executive Board under the CEO’s name, he or she needs to assure that those proposals are professionally prepared. Therefore, having a good administrative team upon which he or she can rely, is a very important factor shaping the overall CEO’s decision-making power used towards political decision-makers during the preparation of the budget.

In the Spanish case, in terms of being successful in influencing decision-makers, none of the CEOs declared that he or she would need to have a strong administrative team, or any other kind of alliances. Indeed, due to their specific position and role in the organisational structure, as mediators between political and administrative interests, and (in most of the cases) being the loyal Mayor’s trustee, they rather focused on their personal capacities, yet already mentioned reference and expert powers. Many of them also agreed that they need to share the same interests and the same goals with Mayors and other leading politicians. Yet, at the same time, they

are eager (and expected) to assure that those ideas are feasible, because otherwise the purpose for which they were appointed – improving the efficient management of the municipality – would not be achieved.

Even though, for the majority of respondents, the expert and reference power are the key to success, they also acknowledged that sometimes, it is not sufficient. Occasionally, it is important to push their interests further by using some specific strategies or tactics. Therefore, they have to use some factors which I included in the action-oriented group.

5.3.2 The Action-Oriented Factors

5.3.2.1 *Mayors*

The most important sub-category and strategy which Mayors use for influencing others, is a process of *consensus building*. Thus, not only in Finland, which is by default a consensus-building culture but also in Spanish and Slovak local governments, this cooperative decision-making practice was perceived as very important. I am not able to assure that it is also used in reality but at least this practice is part of the Mayors' discourse. According to the respondents, consensus building is a process serving for sharing different opinions, for keeping the non-conflict atmosphere and consequently for building mutual trust among decision-makers. The majority of interviewees from all studied countries stated that in local politics, this process is the key to successful municipal decision-making process. As an integral part of this process, Mayors value the assertion of the internalisation of political priorities by other decision-makers, because in order to reach the consensus, all the decision-makers should feel that the policy proposal goes in line with their own interests. In addition, this can further assure that the local governments in general, or the executive boards in particular act as a homogeneous body to the external world. Such practices are in line with Steven Lukes's initial understanding of power as a concept, when he claimed that the supreme exercise of power is to get another or others to have the desires you want them to have – that is,

to secure their compliance by controlling their thoughts and desires (2005, p.27) via participative/deliberative collective decision-making process.

For reaching the consensus among councillors (as well as civil servants), good communication, speech skills, and personal face-to-face conversations with “key persons” are considered as very essential. From among the Finnish Mayors, that which reflected most, as the most important factor shaping their success in the decision-making process, was the personal meetings with other councillors. This is rooted in a need to perform collegial/collective decision-making, aiming to achieve unanimous decisions in very heterogeneous environments. On the other hand, none of the Spanish interviewees reflected this activity as crucial, probably because they organise regular meetings with EB members who are by default expected to have a very similar ideological orientation with Mayor. Therefore, it seems to be unnecessary to have additional personal meetings with them (or at least it is not necessary to mention it).

The majority of Slovak Mayors stated that they try to avoid using some specific strategies or tactics for influencing others. The sophisticated actions of changing somebody’s opinions, seemed to be considered as not transparent enough or even not ethical, because it means revoking a ‘human right’ for having a different opinion. This could also explain why majoritarian decision-making – based on voting and not consensus building – prevails in Slovak municipalities. Nevertheless, the personal meetings mainly with heads of the municipal departments, heads of specific committees and members of the Executive Board (if it is established) are inevitable also among the Slovak respondents. Though, it is more than possible that these meetings are led in the “superior-subordinate” style, where the Mayor presents his or her ideas and challenges others to change his or her opinions.

On the other hand, for the Spanish Mayors, more important than the face-to-face meetings is to invite other decision-makers to the entire process of proposal preparation. For many Spanish local political leaders, it is not relevant to come with an already made policy suggestion (or they do not feel a need to come with the idea alone); rather, they want the councillors to participate in the creation of the policies in order to experience all the nuances of this process. Maybe, this is also the reason why one Spanish Mayor stated that an important factor affecting his success during

the decision-making process, is not the fact that he brings the proposals but that he horizontally distributes powers and at the same time links in different departments for assuring some common sense during the policymaking process. Other Mayors also stated that they are rather mediators and judges in the conflict situations of (presented by various councillors) than the origins of those conflicts, by urging about the relevance of their proposals. Thus, these Mayors do not create policies alone; they let the other EB members do it, and therefore, the Mayors themselves avoid confrontations. These statements thus emphasise even more, the already discussed “delegative” decision-making practices used by Mayors in studied Spanish municipalities.

Sometimes, however, conflicting interests are unavoidable, and a consensus is hard to achieve. In this case, mainly the Slovak Mayors stated that it is important to be consistent during the persuasion. Furthermore, one should have an ability to divide the majority in the opposition and in the “worst” scenarios accept a compromise (!) Or simply, let the councillors accept their own proposals. Such perceptions emphasise Slovak Mayors’ tendencies to perform an authoritative decision-making style but thanks to the strong position of the pluralistic municipal council, this tendency is guided to the pseudo cooperative style.

Finally, I shall link the results from the Mayors’ perceptions of decision-making power (general and personalised) with the execution of this power during the decision-making process. The comparison shows that even if the majority of Slovak and Spanish Mayoral respondents comprehend decision-making power as a set of formal competences coming with the position, it seems that during the actual decision-making process they do not use it as a main argument for influencing others (or at least that is how they expressed it during the interview). Instead, they also use a number of informal power sources emerging from their willingness to perform at least deliberative decision-making yielding to the consensus-building. This, therefore, allows them to avoid conflicts as well as achieve commitment to made decisions. However, one significant factor flowing from the formal position – the access to information as well as control over made actions – is used by Mayors to quite a great extent. This is because they need to prepare good policy-proposals and assure their implementation. Yet, as the interviews showed, many Mayors often

let the councillors and civil servants come up with their own ideas and only if these are strongly against Mayors' visions, do Mayors then consider using their (formal) power sources for changing these proposals according to their interests. All this is because Mayors take full legal responsibility for all made municipal decisions.

In the Finnish case, on the contrary, Mayors perceive decision-making power mainly as a personal ability and that is what they expressed also by using their personal capacities for influencing others. From their position, they cannot give orders or use coercion, instead, the alliance-building, consistent persuasions built on gained technical knowledge, experiences, and confidence are the only power sources they can benefit from.

5.1.1.1 Chief Executive Officers

In general, the responses of CEOs and Mayors do not differ significantly. Regarding the main capacity oriented factor, both actors consider effectively communicated and vocational argument-based presentation as the key practices assuring the acceptance of their policy proposals. Among the Slovak and Finnish respondents, this was the most frequently used factor influencing CEOs' power to contribute to the decision-making process. In the veil of it, a need to arrange personal meetings with the Mayor followed; because that is the best way for CEOs to assure that one of the key decision-makers will be sharing their points of view. Furthermore, this could help ensure that he or she would be on their side and that they would be able to push their proposals further. One Finnish respondent presented it accordingly:

“The essential people in the decision-making, of course, are: the city board chair, because the city board chair and the city manager [CEO], if they agree upon something, well, then it is quite a rare situation that it wouldn't be solved [by the EB/council] like that [...] this is 99 per cent of the cases (Finnish CEO, FN°1).

Spanish *Gerentes* in addition, stressed that from their central position in the organisational structure, the process of arranging meetings and conducting informal talks also with individual EB members, representatives of political groups, as well as directors of departments, is a very important activity. This is because they need to be sure that all involved actors are synchronised and attuned to the same level, in

order to assure commitment and homogeneity of actions. Importantly, they do these activities not only because they want to be personally successful with their proposal but they are helping Mayors to be successful with their proposals. Hence, if they want to change something or come up with some new solutions, first they need to assure that Mayors are on their side, that Mayors are internalised with that idea, that they adopt it as their personal idea and consequently, *Gerentes* take care that all the others also accept the given idea and collectively make a decision on it.

Among the Finnish respondents, there quite often appeared a need for proper timing for starting the process of influence. Many respondents mentioned that the personal negotiations with Mayors and other councillors in the decision-making process, must start long before the actual decision is formally taken. They claimed that during the EB meetings there is very low probability that some not-previously discussed proposals can pass through. Therefore, it is very important that all the potential decisions are pre-agreed with key decision-makers. This strategy thus follows the process of creating alliances, as well as an assurance of having the same points of views, which some could call the process of social influence (Pfeffer, 1998). Others could call it *politicising*.

On the contrary, only a very small number of Slovak CEOs pointed out that for assuring the acceptance of their proposals among the councillors, the backstage face-to-face meetings, or common political practices should be used. One particular CEO from the central part of Slovakia stated:

“You know, that is a very complicated situation, you have to, in a very unforced way, pass it down to somebody, that in this way the proposal could be better. Because if you say it in some strict way, that “Don’t potter with it and make a decision in this way!”...it does not work like that. It is important to lobby and softly guide these councillors, because as a CEO, I have only an advisory voice. It could then happen that they say ‘why should we even listen to you?’ So, if I want something to get done, then it needs to be done in this way...but of course, the municipal leaders must have certain priorities and everything is dependent on them. And then, it is important to exercise an influence on councillors, citizens, and I don’t know who else, that we don’t want it for us, we want it for people...” (Slovak CEO, SN^o4, 2009).

The rest of the Slovak respondents strictly denied all kinds of unofficial strategies, tactics, or practices of influence exercised over politicians. They declare that they

rely only on their expertise and objective presentation of proposals. If their arguments are not accepted or if their efforts are not enough, then it is only because they did not prepare enough vocational arguments. In general, they do not try to persuade and convince councillors with their vocational propositions. They just try to explain and present all relevant (mainly economic) arguments – in as understandable way as possible. From their statements, it was also possible to grasp that the term “influence” had quite a negative connotation. They often mentioned that they do not try to influence anybody – they just use the “argumentation politics” which is justifiable and anchored in objective (measurable) facts. Thus, it seems that they are afraid of using political power games, because it could harm their role of being neutral and objective protectors of effectiveness and efficiency. Therefore, many of them deny and even condemn those who use such ‘political’ behavioural patterns. However, the strategies are sometimes used towards the municipal employees. Apart from an institutionally accepted action of giving orders, the Slovak administrative leaders claimed to seek for ways on how to convince others based on discussions, sharing opinions and knowing the personality of others.

In connection to this, one very honest and direct Finnish respondent acknowledged that he is aware that pre-agreeing and making decisions outside the official decision-making bodies is not a very transparent and democratic action. However, since the law does not strictly regulate such practice, it is not possible to talk about breaking the law. Therefore, this practice exists and it seems to be very common in Finnish municipalities. Such behaviour, however, can be legitimate only in an environment, which is based on trust and confidence. All the involved actors also need to believe that those decisions are beneficial for the wellbeing of citizens, and for all the affected actors.

In line with this, it was interesting to observe that none of the interviewed Finnish CEOs mentioned that he or she tries to achieve consensus with other decision-makers. Despite of this, some respondents at least try to make compromises – to arrive to settlement by making concessions. Thus, instead of assuring that all affected actors are involved in the creation of a decision, that everyone’s ideas are taken into the consideration and that agreement is built on all the different ideas (with an intention to come up with something better than what one could have

identified alone), CEOs prefer to promote their own ideas. Often, however, at the price of giving up something.

Among the Spanish respondents, as already mentioned, the process of consensus-building was more common, though still not as common as among the Mayoral respondents. Some Slovak CEOs also stressed that for assuring the smooth management of the municipality, it is important that political parties and citizens are in consensus, as well as CEOs with Mayors and other leading civil servants must seek for consensual solutions.

5.1.2 Decision-Making Styles

Data from the previous section helps to define which decision-making styles prevail among studied Spanish, Slovak and Finnish studied representatives. In the Slovak Mayoral group, one can observe that the decision-making style oscillates between the authoritative (one-man show) and (pseudo) collective participative style. This means that Mayors are eager to make decisions alone, because they believe they know “how” (they have strong expert power). However, in order to increase commitment and create a positive atmosphere among the councillors from the municipal council, they often also invite others into the decision-making process – but only in the form of deliberation. Those Mayors, who do not have strong expert power (or are able / willing to recognise expertise also among others) are not that eager to perform decision making alone and therefore, they rely more on a participative style.

Among the Slovak CEOs it was also possible to observe features of autocratic decision-making used with municipal employees. Despite assuming that such behaviour is quite common for executive managers working in the hierarchical environment, it might also be connected with the assumption that if the organisational leader – Mayor – is a model of behaviour (Hofstede’s et al., 2010, p. 8, 331), such behavioural patterns can be expected also among other subordinate managers. CEOs advocated this autocratic tendency mainly by a willingness to make faster operative decisions. That is, by not only having more efficient solutions but also by emphasising their (“unique”) expertise knowledge. At the same time,

respondents did not forget to underline that they perform also participative / collaborative decision-making by inviting relevant actors (heads of the municipal units, or departments, politicians from municipal committees, and other relevant actors) to the deliberation process.

“It is very important to achieve a goal, which I think is generally beneficial. But, in order that it is not perceived as being only my directive decision, I try to pull people towards that final goal, as if by their work, or by their thoughts...as if those people are figuring it out by themselves...then they are oriented in the process much more...and they perform it [that decision] much better,” (Slovak CEO, SN°1, 2009).

Thus, in the realm of rational decision-making and division of labour based on specialisation, some CEOs give space for making collective decisions within the municipal office. Despite of this, it is possible to observe the self-positioning of some Slovak CEOs above the other employees, by making divisions between “I” and “they”²⁷. Though, when talking about their relationship with the Mayor and about making decisions with the Mayor, these administrative respondents often used the word “we”. Therefore, they do not even think about anything other than a cooperative decision-making style exercised at the apex of the municipal decision-making process. Hence, these CEOs make it clear what their position is in the municipal hierarchy and they also demonstrate certain features of “pseudo participative decision-making” defined by Sagie and Aycan (2003).

In the Spanish case, the Mayors also have possibilities to perform authoritative decision-making but not as strongly as their Slovak colleagues. This is because their access to technical knowledge is not that direct and exclusive, since it is spread between all the other EB members. Not surprisingly, as the studied leaders have presented, most of them prefer to exercise a collective decision-making style, where they are not only inviting others to the decision-making process but also supporting willy-nilly delegating and sharing formal responsibilities with them.

The Spanish *Gerentes* – from the subordinate position in the hierarchy, also presented features of cooperative decision-making but only in relation to other

²⁷ The word “together” appeared only twice in the transcript of the interviews with all the Slovak CEOs.

politicians. Despite of this, they were not afraid to declare that they do have strong influence over them, so they were confident enough to say that the final decisions are taken according to their own propositions. With municipal employees, the autocratic decision-making was presented as quite common and natural practice²⁸.

In the Finnish case, the cooperative decision-making in the political field is given by default. The Mayors and all the other councillors from the EB, have almost the same (limited) access to technical information, therefore, during the negotiation processes, the most favourable course of action is a collective decision-making style based on consensus. However, circumstances sometimes lead to the performance of a democratic decision-making style, where responsibilities are shared, and instead of unanimous agreement, the majority vote occurs.

Among the Finnish CEOs, the tendency to exercise autocratic decision-making was more evident due to strong confidence, expert power and a tradition in having a strong position in the municipal decision-making process. Respondents expressed awareness that sometimes they have to take decisions into their own hands – such as if something does not go the way it should go. However, in comparison to their Slovak and Spanish colleagues, they more often emphasised co-operation with civil servants and the usage of democratic rather than autocratic tools of decision-making.

²⁸ Unfortunately, gathered material from the interviews with General Secretaries does not provide sufficient data for making relevant conclusions about this theme.

6. Perceptions of Changing Decision-Making Power

Dedicated to my grandmother

The institutional analysis of local government reforms in Finland, Spain and Slovakia showed that in all three countries, Mayors and CEOs gained some new competences for performing their political and managerial functions in a more efficient and effective way, while being more accountable to their citizens. From normatively assigned formal powers within the intra-municipal relations benefited Slovak and Spanish Mayors, and indirectly also Slovak and Spanish CEOs. The new central-local relations gave additional power sources to Slovak Mayors and CEOs. The new distribution of formal powers in the Finnish intra-municipal context, had only a facultative character with an intention to empower political leaders. The new projects fostering the inter-municipal relations, indirectly provided new power sources to both Finnish Mayors and CEOs.

The first part of the analysis of personal opinions, showed that the possession of formal powers is important only for some of the respondents (mainly among some Slovak and Spanish respondents). Others seem to rely more on their informal power sources, which means that for being successful in municipal decision-making, they claimed to benefit from the appropriate involvement of their personality (shaped by gained experiences, knowledge, an appropriate network of supporters, etc.). Building on these partial results, and with a bit of generalisation and simplification, it could be expected that for the first group of respondents the changing institutional arrangements are an important factor influencing their overall decision-making power, while the second group would not reflect on these changes very intensively. Rather, the second group would connect changes in the overall decision-making power to their personal development.

In the following section, I intended to present the personal attitudes and consequently describe how (and if) Mayors and CEOs perceived the impact of these reforms on their own decision-making power. I built the analysis on the answers of the following interview question: *“How various institutional changes on the*

national and local level (e.g. decentralisation of competences, fiscal decentralisation, using NPM practices in provision of public services, politico-administrative relations, etc.) influenced your decision-making power²⁹?”

The respondents from all three countries had various replies but the general pattern is similar to the one obtained by both the secondary data in the institutional analysis section (Chapter 4), and the primary data in the perceptions of DMP section (Chapter 5).

Expectedly, some Slovak studied Mayors believed that current local government reforms led by NPM, had a strong impact on their overall decision-making power. Others did not consider these legislative amendments as an important factor changing their ability to influence the municipal decision-making process. This is in line with the opinions of the Slovak CEOs. According to the Spanish Mayors, the past legislative and/or managerial amendments had either a positive or neutral impact on their overall decision-making power. Some of their colleagues from the administrative field, reflected on these new circumstances very positively but others expressed neutral or even negative attitudes. Finally, the Finnish Mayors presented quite neutral attitudes towards past reforms, and from the responses of their administrative partners, it was also possible to observe quite a neutral tone.

The following paragraphs develop these findings in more detail.

6.1 Mayors

6.1.1 The Institutional System Matters

6.1.1.1 *Decentralisation and NPM Empower Political Managers*

For a couple of Slovak Mayoral respondents, the process of devolution – a transfer of competences accompanied by the amendments in financial dependency – had a strong impact on their perceived formal decision-making power. As the Mayors

²⁹ Somebody may argue that this question is too open and too general for providing thorough answers. However, my intention was to find out on which particular institutional changes respondents would reflect. In this way, I could also indirectly evaluate the significance of certain reform elements among the respondents.

stated, these reforms provided them better possibilities for implementing their ideas and visions. Also, it allowed better possibilities for developing their municipalities both quantitatively and qualitatively to a greater extent than it was possible some ten years ago. These Mayors feel more independent from the state control because they can use their 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 a 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 two-times more money to construct big public premises, such as an ice-hockey stadium, hospital, or industrial park. The Mayors claimed to 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, apply the quality certificates ISO9000, and the municipal employees are motivated to improve their professional skills by attending personal-development training. In addition, all Mayors in this category stated that they try to govern their municipality according to the principles used in private companies (such as hierarchical leadership, a focus on teamwork, and a client-oriented approach). This is because, according to the Mayors in this category, this is the only way to make the city work properly. Moreover, the political decision making became less spontaneous, and in addition to the presentation of interests and ideas, it now also contains means of implementation of those ideas (Slovak Mayor, SN^o3, 2009). Thus, the decision making become more about “how to make things better?” instead of only “what to do?” Accordingly, the external public administration reforms created an environment within which a “good” Mayor, who in the spirit of NPM, is able to handle all the competences and financial resources. On top of this, he also has a great opportunity to shape the municipal development according to his or her own wishes. A Mayor from the central part of Slovakia summarised the consequences of these reforms on his decision-making power accordingly:

“The fiscal decentralization is the law of the laws. It was the best decision that the previous government did. Fiscal decentralization is a law, which provided local government with a possibility to show, if it is able to use the financial resources in the right way. It is not only about the levy of taxes or about the level of fees, but it is also about the correct forecasting

of the market. Moreover, this reform gave us room for the liquidation of non-rational premises [for example some schools with a small number of students]. Even though, at first glance, these premises might look social or humane, for the town, however, they are pronouncedly non-rentable. The fiscal decentralization gave huge power to the municipalities. The ones, who were able to use it, are now successful,” (Slovak Mayor, SN^o6, 2009).

The perceptions and opinions of these executive Mayors, are textbook examples on how the decentralisation and NPM reforms should have affected the attitudes of municipal representatives. These Mayors are fully aware of the potential, which the past reforms brought and they are eager to use it and benefit from it.

In order to find out why only these few and not the rest of the Slovak Mayoral respondents expressed such positive attitudes towards the process of devolution, and its impact on their own decision-making power, I tried to find some common personal features of these executive Mayors. One important common feature, is the prior working experience in the private sector and/or higher education in the field of economics. Hence, it seems that the Mayors’ positive attitudes towards the managerial reforms, have roots at least to some extent in those prior experiences with the private-sector practices. In addition, in their statements, these respondents gave bigger value to professionalism, vocation and efficient performance and they were very client-oriented, without a strong focus on partisanship. In connection to this, it is not surprising that some of them run for the Mayoral office as independent candidates. Also, in reflection to their expressed practices used during the municipal decision-making, these interviewees preferred to work in an environment with an “apolitical” council, where the influence of political parties is minimal. Such a claim is supported also, by the fact that in their municipalities, the executive board³⁰ was not established. Therefore, municipal councillors can intervene only from their participation in the municipal committees, which are, however, also often filled up by non-elected professionals in certain policy-areas. Therefore, it is really hard to

³⁰ The Executive Board is a Mayor’s advisory organ with a facultative character. If it is established, it follows the principle of proportional representation of municipal councillors. The Mayor calls and leads the meetings without having a vote in decision-making.

find room for politicising (purely following political party interests without objective consideration of proposed solutions) in those municipalities.

Furthermore, these Mayors claimed to have very strong relations with CEOs. All of them consider their Chief Executive Officers 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 the common municipal objectives. This perception, thus skims the strict dichotomy of politico-administrative relations, which one would expect in an environment where principles of NPM practices are implemented. However, by using such strong managerial vocabulary, it seems that these particular Mayors consider themselves more as managers/administrators and not just politicians. Therefore, if they were to request a politico-administrative dichotomy, they would reflect on the relations between the council and the administration and not between the Mayor and the administration. This is because the Mayor is an integral part of the administration/municipal management. Thus, it is evident that these Mayors highly appreciated past reforms because it gave them access to “new” expertise power which they can use in the municipal decision-making process. Furthermore, it helps them to make decisions according to their wishes and needs.

These wishes and needs are, however, strongly connected to the wishes and needs of the citizens. A threat of a pure “money-driven” managerial approach is, thanks to the direct Mayoral elections, balanced by direct accountability to citizens. Thus, if these managerial Mayors want to obtain confidence among their electorate and be re-elected, they are forced to apply also democratic practices of participative decision making. Therefore, not surprisingly, these Mayors often mentioned frequent meetings with citizens, “hot-links”, public polls, e-government, or ‘offices of the first contact’ as new practices used for getting direct feedback from citizens. In addition, via such methods, a search can be made for new ways on how to satisfy these public needs and interests³¹. This public support, therefore, consequently

³¹ Of course, among the interviewees, it was possible to find also that kind of Mayor whose rhetoric about the managerial practices was quite intensive, however, they did not observe any significant changes on their already strong decision-making powers.

serves them as an additional power source for convincing the majority in the council.

In connection to previously discussed theory, these opinions are in line with descriptions of “executive Mayors”, which are according to Heinelt and Hlepas (2006, p. 34-37) and Egner and Heinelt (2006, p. 335-352), typical for countries with intragovernmental relations following the strong-mayor form of local government and with central-local relations following the Northern-Central European group.

6.1.1.2 The Political System Matters

In contrast, according to the other group of Mayoral respondents, the former institutional changes did not have any significant impact on their decision-making power, or the possibility to make municipal decisions in a different way than some 10 years ago. Their decision-making power remained the same, or if it has increased, it was due to the development of their informal power sources (experiences, knowledge, communication skills, etc.). It was not directly connected to the public administration changes.

Most of these Mayors further stated, that the institutional changes (mainly the decentralisation of competences and fiscal decentralisation) happened before their arrival to the office. As a result, they took it as granted and they considered it as something to which they just had 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 with for many years,” (Slovak Mayor, SN^o2, 2009).

In addition, in terms of changes inside the municipal structures (yielding from politico-administrative reforms), several Mayors delegated the implementation of

new managerial practices to the CEOs. Alternatively, according to some other respondents, these managerial changes did not occur in their town halls at all. Yet, no external and (potentially) internal reforms had an impact on the exercise of decision-making powers of these “political-Mayors”.

The statements of these respondents did not include any references to managerial practices but rather showed, to a certain degree, an unfamiliarity with particular practices (e.g. benchmarking mixing with brainstorming, program budgeting mixing with accrual accounting, etc.). This is why I called this group of Mayors “political-Mayors”. Their power to influence the municipal development stands on factors shaped most likely by the political system (particular composition of the council, good relations with councillors, etc.), as well as personal/political skills to influence the opposition³². Therefore, if the decision-making power increased, it was not thanks to the usage of modern managerial practices but rather thanks to the political skills and gained expertise in municipal administration.

Typical common background characteristics for all these respondents is that their prior working experiences are from the public sector (teachers, civil servants), they have a higher education in a different field than economics, or they have an education level lower than the university level. Thus, their ability to use new managerial practices might not be that great, since they do not have prior experiences with these practices. Therefore, it is not surprising, that they rather benefit from the possibility to delegate pure managerial activities to the CEOs and other civil servants, who are trained for management of public duties. Even, the opinion that civil servants are just “tools for implementing political decisions” appeared in their responses more often. These Mayors seem to perceive the politico-administrative dichotomy in its traditional way, because they consider themselves as part of the political arena and not as part of the administrative field. Although, they still need to exhibit administrative expertise.

³² It needs to be reminded that the fact that Mayors did not mention any impact of the past managerial reforms on their decision-making power does not automatically mean that those new practices are not used in particular local governments. They might be used, (and in many cases are used) but the interviewed Mayors just did not consider these reforms as important or influential for their ability to lead the municipality in the way they like. The same applies vice versa: if some Mayors mentioned that they use some managerial practices, it does not mean that they are performed in reality. For the purpose of this paper, however, more important was just to show the general attitudes towards those reforms and not their actual implementation. Further empirical research is needed for comparing the actual performance with the personal opinions of studied Mayors.

It is essential to mention, that in terms of practices used in the decision-making process, these “political-mayors” also focused on rational proposals and an ability to persuade by profound technical arguments. However, factors such as party support, assured integrity between administrative departments, committees and councils, trust, and good relations with councillors prevailed in their statements. Therefore, it seems that these Mayors incline towards stronger political rather than technocratic leadership. However, only a few Mayors officially claimed to be affiliated with political parties (both left wing and right wing coalitions) while running for the Mayoral elections. The rest were independent candidates, rarely supported by a wide coalition. This might prove what many Mayors mentioned, that communal politics is not about satisfying the interests of political parties but about satisfying the needs of citizens – regardless of one’s affiliation to a political party. However, this might also present somewhat calculative behaviour. This is because to be an independent candidate is very popular and trendy, since for voters it is a sign of commitment to the local needs and independence from the power interests of the national parties. Therefore, Mayoral candidates might mislead the electorate by appearing not to be affiliated with any political party, even if in reality they might have strong backup from one party (or a coalition of parties).

6.1.1.3 The Communal Reform is a Must

The interviews also included negative judgments about the past reforms. These negative opinions did not affect their own decision-making power but they might be significant for the overall future municipal progress.

One important factor emerging during the interviews, and predetermining the successful running of the municipality, is the well-known deep 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 relatively frequently in their responses. 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 a 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! Apart from, the municipal office, the Mayor and his 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. This is because he would have to be a genius in order to be able to follow the development and because he is alone for everything...those five councillors cannot help that much either due to a lack of experience 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 a municipality with less than 2,000 inhabitants should not exist, because they are not able to provide either school, social premises, cultural events, nor fire protection. Apart from yourself, you do not govern anything!” (Slovak Mayor, SN^o5).

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

The content analysis of the interviews also helped to reveal 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 perception of the external institutional reforms. One good example is provided from a relatively big municipality (30,000 inhabitants) but with a high unemployment rate (almost 25%). It also has a poorly developed industry, and an aging and decreasing blue-collar population. This Mayor from this municipality perceived the current central-local relations quite negatively. Even though this particular Mayor mentioned that this reform did not influence his personal ability to make decisions, it certainly brought him problems:

“The state is getting rid of its worries and it is throwing them on to the 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^o4, 2009).

According to the analysis of the background information, this Mayor belongs to the group of above defined “political-Mayors”, with previous work experience in the public sector (teacher) and with a need for protection provided by the state. With regard to this factor, there is also a lack of an entrepreneurial way of thinking. It would be interesting, however, to see what kind of attitudes the executive Mayors would present, if they would have to perform their duties in this specific socio-political situation.

6.1.2 Going Outside the Comfort Zone

The situation with the Finnish Mayors is considerably different in comparison to that of the Slovak representatives³³. While the Slovak Mayors were more or less intensively talking about the effects of the NPM and the application of managerial practices, the Finnish Mayors were reflecting mainly on the effects of network governance. The discussion was mostly about the effects of the “PARAS” project but also about establishing the *Pormestari* model of local government (European-type of Mayor). The reflections on the increase of the contextual discretion in the delivery of public services or changes in the municipal financial systems, or other management related innovations, were not in the Mayors’ discourse at all. However, it is important to emphasise, that the direct answers on the interview question “how various institutional changes affected your decision-making power?” usually had the following character:

³³The interviews with Finnish local representatives were conducted mainly in Finnish language by the research assistant. For this reason, I could not intervene in the dialogue or ask for needed clarifications or direct answers on my questions. Nevertheless, I believe that the potential bias in my conclusions is controlled by a profound institutional and contextual analysis, as well as by the fact that I had vocational consultations with my colleagues.

“Well, these law things [referring to institutional changes], they have changed throughout the existence of the world. Laws and regulations always change. It does not matter; the position of the EB chairman is always similar. In these municipal elections, nothing has come to me and we haven’t gone to the Mayor’s elections or anything like that,” (Finnish Mayor, FN°5, 2009).

The result that the Finnish EB Chairpersons were not reflecting on the reforms affecting the position of local government bodies and the provision of public services was, in fact, quite expectable. This is because the decentralisation of formal competences and reforms in finances did not necessarily have to influence a Mayor’s ability to influence the decision-making process. This merely follows the traditional features of strong politico-administrative dichotomy and has already been explained in the institutional arrangements of a council-manager form of government. On one hand, this institutional installation makes Finnish EB Chairpersons weak executive leaders but on the other hand, it gives them a good possibility to fulfil the political role of elected representatives. That is, with a very intensive participation in various municipal boards, committees, or assemblies within but mainly outside the boundaries of the town-hall. Thus, the preconditions for applying the (network) governance practices, seem to be well set.

Especially due to the implementation of the PARAS project, the EB Chairpersons had to become active also on the sub-regional and regional levels. In addition, either explicitly or indirectly, interviewees observed that this project had an impact also on their performance. As already mentioned, the main idea of the PARAS project was to improve the provision of public services via a process of (local) centralisation of public-service-providers by increasing the inter-municipal cooperation or institutional centralisation of local decision-making bodies (municipal amalgamations). Thus, instead of having, for instance, three local governments managing the provision of the same services three times, now there should be only one, with a bigger council governing a bigger area and managing the provision of public services only from one administration. Alternatively, instead of dealing with representatives from among one’s own municipality, EB Chairpersons became obliged to cooperate with several actors behind the boundaries of their governed areas, and yet perform the multi-level and multi-actor governance. However, as

several respondents stated, such arrangements undoubtedly lead to the re-allocation of decision-making processes and decision-making powers from the local to the sub-regional or regional level.

“The institutional system [in local governments] have been all the time the same. Maybe just now, in recent times, it has been affected by these cooperation activities, this transfer of power on the upper levels... And, this happened in every municipality. Thus, the institutional power has changed, since on average, 60% of municipal decision-making moved to those communities [i.e., joint municipal authorities],” (Finnish Mayor, FN°2, 2009).

In their statements, the EB Chairpersons, however, did not express directly if the influence of the PARAS project had any positive or negative impacts on their decision-making power. Only the analysis of all their answers, revealed that the impact of the PARAS project can have a double character. The positive points come from the fact that the Chairpersons’ personal and professional network has increased, which consequently led to the increase of information and knowledge – important sources of expert power. Furthermore, they obtained a possibility to influence the life of a bigger community with more financial resources in hand. All these mainly informal power sources, can be consequently used in the decision-making processes within one’s own local government, such as for influencing other decision-makers in making certain developmental decisions. An EB Chairperson from central Finland nicely summarised it:

“It is said today that power is slipping away from elected officials [due to the strong position of administrators], but I have a different view. Elected officials have as much power as they wish to use. Nobody is stopping you from learning, you can get all the information you want. And the channels and personal relations that we have, at least I think they are really good...the person who claims that he does not have power, it is only because he did not find the courage to find out about things,” (Finnish Mayor, FN°4, 2009).

However, the same effects yielding from the participation in networks, also bring about negative consequences. By having more actors in the decision-making processes – more councillors, more sub-regional public institutions, more non-

governmental organisations, more business enterprises and above all, more citizens with different interests and needs – it may cause too many meetings. Also, it could cause too much participation in various boards of stakeholders, and generally, too much information, and too much time required for processing all of these tasks. In addition, more interest groups exercising their influence over the municipal representatives, which especially in the Finnish culture of consensus building and an egalitarian approach, may lead to work-overload and social pressure. In addition, since EB Chairpersons are laymen who perform their political functions mainly in their free time (after a full-time regular job), this governance work and information overload affects their performance intensively. This is because they struggle with the “lack of time for maintaining democracy” (Mayor, FN^o4, 2009). Even if by participation in these institutions, the political leadership is supposed to increase – because an elected representative gained control over the performance of these institutions – the fact that there is not an appropriate character of Mayoral vacancy, elected leaders, therefore, fight with the time pressure. In order to avoid it, EB Chairpersons are indirectly forced to share their roles with Chairmen of the councils, CEOs or other politicians or civil servants, which, unfortunately, again causes a dispersion in the information flow. In addition, this causes a slowdown in the decision-making processes, and after everything, a diffusion of Mayors’ decision-making powers.

Therefore, it is not surprising that some leading politicians would prefer certain modifications to the character of their formal position, in order to have better control over the municipal and inter-municipal decision-making processes. One solution is provided below:

“You know, I go from one meeting to another...I don’t even have time to change my clothes... because, in the morning I have to be in my job, and then in the afternoon, I have to go to all these sub-regional meetings...so these things come and go, and there is a huge number of things. And, if you want to do all of them, the sun is a reminder of all those things, yet the days are long, with very long hours. Often, I am asked that when do you want to rest...[thus]...Me, and many other Mayors from the sub-region, we would prefer to work part-time, like professional people in a position of trust....not really full-time, sitting there in the office all day long, but just part-time” (Finnish Mayor, FN^o4, 2009).

It is interesting, though, that although the local government act already allows the possibility to create the position of a “professional” Mayor, not many municipalities have taken this opportunity, yet. Neither the about cited respondent (FN^o4) would welcome this system. Only one EB Chairperson admitted that if his municipality were to merge with another larger municipality, then it would be better to establish the position of *Pormestari*. Otherwise, he does not consider it as important to have such a professional leader in their town.

Unfortunately, the interviews did not elucidate reasons as to why political leaders are not interested in becoming more powerful executives. On the contrary, the interviews showed that some political representatives do not even want to be closer to the work of administrators.

“I don’t want to be an office politician. I won’t come to the office every day and control what the CEO does and what not. My predecessor was such a person. He was always controlling what the CEO was doing. But I want to give more peace to the CEO’s work,” (Finnish Mayor, FN^o1, 2009).

With these words the EB Chairperson just indirectly claimed that she is not interested in knowing the day-to-day activities of the administrators, that she is not interested in little operational details. One might only guess that such perceptions could be connected with; 1) acknowledging the strong position of the CEOs; b) defending the strong politico-administrative dichotomy according to which, once politically elected, a person should not intervene in the administrative issues but rather only focus on creating ‘a big picture’ and providing directions; and finally c) trusting that the CEO will do his or her job correctly – in line with those general directions.

Nevertheless, since most of the municipal initiatives come from the administrative side and since their implementation is also in bureaucrats’ hands, this kind of passive approach of leading politicians, might be the biggest threat to local representative democracy. Because, by only providing general strategies and guidelines without having access to technical information and without having technical knowledge about the ways in which these strategies can be implemented, there is a potential that the content of these strategies might in fact lose their direction. Lose their direction, that is, due to a number of miscellaneous everyday operational decisions. Worst still,

the strategies themselves might not be achieved at all. In addition, since administrators have all the technical knowledge, they might also strongly influence the content of these political strategies, because due to the nature of their job, they would intend to suggest the kinds of strategies which they consider to be more feasible. This would, consequently, result in a situation where the non-elected officials actively shape the political decisions, which is of course against the representative democracy. Therefore, by applying the European-style executive Mayors while having at least part-time (appropriately well-paid) contracts, leading political representatives could be better concentrated on their public duties – on shaping and controlling the implementation of strategies and also *de facto* demonstrate the representative democracy with additional executive functions. Yet, it would also require a willingness to take greater personalised responsibility for the running of the municipality, which, as the previous analysis showed, is not a very typical feature for Finnish local government representatives. Therefore, if the local government act is not going to oblige municipalities to establish the position of *Pormestari* (with combined executive and political tasks, consequent responsibilities and a full-time contract), this new system might not be spread over the country in a short period of time. Because, why would somebody take on more formal responsibility if he or she does not need to? Especially, why would somebody take on such responsibility if the hard job (operational tasks) can be done by somebody who has been trained for it?

On the other hand, however, if politicians believe (correctly) that they have CEOs who are fully accountable and loyal, who do not have intentions to act against the political strategies, or who are perceived to act only in the name of the politicians' and citizens' interests and needs, then political intervention in the municipal management is not necessary. If both politico-administrative camps share the same goals and visions and if they both want to achieve the same things, then the strict separation of roles is comprehensible. Moreover, since the local governments are not eager to establish the European-like Mayoral model and since the citizens neither request these institutional changes (Nyholm 2007; Haveri, 2008), it is most likely that all the participants are relatively content with the current status quo. Therefore, the question could be 'why change something which has support among the citizens and which evidently satisfies all the needs?' In addition, for me personally, such a

situation seems reminiscent of an old saying common in England “If it ain’t broke, don’t fix it!” Finally, according to Svava (2003), in the typical council-manager form of government, the Mayor does not need to execute or directly promote the accomplishment of tasks, which lets him or her perform other than strong executive leadership typical for other governmental forms. Mayors in the council-manager systems are instead supposed to empower others, enhance their performance for accomplishing common organisational goals, encourage positive interaction and promote a high level of communication among all involved actors. Such activities are typical for a facilitative model of leadership. For some observers, it might look like a passive approach to leadership. For others, however, they might see it merely as the most suitable model in an environment where people trust each other and believe in each other’s skills and intentions for achieving commonly set goals.

In summary, the Finnish interviewed Mayors in general, do not consider former institutional changes in central-local relations as important in terms of the impact on their decision-making power. However, some of them observed that the inter-municipal cooperation and amalgamations had affected their performance, though it was difficult to observe whether this was in a positive or negative direction. Only by using the deduction method, I can assume that the PARAS project has both negative and positive impacts on the way the Mayors perceived their own decision-making power.

If the decision-making power has changed (positively) it was only thanks to the increased popularity of one’s political party on the national level (Finnish Mayor, FN^o3, 2009), or thanks to the increment of personal powers – i.e. gained experiences, know-how, respect, trust, good social network, etc. – Interestingly, none of the interviewed Mayors mentioned that his or her decision-making power would have decreased in the past 10 years.

6.1.3 Empowered Executives

While presenting and analysing the answers of Spanish Mayoral respondents, it is important to remind that during the last 10 years, Spanish local governments (especially in small and medium size municipalities) have not been affected by

significant institutional changes or public administration reforms. Thus, the central-local relations can still be characterised by features used for Franco/Southern European countries. Therefore, it is not surprising that the Mayoral interviewees were not as vivid in answering the question about the impact of the external institutional changes on their decision-making power, as were, for instance, their Slovak colleagues. This is simply because there was not much to talk about. Though, in terms of the intragovernmental relations, the Mayors reflected on increased executive powers, as well as on having a possibility to establish the CEO.

It is worth reminding, that due to previously explained divergences in the Spanish research sample, one third of the Spanish Mayoral respondents were in their leading position only for the first time. Therefore, they were not able to reflect on public administration reforms which happened some 10 years ago (for example, they could not reflect on the dynamics of the potential institutional change). Despite of these methodological challenges, I still tried to uncover a few significant structural amendments within the municipalities which affected the way Spanish political leaders perceived their own decision-making powers. Hence, I intended to enlighten a new trend shaping the politico-administrative relations in Spanish small and medium size local governments.

6.1.3.1 Empowered Mayor

Even if the small and medium size local governments as governmental units have not received more powers during last 10 years, their leading representatives, as mentioned earlier, were empowered quite significantly. As it was expected, the majority of the interviewed Mayors also mentioned that the most important change which occurred during their electoral periods, was the increase of formal competences transferred from the council to their hands. As already discussed before, this arrangement allowed Mayors, together with the EBs, to make faster decisions with immediate effects. Thus, Mayors acknowledged that their formal decision-making power within the boundaries of the town hall has significantly increased.

“Of course our decision-making power has been increased, because they want us to accelerate our decisions.” (Spanish Mayor, EN°3, 2009).

However, not all the interviewees took this empowerment as being to their own benefit. I came across some Mayors, who claimed that their decision-making power has declined, just because they delegate most of the executive functions to other politicians. One Mayor delegates his formal powers in order “to assure collective decision making, keep better control over potential corruption, and achieve bigger commitment of subordinates” (Spanish Mayor, EN°5, 2009). Another respondent delegates, because he thinks that he does not have any other choice (Spanish Mayor, EN°2, 2009). While the former respondent believes that by encouraging others to cooperate, the overall run of the municipality can improve, the latter one feels that once he became Mayor, he lost control over the functioning of particular policy areas. The only thing that he can do now is just provide general directions, without impacting on their operationalisation. In this example, one can thus see two types of Mayors – the one who looks at the changing decision-making power from the perspective of a (facilitative) political leader, and the one who sees this change from the perspective of an (executive) manager – who lost his or her power tools for managing the community. Similar contradicting examples could also be found among the Slovak respondents.

Hence, even if the topic of sharing decision-making powers was already discussed in the previous section, here it is shown from the perspective of dynamic change: it is shown from the perspective of a personal transformation, when Mayors are conscious of losing some powers in order to (willingly or unwillingly) empower others. Even though all of the Spanish Mayors delegate their executive functions, apart from the aforementioned two particular Mayors, the rest of the respondents claimed that their decision-making power has remained the same or it increased due to their gained personal experiences, or gained respect. However, only these two Mayors mentioned that by delegating, they lost their decision-making power significantly.

For future research, it would also be interesting to find out if the Mayor who claimed that his decision-making power has declined due to his personal decision, made such a change in his decision-making style because he really believes in more

democratic decision making, or just because the composition of the municipal council has not allowed him to perform any other type of leadership. Because, as the analysis of electoral results from the last 20 years in this particular municipality showed, during 5 electoral periods (which the Mayor has spent in the leadership position), the composition of the council was quite heterogeneous four times – without an unambiguous majority of the Mayors’ party. According to information from the Spanish National Institute of Statistics, only when this Mayor got to the Mayoral post for the first time, did his political party have an absolute majority in the council. Therefore, the possibility to perform personalised (one-man) leadership must have been quite difficult for him.

Nevertheless, more importantly, this Mayor puts into an appealing contrast the intentions of the state legislators to increase this personalised executive local leadership, as well as the intentions of local leaders to perform facilitative leadership with shared decision-making powers.

“I think that my decision-making power has declined, because I delegate a lot. For this reason, my decision-making power is in the hands of many people. As I said already before, I keep only those tasks, which [by law] I can’t delegate lower....those who say that now they have more decision-making power, its only because they want to decide about everything alone and the others are afraid of them. But that’s not our situation, that’s not our politics” (Spanish Mayor, EN°5, 2009).

6.1.3.2 Weakened General Secretary

Another institutional change, which directly affected Mayors’ leadership positions and which is highly connected with the previous legislative amendment, is the weakening of the position of General Secretary. There were several respondents who warmly welcomed this diminished influence of the state functionary, since now they can easier implement their proposals. As already stated in the previous section, before the year 2003, the General Secretary was responsible for controlling the legality of all proposed policies – without his or her approval, the bills could not be implemented, because it would mean that they would be going against the legislative regulations. Nowadays, these officials are responsible only for

controlling the policies accepted by the council. And since the council lost a number of executive functions in favour of the executive board and the Mayor, the Secretary's influence decreased also. Moreover, the executive politicians do not now need to take the Secretary's suggestions as definite, because it is only the Mayor who takes the full responsibility for made final actions. Nonetheless, the Mayoral respondents whose personal relations with these State functionaries have been for many years productive, still consider these public officials as very influential and welcome their expert knowledge and legal advice in the creation of policy proposals. This is because this is a guarantee that policies are within the margins of the law.

6.1.3.3 *Modern City Manager*

In some municipalities, a weakened Secretary's influence helped to increase the influence of another non-elected official – the CEO (*Gerente municipal*). This Spanish Chief Executive Officer is a professional, who in general, assists the Mayor and EB with administrative tasks. The establishment of this new position is highly connected with the modernisation of Spanish municipalities and improving managerial practices within the municipal departments, as well as enhancing the management of public services. This position, however, is still not commonly used in small and medium size municipalities. Fortunately, the results of the e-mail survey conducted among approximately 140 small and medium size municipalities helped me to find such local governments. Therefore, I decided to include some of them into my research sample, even if the Mayors from these municipalities did not fulfil the main criteria related to the number of years spent in the Mayoral office. However, by interviewing the Mayors from these municipalities, I intended to find out the motivation for establishing the position of “*Gerente*”, in order to be able to analyse how these new politico-administrative relations influence Mayors' decision-making power.

Based on Mayors' responses, there are three main rationales behind creating the position of CEO: 1) to *unload the Mayor's administrative tasks*, 2) to *help the Mayor keep control over the administrative field*, and above all, 3) to *improve the organisational management of local government*. The first reason is related mainly

to the number of governance activities which Spanish Mayors have to deal with. As the theory says (and the practice shows), in order to get things done, Spanish Mayors need to be very good network-managers. In addition to an active involvement within the frontiers of their own towns and villages, they need to have a strong professional network at (and very good relations with) the upper-governmental levels. This is supposed to help them to gain more benefits for their, otherwise very weak, municipalities. Therefore, Mayors often participate in various provincial, regional or even national committees, boards, assemblies, and for example, negotiations for better conditions for their citizens. These networking activities, however, undoubtedly subtract from the time available for fulfilling the local administrative duties. Another extreme is when Mayors are not full-time officials, thus, they do not have the time or capacity to take care of all the office responsibilities. These conditions are similar of the situation of their Finnish counterparts. In the Spanish context, however, this seems to be more of an exception than a general practice (although it still may be more common in small villages). Yet, in both circumstances, the appointed professional city manager – with a profound technical background – is expected to substitute for the Mayor with regard to the day-to-day administrative tasks.

The second reason for creating the position of CEO, is often connected with the immaturity of newly elected Mayors who often lack technical knowledge and experience in governing the municipality. Since the institutional system somewhat expects that Mayors distribute their administrative functions to other municipal representatives (EB members and leading civil servants) the inexperienced political leaders might get lost in a ‘tangle’ of complex relations and competences. Therefore, professional CEOs are supposed to help Mayors get better control over these bureaucratic affairs, as well as clarify the information flow in order to make the decision-making processes more efficient as well as transparent. Hence, CEOs are supposed to aggregate or centralise technical knowledge and help the Mayor manage the information channels.

These reasons are also connected with the third rationale for creating the position of city manager. Due to the strong involvement of individual EB members in the management of public affairs, the management of an entire local government is

quite fragmented. Each deputy Mayor is responsible for a certain policy area, thus he or she has full control over the implementation of issues within that area. However, since many of these deputy Mayors are just laymen politicians, often without the necessary technical knowledge and expertise, the administrative heads of particular departments might strongly intervene in the implementation of certain policy proposals. This, therefore, might harm the democratic accountability. Thus, for assuring this accountability of elected representatives, as well as for the purposes of avoiding a “silo” effect and maintaining the overall control over the administrative affairs, the position of professional chief executive officer seems to be very beneficial. Most notably, since this person stands right in the middle of these two politico-administrative worlds.

Specifically, the interviews with the Mayoral respondents (regardless of the duration of their leadership post) revealed that from among all the duties, the most important CEO’s task is to assist the Mayor and the EB with the coordination of the work of civil servants. Also, the CEO needs to be an ‘imaginary bridge’ between politicians and administrators. Thus, the CEO is supposed to mediate the requests from administrators to politicians and vice-versa. In addition, the CEO is often expected to provide the Mayor with technical advice, related to legal or economic affairs.

However, apart from the administrative tasks, in some municipalities, the CEO’s position is established also due to a need of having a trustee in political functions. The CEO is likely to support with formulation of ideas and visions, with promoting and encouraging new projects in the community, or influencing the decision-making process in order to secure sensible and efficient solutions. A Mayor from the Eastern part of Spain sees this issue as follows:

“With the CEO we have very good tandem. We both have a very clear image about our tasks and roles. There are two main reasons why we established this position: first, the Mayor needs a person, who thinks in very far horizons and who does not allow the Mayor to stay in one place, but pushes him to new challenges. And the second reason, is that I needed a trustee who would advise me in technical issues. Since our CEO participates a lot in the municipal decision-making process, he immediately knows, if some political decisions can be accepted or not. Or, if they are feasible or not. In addition, the CEO is entrusted to make

decisions, which from the political point of view, would not be accepted by citizens if the Mayor had done them. But, if we say that the CEO made that decision, then everything is OK. But the most important, is that we always have a share in decisions,” (Spanish Mayor, EN°6, 2009).

Furthermore, the same novice Mayor also stated that his CEO is helping him in municipal planning, because he “does not have enough time to think and plan”. The CEO is even supposed to control how these plans are fulfilled and implemented. Thus, it is evident, that this leading administrator is a genuine Mayor’s “right hand”, who even seems to replace the Mayor in some of his political functions.

Overall, based on Mayoral responses, the studied CEOs seem to have a very strong position for influencing the municipal development, for influencing the municipal policymaking and for doing politics. However, their profound technical knowledge – the main purpose for their appointment – legitimises their position in local governments. Importantly, thanks to this professional, the young Mayors gain more decision-making powers in the form of technical information and better control over the administration – since the CEO directly reports all these issues to the Mayor. To very experienced Mayors, alternatively, the CEO gives a feeling of certainty that during the execution of political duties outside the municipality, the daily administrative functions and the implementation of policies will be appropriately assured.

It is probably unnecessary to mention, (but nevertheless I will mention it!) that unrestrained CEO involvement in the management of local government, can also take away similar kinds of decision-making powers from the Mayor, if this elected official loses control over his or her appointed guardian. From among the studied political leaders, however, the creation of the CEO's position had only positive impacts on the way the Mayors’ perceived their ability to influence the running of the community and all the interviewees expressed great satisfaction in the cooperation with their trustees. Moreover, many of them also tried to emphasise that even if they consider CEOs as very influential persons, they still keep the main decision-making power in their own hands, since they take the overall responsibility for made decisions. From the comparative point of view, this Mayor-CEO relationship is almost identical with the Mayor-CEO relations found in Slovakia.

If I look at this issue from the historical and theoretical point of view (from Klausen & Magnier, 1998) and the respondents acknowledged it as well, the above described functions belonging now to the CEO have been, for many years, in the hands of *General Secretaries*. This also explains why the General Secretary was a main reference for researchers studying politico-administrative relations in Spanish municipalities. However, as was already mentioned, the Mayor is by law prohibited from selecting the Secretary based on his or her preferences. Therefore, the Mayor does not necessarily need to create a trust-based relationship with this person, which could negatively influence their cooperation. The appointment of the modern city manager, however, allows a strong inter-personal relationship based on trust and reliance, which further enables the Mayor to be sure that the city is managed in a way he or she wishes to have. In connection to this, it is not surprising that in those municipalities where the position of CEO has been created, Mayors also stated that the position of their General Secretary has been diminished significantly. This is simply because they once again became pure state controllers without any influence on the appropriateness of the content of proposed policies. Again, the Mayor from the Eastern part of Spain explained it accordingly:

“You know, it works like this: the Mayor has a certain idea, the CEO starts to investigate how to make that idea feasible, and the General Secretary will say if, from the legal point of view, that idea can be implemented. It is not the Secretary’s task to give his or her opinion over whether a particular proposal is good or bad. He or she can only say if it’s legal or illegal. But the CEO is here for saying if a certain idea is good or bad – he or she can express also his political opinion,”
(Spanish Mayor, EN^o6, 2009).

Despite of these perceptions about the loss of influence of the General Secretary in the municipal decision-making process, several Mayors believe that the position of General Secretary is still very strong. Additionally, Mayors believe that they are still strongly dependent on the expertise, which General Secretaries gained by working in the municipal administration for so many years. It is evident, though, that these Mayors do not have the established position of appointed managers in their municipalities. It is more striking, that when I asked these Mayors why they have not established the position of CEO yet, they replied that they do not consider this modern manager as being a necessity. In fact, some of them believe, that their local

governments are not yet prepared for having this kind of position in their organisational structures, mainly due to a fear of changing the traditional – socially oriented character of the provision of public services – into a modern, i.e. money-driven character of services delivery. Furthermore, instead of having a manager who uses private-like practices, they would prefer to liberalise the bureaucratic system by having fewer rules and fewer changes in those rules. This would consequently allow better control over, as well as a more efficient delivery of public services (Spanish Mayor, EN°8, 2009). In addition, in such an environment, the help of an appointed city manager would not be needed, because strong executive Mayors with their politico-administrative *crew* would be able to manage everything alone.

6.2 Chief Executive Officers

6.2.1 The Personality Matters

The analysis of the old and the new Slovak public administration system showed that most of the legislative changes either affected the entire municipality (by the decentralisation of finances and competences) or the leading politicians. Only one significant formal change, which was a consequence of the political reform, also affected the CEOs. This change refers to the Mayor's ability to appoint his or her own director of the municipal office. Other changes which were helping to transform the Slovak municipalities from the interest-defenders to the service-providers, had a somewhat optional character. Either the municipal representatives decided to apply new managerial practices – driven by a framework of NPM, or they kept a more classical way of administration. As the previous chapter showed, everything seems to depend on the organisational culture, which the leading politician is able to create. Keeping this set of information in mind, one can expect to find two groups of administrative respondents. The first group, led by “Mayor-managers,” would express quite positive attitudes towards new institutional arrangements. The other group, led by “political-Mayors,” would express quite neutral attitudes towards these reforms. The interview analysis, however, revealed that all the respondents expressed quite neutral feelings towards these changes.

Firstly, generally speaking, the studied leading administrators were not as descriptive and enthusiastic about the local government reforms in Slovakia as their political masters. Not even those, who could be characterised as dependent professional agents. One respondent mentioned that the process of fiscal decentralisation and the transfer of competences increased municipal autonomy, and allowed her to make independent (though often not very popular) decisions about the management of the municipality. She also stressed that it brought more work to the municipal office. At the same time, however, she reflected only on these reforms from the perspective of the entire local government office, and not from her own position in the organisational structure. Therefore, it is not possible to confirm that her decision-making power has increased due to the decentralisation reform.

Through-out the interviews, other respondents pointed out on modern managerial practices which they use in their everyday work – either connected to the human resources management or to the application of new problem solving methods. They did not, however, connect these practices with the institutional changes or reforms of the local government system. Consequently, they did not directly connect them with their ability to influence the municipal decision-making. Instead, they just mentioned that it is important to smoothly accommodate new institutional changes (fiscal and functional decentralisation) and perform the assigned responsibilities within the boundaries of law. That is, in an as efficient and effective a way as possible. In addition, none of the interviewees reflected on the legislative amendment allowing the Mayor to appoint the CEO independently of the council's will. This situation, though, can have an explanation in the recruitment process which studied CEOs experienced. As already mentioned, one group of respondents were invited to their position due to the will of the Mayor. Conversely, the other group of respondents stayed in their position due to the will of a new Mayor. So the interviewees did not really have a possibility to experience a difference between the old and the new legislative amendment, because many of them directly faced this change. Thus, the following interview clips demonstrate the most common immediate reactions on the interview question about the impact of institutional changes on their decision-making power (the ability to influence the decision-making process):

“The municipal reforms have affected municipal decision-making but not from the point of view, that now I can make it in a different way, or that somebody else can make decisions. Now we can just make decisions in more areas, which the state transferred on us. But, nothing more has changed.” (Slovak CEO, SN°2, 2009).

Similarly,

“I think that the institutional changes did not have any impact on my decision-making power”. (Slovak CEO, SN°1°, 2009).

From these opinions, I can conclude that the current reforms in the public administration system have not changed the way the CEOs’ perceived their role and position in the local government systems, nor did they affect their ability to influence the decision-making process. Hence, these Slovak CEOs do not consider the (changing) institutional system as a power source for their overall decision-making power.

However, some respondents developed their responses a bit more and continued with emphasising on their active approach to the new changes. For example, the CEO from the central part of Slovakia stated:

“I take the reforms in the way they come. It depends on the particular person; either he or she will accommodate to those changes, or [he or she] will keep on criticizing them. And there are certain changes which you simply cannot influence. But, I am not the type who would be submissive and accept everything that is served. I am already selecting where I will concentrate my energy and where not,” (Slovak CEO, SN°1°, 2009).

Similarly, another respondent also reflected on her personal attitude towards (any kind of) changes. She mentioned that if she is not satisfied with the current situation, she is willing to take the initiative into her own hands and try to propose a new system change. This is because, as she mentioned, purely complaining without proposing any constructive solutions never helps to create a comfortable working environment.

“...if I am not comfortable with some institutional change, then I try to actively deal with it – I write to the ZMOS³⁴, to the Ministry of Interior,

³⁴ ZMOS – The Association of Towns and Cities in Slovakia

etc...but I will not sit here and conduct idle talk which will not solve anything,” (Slovak CEO, SN°5, 2009).

The presented interview clips contain a very important message. They point out on a growing awareness of the CEOs in respect of the factors of personality and expertise. They point out on the active approach to new circumstances and a willingness to critically evaluate new practices. Thus, these respondents tried to portray themselves as independent actors who know what (and how) things should be done for the well-being of the municipality. Therefore, more important than the new institutional system seems to be the CEOs' own personality and willingness to work on personal development (with the help of managerial training, which they voluntarily decided to attend). This is supported also by CEOs' additional statements where they mentioned that if their decision-making power has increased during last 10 years, it was only thanks to their informal powers. And thus, meaning increased knowledge connected with greater confidence in one's own personality. Respondents emphasised that they have a reduced fear of not being accepted, because they are able to provide better vocational arguments; they have a better overview of the current municipal situation, and they are able to dive right into the complexity of information. Moreover, they know their employees better, they know what they can expect from them, and they know how to motivate them for better performance. Plus, some interviewees also claimed that they learned which proposals have a chance to be accepted by politicians and which do not.

In summary, the new institutional system did not give more formal decision-making powers to studied Slovak city managers (even though they are requesting them). However, the system gave them a possibility to be responsible for their own personal development which some of them fully used. This in consequence, as they believe, is supposed to bring a positive impact on the management of the municipal office and the development of the community.

6.2.2 The Best among the Best

In their discourse about recent institutional changes, Finnish CEOs reflected on three main topics: a) the PARAS project; tightly connected with b) the process of

municipal amalgamations; and c) changes in the politico-administrative relations – withdrawing the CEO from the chairmanship in the Executive Board.

In the previous chapter, I mentioned that the legislative framework limits political leaders in being fully active in all strategic networking activities, therefore, they have to share these activities with other politicians (but most likely with CEOs). Such an argument, is in line with results provided by Leinonen and Juntunen (2007) or Nyholm and Haveri (2009) but it is also in line with the opinions of interviewed leading administrators. They confirmed that they were very much involved in these inter-municipal co-operations, regional development boards, upper-governmental committees, and other governance networks. This, consequently, explains why the consideration of the PARAS project and its elements, was perceived as one of the most influential reforms affecting their decision-making power, and why the general opinions about this project were almost identical with those expressed by Mayoral respondents. Interviewed CEOs acknowledged that from 30% to 60% of strategic municipal decision-making activities were moved out to the upper governmental bodies working in the multi-actor environment.

“...at 15 o’clock, I have a meeting with the board of the sheltered home foundation, which is in a situation of having financial problems. Next, there will be a meeting of the finance and planning board. That will take probably 3 hours. Tomorrow morning, there is a management group; then there’s a meeting in our regional city that is common for surrounding municipalities. Thus, we could say that 1/3 of small everyday things relate to managing the organization, 1/3 relate to municipal decision making, preparing events in the city or meetings. And, 1/3 relate to co-operative forums outside of the town, municipality, or decision-making is in the city region, in the corporations, or in different organizations.”(Finnish CEO, FN°4, 2009).

In general, such an environment requires one to perform cooperative and collective decision-making practices built on trust and confidence between actors, and it demands an appropriate usage of informal powers. This is because the formal ones are usually not clearly defined. Hence, municipal representatives from all cooperating municipalities, public and private companies and other interest groups, need to actively negotiate better conditions for fulfilling their goals and interests,

because now the “cake” (financial resources) has to be shared between many of them.

In their qualitative research, Nyholm and Haveri (2009) found out that decision-making in studied Finnish municipal networks, have a double character. The first one deals with decreasing the uncertainty coming from the potential for conflicting interests and the confusion of roles in the decision-making process. It is done by regulating (otherwise self-governed) networks, in the form of specific procedural norms and guidelines formalised in the *corporate instructions*³⁵. These regulations serve for determining “how actors should act in different situations” (ibid., p. 118), thus they shape the expected and accepted patterns of behaviour. Consequently, they provide more security for involved actors, as well as greater accountability and control over their actions. It also makes the decision-making smoother and most likely more efficient, because everybody knows what he or she is responsible for and how and if ever, his or her interests and wishes can be implemented. Such arrangements, however, might be quite rigid, authoritative, and most importantly with fewer chances to democratically influence the decision-making beyond the hierarchical structures. Authors believe that these kinds of networks have a basis in the framework of NPM, where the institutionalised hierarchic top-down approach dominates.

On the contrary, other municipal networks are based on *regular negotiation mechanisms* (ibid, 118), whereby the interests and preferences of different actors are communicated via the process of negotiations, discussions and the sharing of meanings, values and norms. These liberalised arrangements of networks are more flexible and innovative, and thus provide equal chances to all involved actors to succeed with their ideas. At the same time, however, they also create more negative feelings and mental pressures, because the results of the negotiations are often very unpredictable and often inefficient. The possibility for conflicts is much higher, the harmonisation of interests more time consuming and the actual maintenance of

³⁵ It has to be reminded that the regulation of behaviour and division of roles and work within these networks is based on specific needs of participating actors and the strength of their informal powers. It is not regulated by national legislation. This provides big flexibility in very changing environments and allows regulation of the regulations according to the current needs

networks is more difficult than if ‘clear rules of the game’ are developed. These practices thus follow the framework of Governance.

Unfortunately, data from the interview transcripts at hand, does not provide information about the character of networks within which my studied CEOs operate. I can only assume that those respondents who presented more negative attitudes towards their participation in upper-governmental co-operations, would most likely work in an environment with undefined rules and roles, and those with neutral or positive attitudes would work in more clearly defined structures. Another assumption comes from a different angle – those CEOs who demonstrated positive feelings, probably operate in networks based on negotiation mechanisms, because it can give them freedom and flexibility to use various sources of informal powers for achieving their goals. Those with negative attitudes, however, probably work in regulated networks, which causes them feelings of being normatively constrained and limited.

Building on these assumptions, the respondents can be divided into two groups:

- a) Those that can more easily handle uncertainty and benefit from their personal confidence in achieving what they want. These respondents also have a greater tendency to act as politicians, while using political power practices in hierarchy-free decision-making;
- b) Those that are able to handle the uncertainty in achieving what they want only by having support from, and protection in, the institutional system. These respondents are also more likely to demonstrate more managerial, hierarchy-based decision-making while focusing on effectiveness and efficiency.

Similarly to the case of Finnish Mayors, from the statements of CEOs it was difficult to grasp the attitudes or feelings towards these “new” networking practices and their impact on their perceptions of the decision-making power. Only one respondent explicitly mentioned that a need to use “political” negotiations outside one’s own municipality is very demanding and requires lots of additional energy. Moreover, she also expressed that the process of harmonisation of various interests and goals, with a different comprehension of added values, is not very efficient. The CEO from the middle-Southern part of Finland summarised it with following words:

“...it does take over 50% of working hours running in different networks and trying to influence people...and the money has to be made together and the money spins here and there, so you do have a huge interest in trying to influence people within these networks...Well, it’s really a lot more difficult compared to when you could decide about ‘the cake’ yourself. Because, that is, there are several different interests and you have to fight for the solutions every time, all over again...these kinds of [quarrelsome] situations come across a lot and they require an awful lot of energy. At this time, we are now on the sixth or seventh working group working on this one same issue, so you can imagine that it’s not too productive work,” (Finnish CEO, FN°5, 2009).

Other respondents declared quite neutral feelings with regard to this topic. However, from their other statements, during the interviews it was possible to grasp that they have a strong tendency to act as political leaders, while using various political practices and actions for achieving their goals. Therefore, it is most likely, that they do not feel uncomfortable in these complex and unpredictable municipal networks.

In addition to already mentioned factors causing the negative feelings towards the network governance, I would like to add one more factor. I call it “the best among the best”. Nowadays, CEOs are put in an environment where they have to fight with equal partners and thus, they have to be more competitive if they want to achieve acceptance of their preferences. The traditional local governments performing traditional decision-making processes within (and for) the assigned territory, allowed CEOs to be the actual and individualised municipal leaders. Although hierarchically in the lower position, their informal dominance over superior politicians has been always strong. What CEOs wanted was in 90% always accepted and followed. However, now, in the municipal networks they have to face equally qualified, erudite and strong competitors from different municipalities and different public or private institutions who are fully competent at fighting for their interests. With such executive opponents, the presentation of pure vocational arguments might not be sufficient anymore, because with a high probability that the others might also have strong vocational grounds for assuring the implementation of their interests. Therefore, if they have not yet developed it, current Finnish CEOs need to master the art of the political power game in addition to their technocratic expertise. Otherwise, they need to foster the institutionally based regulation of these cooperative networks.

Some respondent in addition to the networking activities reflected also on municipal amalgamations as a very important institutional reform influencing their decision-making powers. Municipal amalgamations (merges), have been on discourse in Finland already for many decades, and every year they apply to an increasing number of towns and cities. The main difference between municipal cooperation and amalgamation, is that while the former is based on a partnership between different but equal partners (with a stress on the autonomy and identity of all involved actors), the latter is built on the creation of a new municipal hierarchy with expected harmonised interests and the loss of the autonomy and identity of new member municipalities. Therefore, it is very important how the main representatives of the centre (usually bigger or economically more powerful) municipalities are able to communicate their goals and interests while searching for common ground with the joining peripheral (usually smaller or economically less powerful) municipalities. Alternatively, it is very crucial how the peripheral municipalities are able to assure the acceptance of their preferences and how they deal with the newly created submissive position.

Among the studied CEOs, there was one, whose municipality was the central one of the area. The respondent tried to emphasise that before the process of amalgamation with any new municipality can start, a long-time of preparations, discussions, sharing of opinions and points of view with new companions building is required. As well as in the relationship with political leaders, the successful process of trust-building is a very essential power source forming the overall decision-making power of Finnish CEOs. The interviewee from the Eastern part of Finland expressed it accordingly:

“...The merge does not succeed unless there is trust. And trust must be built over a long time, in order that the smaller part is ready for the merging. But one has to actively participate in building this trust; so for instance, I have been walking in the forest with a few politicians, with civil servants [from other municipality], so that the personal knowledge grows. So that one can be sure that our businesses are being taken care of, also after the merging,” (Finnish CEO. FN, 2009)

Another aspect of municipal amalgamations is connected to the rapid growth of the governed territory, and a rapid growth of various interests within that new area. In

the inter-municipal co-operations, each municipality, headed by its representatives, acts as an independent entity fighting for its own local interests, seeking for its own 'share of the cake'. But, in the new merged municipalities decision-makers are expected to create an environment which would act as one homogeneous body, accepting (or at least dealing with) the interests of the new territories as if they were their own interests. Therefore, the relations between all involved actors, as already expressed in the above interview transcript, needs to be built on trust and confidence, as well as on profound comprehension, empathy and the identification of oneself with the point of view of the others.

6.2.3 Traditions vs. Innovations

The following description of the opinions about the impact of changes on their perceived decision-making power stands on the previously mentioned distinction of the Spanish administrative respondents. In the first part, I will present the opinions of the General Secretaries and latter opinions of CEOs. These two groups provide an interesting contrast between the traditional administrative or legalistic approach and the new managerial approach to governmental changes. While General Secretaries represent the former group, the CEOs represent the latter group of respondents.

6.2.3.1 *General Secretaries*

According to the above described institutional analysis, I was expecting that General Secretaries would not provide very positive replies in connection to the formal changes of their decision-making power. Interviewed respondents partly confirmed these expectations. Some respondents perceived these changes very sensitively and expressed quite negative feelings towards them, while others kept quite a neutral viewpoint and even claimed that they did not observe any changes. The most emotional opinion was provided by one respondent from the Northern West part of Spain:

“My decision-making power has decreased. Because, mine and the Treasures’ competences are bad. And, if I were to express my own honest opinions, I am very disappointed in this position which I am now in. And I do mean it from the first day I came to this position until now

[...] the corruption in Spain has reduced competences belonging to the state functionaries [...] so our position has decreased a lot. And where they took from us, they added to the Mayor,” (Spanish General Secretary, EN^o1, 2009).

It is evident that dissatisfaction with the current system is connected to the loss of control over the running of the municipality. Although, Secretaries are still responsible for keeping an eye on the correct implementations of decisions, their influence of the character of those decisions is much smaller. Interestingly, this interviewee connected the loss of competences, and “modernisation” of the local governments via increasing powers of municipal executives with corruption in municipalities. Unfortunately, the interviewee did not elaborate this topic in detail. Thus, I can only guess that he tried to point out on a number of corruption affairs which overflowed Spanish public administration in recent years and potential of even more corruption affairs, which new presidential model with centralised powers in Mayor’s hands might bring. Because, as Lord Acton (one of Britain’s great historical academics), said some 125 years ago, “power tends to corrupt, and absolute power corrupts absolutely.” In addition, since the current system striped away the traditional control mechanisms – accumulated into the position of powerful General Secretaries – there is a greater chance that corruption can seep into municipal organizations. Thus, where scholars following the neo-liberal theory, see this empowerment of executive Mayors as the most optimal way for assuring a more efficient decision making and consequent service delivery, this General Secretary, together with opponents of neo-liberalism, see it as a source of corruption. Nevertheless, in his later statements, this respondent also acknowledged that the good thing about this new system, is a changing decision-making practice, which fastens the process of problem solving. In addition, the municipal decisions seem to follow modern trends, which is beneficial for citizens.

The responses of other interviewed General Secretaries were quite neutral. Some of them admitted an existence of new institutional arrangements but their own decision-making power (ability to influence) seems not to be affected by them. One General Secretary from the Northern part of Spain summarises these opinions by saying the following:

“My formal decision-making power has not changed. All the competences – to inform about the legitimacy of political decisions,

remained the same. I do not think that something would have changed... because these competences are regulated by the state legislation, and that one is not changing very fast,” (Spanish General Secretary, EN°8, 2009).

6.2.3.2 *Gerentes*

Interviewed CEOs expressed diametrically different attitudes towards the new institutional system. All of them admitted that their decision-making power has increased. However, it is important to point out some distinctions between these respondents. Some of the respondents were in their position only for the first electoral period, thus their evaluation of the impact of some of the changes was limited only to the last 3 years, which – as the institutional analysis showed – did not bring significant modifications. Others, however, have been in their positions for an increased number of years and so, they could better reflect on recent changes in the municipal administration system, from the perspective of their decision-making power.

Not surprisingly, the ‘new’ CEOs stated that from the first day in office up until now, their decision-making power has increased, mainly due to the fact that they obtained new responsibilities, new tasks, and new decision-making areas. All of these things were supported by the Mayor’s trust in their work and a reliance on their innovative approaches to the management of the municipal office. And, of course, the increase of personal power, such as experience and knowledge, cannot be ignored. The CEO from the Northern part of Spain stated:

“Decision-making power has increased, due to the amount of work which I have to do every day, and of course, also due to gained experiences and knowledge,” (Spanish CEO, EN°10, 2009).

Alternatively, the CEO from the Eastern part of Spain stated:

“Of course my decision-making power has increased...at the beginning, my decision-making was a bit prudent, because I did not have enough knowledge about the people who work here...but, with the time, you know the organization much better, so you can start making more executive decisions and also you are becoming more recognized by the municipal administrators,” (Spanish CEO, EN°7, 2009).

Since, one of the main reasons for establishing the position of CEO was to bring new managerial practices to the municipal administration, I was interested to know what kind of impact these practices had on respondents' decision-making power. At first, the interview question was focused on practices related to the actual provision/delivery of public services, i.e., privatisation, outsourcing and PPP projects. One interviewee stated that in his municipality, these practices have not yet been established but it is in his agenda to start implementing them. However, first he needs to change the organisational culture and increase the civil servants' productivity and commitment to work. Because, as he critically commented, people are the most crucial elements in the process of transformation, and without changing their way of thinking, it is not possible to apply new methods of service delivery (Spanish CEO, EN°7, 2009). At the end, he confirmed that he is very satisfied with his current power position, with the assigned tasks and responsibilities, because it allows him to transform this organisational culture in a modern way.

In another municipality, the new practices of service delivery were already in the process of implementation. The head of the administrative office expressed his experiences accordingly:

“The implementation of new managerial practices – outsourcing, PP projects, or privatization – all affected my decision-making powers. Because, the ideas of the private sector are incorporated into all the projects we are preparing together. This means topics like productivity, ‘the added value’, diversified work in respect to citizens, etc...but very crucial, is that we have public control over these public services; we only try to apply new and efficient managerial methods from the private sector. But it is important for us, that we do the decision-making in-house” (Spanish CEO, EN°5, 2009).

In this opinion, the change in the decision-making power is perceived from the perspective of having the right content for proposed decisions. Thus, the CEO reflected on his own ability to propose these kinds of solutions and methods for managing the municipality and its services, which would assure a better performance of the municipality.

7. Main Comparative Conclusions

The purpose of this dissertation thesis was to find out how municipal political and administrative leaders in three different European countries (one from each geographical group) perceive their own decision-making power and how they think it has changed due to the impact of different institutional factors. Especially, the recent local government reform directions of NPM and Governance.

In order to answer this question, I used two analytical approaches. In the first approach, I performed a comparative content analysis of secondary data describing the 10 years of development of the institutional systems in case countries. I focused on central-local (vertical), and intragovernmental (horizontal) relations and local government reforms changing the formal position and role of local leaders. This analysis allowed me to determine a development of current formal power sources, as well as the formal positions and roles belonging to Mayors and CEOs in studied countries.

In the second phase, in order to determine also the informal power sources and personal attitudes towards the implementation of institutional changes, I applied the realistic approach to the interview data (Silverman 2005). In this way I analysed sixty face-to-face interviews with Slovak, Spanish and Finnish Mayors and CEOs. The spectrum of informal power sources is almost infinite – in different contexts different factors can be interpreted as power sources (Hardy & Clegg, 1996). Therefore, I decided to focus only on Mayors' and CEOs' attitudes towards exercising collective or autocratic decision-making styles and I also tried to detect which factors determine these attitudes. For gathering the knowledge about the actual impact of local government reforms on Mayors' and CEOs' perceived decision-making power, I analysed the interview data with a focus on actors' attitudes towards these local government reforms.

All these analyses led me to the following set of conclusions.

7.1 Changing Institutional Context

- By year 2009 the Slovak local self-governments experienced a strong legal transformation and obtained various formal features typical for municipalities in the Northern-Central European group of countries. However, the big territorial fragmentation and historical legacy still keeps the Slovak municipalities somewhere in between the role of interest-defenders and service-providers. At the same time, initially quite strong Mayoral position within the strong-mayor form of government has been further empowered, giving Mayors new executive functions and bigger control over the municipal administration. In contrast, the functions of CEOs have not been dramatically changed, only the relationship between Mayors and CEOs has become formally tighter. Therefore, the new institutional arrangements provide assurance of smoother cooperation between political and administrative leaders, and consequently smoother structures for implementing political decisions. It also allows a possibility to exhibit a model of politico-administrative dichotomy.
- The Spanish small and medium-size municipalities (SMM) have not experienced radical institutional changes in the last decade. This preserves them the role of interest-defenders within the Franco group. Despite of managing relatively few public duties within the strong-mayor form of government, the originally strong Mayoral position has been further empowered. Mayors obtained additional executive competences allowing them to be less dependent on the municipal council. On the other hand, the formal position of General Secretaries – considered as the highest municipal administrative officers appointed by the central government – has been weakened. This provided room for creating a new managerial position – CEO (*Gerente*) – appointed by the Mayor. With *Gerentes*, there is a strong predisposition for applying new managerial practices and smoothening implementation of political decisions in a faster and more efficient way, whilst following the slogan ‘let managers manage and politicians do politics’. In municipalities without this position, the traditional influence of politicians in the administrative field remained very strong.

- Between 1999 and 2009, the Finnish local governments have experienced a series of reforms which strengthened their roles of welfare-service-providers within the Northern-Central European countries. In contrast to their Southern European colleagues, these reforms strongly focused on enforcing the platform for network governance practices, since the aspect of managerialism was already on the agenda in the 90s. The legislative amendments intended to fasten political leadership within the council-manager form of government. However, this amendment has not been applied by many municipalities. Instead, the position of appointed leading municipal managers (CEO) remained very strong both in the administrative as well as political field. Thus, even if the legislative intentions created possibilities for applying increased political influence in municipal decision making, the practice prefers the persistence of traditional politico-administrative relations with a strong influence of managerial knowledge in the political arena.

The institutional analysis demonstrated that in the year 2009, the Spanish, Slovak, and Finnish local political and administrative leaders still operated in very distinct institutional systems, which provided them with distinct, formal decisions-making powers. Although, it is important to point out, that the local government reforms led by New Public Management and Governance development trends fulfilled their main goals. They legitimatised all three institutional frameworks for having formally more powerful managers and more powerful executive politicians. This means that Mayors' and CEOs' formal decision-making powers were increased, and their "say" in the municipal decision-making was given a greater relevance.

Before immersing myself in the opinions of studied local leaders (on the actual impact of these reforms on their 'real' decision-making power), at first, I shed light on the first part of the research question – the perception of decision-making power among these local leaders. This analysis led me to the second set of conclusions.

7.2 Differences and Similarities in Perceptions of DMP

In line with the contingency approach and the theory of sociological institutionalism, the first analysis showed that Slovak, Spanish and Finnish Mayors and CEOs perceived decision-making power from the positional (functional), personal ability, and process point of view. Thus, respondents reflected on all the elements forming the definition of decision-making power, but the importance of one or another element is rather country-specific and position-specific. These differences have roots in a) particular local government form within which studied respondents operate, b) general cultural values inherited by a particular society, c) as well as inter-personal relations between Mayors and CEOs (relevant mainly for CEOs). In particular it means that:

- Interviewed Slovak Mayors and some Spanish Mayors see decision-making power from the perspective of formal powers (yielding from the position in the hierarchy) allowing the power-holder to make decisions alone. Thus, for having a “say” in the decision-making process, the formal powers seem to be very important and useful.
- Finnish Mayors and some Spanish Mayors see decision-making power from the perspective of informal powers (personality) which help the power-holder to participate successfully in the collective decision-making process. Thus, for having a “say” in the decision-making process, the formal powers do not seem to be important or necessary.
- Studied CEOs see decision-making power both from the perspective of formal and informal powers. Differences between countries were not so significant. So, regardless of the country of origin, some CEOs believe that in order to have a relevant “say” in the municipal decision-making, it is important to have formal powers. Others however, believe that informal powers can be sufficient for getting things done the way they think best.
- A few respondents from some studied municipalities (regardless of the country of origin or position in the hierarchy) see decision-making power also from the process point of view. They reflected on the decision-making process, the “dynamic” part of the decision-making power definition.

This general understanding of decision-making power is connected also to the intrinsic feelings related to possessing DMP. For the majority of Slovak and Spanish Mayors, the DMP means responsibility. The main difference, however, is that while for the Slovak Mayors this responsibility connects with a feeling of burden, in the Spanish case, it connects with a feeling of pride or honour. The Finnish Mayors almost never connected the understanding of DMP with the aspect of ‘holding the responsibility’; rather they attached it with their own personal aspirations and a willingness to make a change.

The Mayors’ focus on formal, informal (or both) power sources when talking about DMP was also possible to connect with mayoral leadership types as defined by Heinelt and Hlepas (2006). Those Mayors which give a greater significance to formal power sources, yielding from their position in the hierarchy, have many characteristics in common with **executive leaders**. Several Slovak and some Spanish Mayors belong to this group. Those Mayors paying more attention to informal power sources rising from personal characteristics, have many characteristics in common with **political leaders**. All Finnish, many Spanish and few Slovak Mayors belong to this group.

In the case of the CEOs, the personal feelings in regard to the possession of DMP, are highly related to the intensity of Mayors’ control over and intervention in the administrative tasks, and to the CEOs’ interest and ability in being part of a political decision-making process. Those CEOs, working with Mayors who have full control over the administrative task – *executive Mayors*, usually claimed that they have little or no DMP. Some Slovak CEOs and all Spanish General Secretaries belong to this group. Those CEOs, who perceived that Mayors delegated them freedom to perform executive functions – *political Mayors*, were able to reflect on feelings related to possessing DMP. The most independent in this respect were Finnish CEOs, then Spanish *Gerentes*, and finally some Slovak CEOs. The feeling of responsibility over made decisions appeared among all these respondents. But in most of the cases, having DMP, and having a possibility to decide about the run of the municipality, was perceived as an important value added to their everyday work.

Common sense tells us, that if somebody makes (strategic) decisions, he or she should know how those decisions can be implemented. The very complex

environment structuring the current local governments do not allow leading politicians to grasp all the technical information, knowledge and experiences for managing the medium-size municipality alone. The CEOs are usually hired for complementing these missing parts. Besides, if they are given freedom in deciding “how” to implement political (strategic) decisions, they should be able to influence “which” decisions can be implemented, because they should know which decision alternatives are the most feasible. The interview data analysis showed that the Finnish CEOs consider themselves as very influential actors shaping the character of political (strategic) decisions. Then the Spanish *Gerentes* follow, and finally only few Slovak CEOs feel that they have an influence in shaping political decisions.

By following Mouritzen and Svava’s matrix of interaction between politicians and administrators (Scheme 3), this combination of Mayors’ control and CEOs’ administrative independence and influence in political decisions yields the following results. The studied Finnish CEOs work in the environment of **bureaucratic autonomy**, where Mayors have almost zero control over their administrative functions, and CEOs have high independence in performing their duties, allowing them to be active also in the political arena. The studied Spanish *Gerentes* work in a more complementary environment, where Mayors have a relatively high control over administrative functions but CEOs still have the independence in performing their duties and influencing the political decision-making process. Therefore, they could belong to the group of **interdependent managers**. Paradoxically, the studied Spanish General Secretaries, due to their specific job description, work as independent agents. The Slovak CEOs represent the most heterogeneous group. I was able to distinguish three groups of respondents: **professional agents**, **interdependent CEOs** and **political agents** (or classical administrators). All interviewed Slovak CEOs thus seem to work in the environment of politico-administrative complementarity, with a difference in how much the Mayor is willing to delegate to the CEOs. Also, there is a difference in how much the CEOs are willing to be part of the political decision-making process.

These miscellaneous circumstances within which CEOs operate, and opinions about having or not having DMP, or being dependent or independent on Mayors’ control

and interventions, explain why their definitions of DMP did not show clear country-specific lines.

7.2.1 Decision-Making Styles

Giving importance to the exercise of formal, informal or both power sources during the collective decision-making process is highly connected with a decision-making style performed by studied actors. In particular, the preference in concentrating or sharing formal power sources during this process is the key aspect herein. By following the Getimis and Hlepas model of local leadership (2006), the analysed data allowed me to conclude that the executive Mayors can be characterised as **authoritative leaders**. The political Mayors, on the other hand, can be characterised as **cooperative leaders**. The majority of the Slovak elected officials and some of the Spanish ones belong to the first group, whilst the majority of the Finnish elected officials and some Spanish ones belong to the second group. While in the Slovak and Finnish case, the determined decision-making style is performed mainly from the institutionally-driven compulsion, in the Spanish case, the style can be chosen based on personal choice.

In the case of CEOs, the Finnish autonomous bureaucrats and Spanish interdependent managers portrayed themselves as quite **authoritative leaders** towards municipal employees. This corresponds with applying rational decision-making in a hierarchical bureaucratic organisation. In the Slovak case, many CEOs emphasised the application of a cooperative, or more specifically, participative style of decision-making. However, especially among the Slovak professional agents and interdependent agents, the “I do” or “I want” sentences were quite common in their responses. Therefore, it is better to call this style pseudo-participative decision-making.

Towards politicians, all CEOs applied only a collective decision-making style. The slight differences are in the extent to which CEOs could influence these decisions, or influence how easily their proposals were accepted. The Finnish studied CEOs perceived themselves to be very successful in convincing politicians, and then the Spanish Gerentes followed. But, the studied Slovak CEOs (also the professional

agents) perceived themselves to have more challenging circumstances for convincing the politicians with their ideas. The Slovak political agents and Spanish independent agents (General Secretaries) claimed not to have any DMP; therefore from the obtained data I was not able to describe their decision-making styles at all.

7.2.2 Institutional Interpretations

The first set of interpretations derives from the analysis of the intragovernmental relations in general and power distribution in particular. The Slovak and Spanish Mayors come from the strong-mayor form of government which provides centralised decision-making power, thus allowing them to make decisions alone; hence, the exercise of autocratic leadership is a common thing. However, the strong position of Spanish Executive Board members indirectly forces Mayors to delegate and share many formal powers with these board members. This is why, in their definition of DMP, some Spanish Mayoral respondents reflected also on the importance of using informal (personal) powers during the collective decision-making process. Even though the Executive Boards exist also in the Slovak local governments, my investigation showed that the relationship between the Mayor and EB is not very strong (and not compulsory). Thus, the sharing of powers between Mayor and EB members is less likely. In the Finnish council-manager form of government, Mayors do not have formal powers for making any decisions alone. Hence, during the municipal decision-making process they can rely only on the usage of informal / personal powers as was revealed also in their responses.

In the case of CEOs, the interpretation of giving equal importance to both the formal and informal power sources in their definitions of DMP is quite evident. It comes from CEOs' double position (sub-ordinate and superior) in the organisational structure. Looking at their subordinate position to politicians, the lack of formal powers needs to be compensated by proper usage of informal powers, if one wants to succeed with one's proposals in the collective decision-making process (Svara, 2003). Alternatively, looking at their superior position towards municipal employees, the usage of formal authority is in the bureaucratic hierarchical organisation, often unavoidable.

The heterogeneity in their perceptions of holding or not holding decision-making powers, and how big or small their influence is in the political decisions, is caused also by loosely defined institutional framework shaping the formal powers belonging to CEOs. In all countries, these CEOs' formal functions usually differ from one municipality to another, depending on the political leaders' eagerness to keep, or skilfulness to performing executive functions on their own.

7.2.3 Cultural Interpretations

The presented results also clearly support findings obtained by cultural studies treating the impact of culture on the power relations in the organisations (Hofstede, 2001; Mouritzen & Svara, 2002; Sagie & Aycan, 2003; Hofstede, Hofstede, & Minkov, 2010). According to the historical tradition and cultural predisposition described by Hofstede (2010), Slovakia belongs to the group of countries with an extreme power distance index, medium uncertainty avoidance, and medium individualism. This combination of cultural values determines that the hierarchical structure has a strong impact on the interpersonal relations. A person higher up in the hierarchy is very often highly respected and his or her authority is 'taken as a given'. Subordinates expect and accept that the superior makes decisions even without others participating in the decision-making process. This perception of a strict distribution of power is also associated with features describing the authoritarian decision-making style or the exercise of power. In addition, the uncertainty in making decisions is usually eliminated by a larger number of laws and rules. For this reason, it is apparent why Slovak Mayors perceived the concept of decision-making power as a set of formal competences referring to the legitimate or positional authority, which they can use for making decisions alone. Thus, these Mayors replied not only according to the norms and rules shaped by the institutional system, but also according to the traditional societal expectations embedded in the societal values. In other words, the transformation of the institutional system at the end of the 90s – with keeping a strong individual leader with precisely defined tasks and responsibilities – seemed to follow the traditional cultural "mental program" (Hofstede, 2001; Hofstede, Hofstede, & Minkov, 2010). Despite of this, this transformation also brought some new elements which were not so common in the

previous administrative system: especially democratically assured plurality of interests, which was supposed to rub down the authoritative leadership into a more cooperative form. Such attitudes, however, have not yet been all that strongly expressed in the Mayors' definitions of DMP.

Some Slovak CEOs' definitions could also fit into this cultural framework. However, other perceptions of DMP already contain aspects which somehow diverge from these cultural predispositions. The CEOs' expert knowledge and seniority (in terms of experiences), does not allow them to be simply blind followers of political orders. This expertise gave them new tools (informal powers) which, in order to assure efficient and effective performance, they have to use, even if it might create conflicts with their political leaders. And, as some interviewees revealed, such conflicts seem to be already quite common. In addition, due to the impact of the inherited needs for strong institutional support, these CEOs requested better legal protection for fulfilling their tasks in their currently relatively loosely defined role.

In Hofstede's cultural indicators, Finland appeared on the opposite pole of the power distance index, while the other two indexes showed values which were relatively similar. Living in a society which exhibits a low power distance, means that the distance between different hierarchical levels is very low, thus people seem to be equal and collective leadership (i.e., democratic or facilitative) is often conducted. This is emphasised also with the medium individualism values. Therefore, in the Finnish context, more important than the hierarchical or positional power, is the aspect of equality³⁶. By this aspect, I mean a situation where everybody has the same chances and rights to express opinions and at the same time influence the decision-making process in a participative way, and where everybody is also responsible for his or her own actions. Leader's knowledge, societal skills and experiences are respected more than the position in the hierarchy. Thus, this factor could be one of the reasons why the Finnish political respondents perceived decision-making power from the point of view of their personal skills and abilities

³⁶ The need for equality between decision-makers could also explain why until now only two out of 336 municipalities applied the European Mayor-model with more centralized powers in the individual leader.

needed for influencing others. The same interpretation could also be applied to the CEOs' statements. Though, with one very important distinction: in their definitions, Finnish CEOs did not reflect on the collective process of decision-making but rather they pointed out on their individual informal powers which they have and which serve them for making decisions according to their (personal) desires.

Finally, Spain belongs to the group of countries with a medium power distance index, high uncertainty avoidance and medium individualism. It means that in this group, one can find a mixture of both poles: subordinates might respect the person higher in the hierarchy but at the same time, they have a chance to be involved in the decision-making process. Yet, the leader always has a legal possibility for making decisions alone. Therefore, depending on the situation, the leader can choose whether to enact an authoritative decision-making style or a cooperative decision-making style. All but one Spanish Mayor, perceived the concept of decision-making power according to the description of the higher power index group. However, in their further elaborations, studied Mayors acknowledged that cooperative or participative decision making is a very common practice and that facilitative leadership is preferred at the expense of the authoritarian one. The definitions of the Spanish CEOs as well as General Secretaries clearly fit into this cultural framework. Spanish CEOs were trying to make collective decision-making smoother and with assuring decisions satisfactory for everybody, while the General Secretaries just seemed to follow political requests.

7.3 The Character of Decision-Making Power

Based on all of the gathered information, I am able to define a character of decision-making power, which interviewed political and administrative leaders perceived themselves to use. In the theoretical framework (Chapter 2.4.2), I discussed a possibility to have four decision-making power types based on a combination of the amount of formal powers and decision-making styles used during the decision-making process. From this theoretical consideration, I yielded that decision-makers can hold either absolute, facilitative, expert, or ceremonial decision-making power.

These decision-making power types are integrated into the decision-making power matrix (Scheme 7).

Obtained empirical qualitative data leads me to the conclusion that the character of decision-making power of studied Slovak Mayors can have a double character. Those **executive Mayors**, who are strongly involved in the executive and administrative activities, are keen to use new managerial practices in governing the municipal services, and are able to enforce their proposals based on strong technical argumentation, operate with *absolute decision-making power*. Those “political” Mayors, who perform collective participative decision making, sometimes delegate administrative functions to CEOs, but keep political tasks in their own hands, operate with *facilitative decision-making power*.

The decision-making power of studied Slovak CEOs – especially those working with “executive” Mayors –, has the character of *expert decision-making power*. Even if they have to share formal (administrative) powers with Mayors, these CEOs presented themselves as strong expert leaders, who are willing and able to use their expert knowledge (influenced by the use of NPM practices) towards managing civil servants. Furthermore, they are also willing and able to use their expert knowledge towards shaping political decisions. Paradoxically, those CEOs working with “political” Mayors, presented a more reserved decision-making style in political decisions. They rather portrayed themselves as simple followers of orders, without expressing any notion that they might, at times, question their political masters. For this reason, the most appropriate terminology in this case, is to define their decision-making power type (used towards politicians) as *ceremonial*.

In Finland, the decision-making power of studied Mayors can also be characterised as *ceremonial*. The institutional system does not provide significant formal authority, nor does it help to gain strong expert power which other municipal actors would not be able to gain as well. This forces Mayors to perform cooperative decision making, as they expressed in their statements. Nevertheless, in order to achieve successful acceptance of their proposals, Finnish Mayors have to be more skilful negotiators than their Southern European colleagues. The elements of authoritative decision making might appear, but in a more subtle way. This authoritative decision-making can yield from the effects of a “groupthink”, when

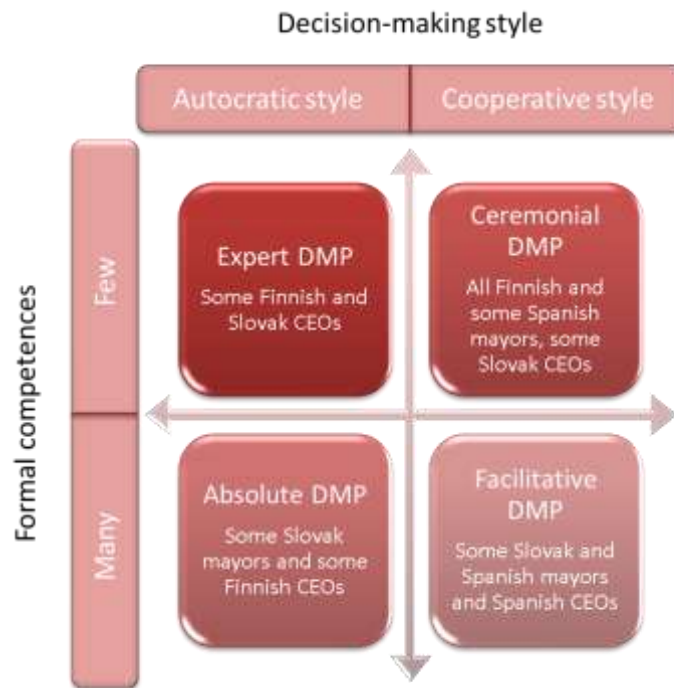
certain decisions are based on the suggestions of the most influential person, while others, in order not to create conflict, “obediently” accept the proposal. This behaviour, however, was not possible to observe only by conducting the interviews with Mayors. This finding is just my deduction built on the analysis of obtained data.

Without going into great elaboration, the decision-making power of studied Finnish CEOs has the character of *expert or even absolute decision-making power* (depending on how many executive powers have been internally delegated on them). Studied Finnish CEOs demonstrated that they are strong independent leaders with strong expertise in their job. They also demonstrated that they have the ability and willingness to use that expert power, which is in contrast to their political colleagues.

In Spain, the decision-making power of studied Mayors seems to be distributed between absolute, facilitative and ceremonial decision-making power. The institutional system provides many formal competences (from the political as well as executive arena) and it is only up to the Mayor to decide to which of the defined positions he or she puts himself/herself. From among the studied Mayors, the most frequent types were, however, Mayors with *facilitative and ceremonial decision-making* powers, depending on their interest and personal capacity to be involved in the executive functions.

The Spanish *Gerentes* seem to be the best example of the holders of *facilitative decision-making power*. The Mayors delegate to them a relatively significant number of formal competences for running the municipal office in the spirit of NPM, but due to the expectation of coordinating activities between the political and administrative fields they have to exercise a relatively strong cooperative decision-making style. On the other hand, General Secretaries do not have formal competences for making decisions; neither did they express willingness to take part in municipal decisions. Therefore, it was not possible to define their decision-making style, and consequently the type of DMP within the Decision-Making Power Matrix.

Scheme 7: Types of Decision-making Powers of Studied Mayors and CEOs displayed in the Decision-Making Power Matrix



7.4 Decision-Making Power Types and Development Trends

Obtained data shows that the institutional changes and consequent usage of practices within the New Public Management developmental trend, further formally increased the Absolute DMP of some studied Slovak Mayors. It also, informally increased the Facilitative and Expert decision-making power of studied Spanish and Slovak CEOs. In both cases, respondents exhibited relatively positive attitudes towards these institutional changes. This is because the possession of formal powers is crucial for many Slovak and Spanish respondents.

Those Slovak Mayors who indicated to possess Facilitative DMP, perceived themselves to be less influenced by changes in the institutional structures related to the NPM and thus, their attitudes were quite neutral. For these Mayors, the political system within which they operate, is also more important. The Spanish Mayors with perceived Facilitative DMP, intensively perceived changes related to the increase of their formal executive powers. The Spanish Mayors with perceived Ceremonial

DMP, were more eager to follow the trend of NPM, especially by creating the position of professional city manager (*Gerentes*). According to the obtained data, the perceived Ceremonial DMP of studied Finnish Mayors has not been radically changed due to the implementation of Governance practices, since the formal powers have not increased and a need for cooperative decision-making was simply strengthened. Nevertheless, the bigger focus on governance practices puts Finnish Mayors outside the comfort zone of their own municipality.

In the case of the Finnish CEOs, the implementation of Governance practices places an expectation on them to use more cooperative practices. Therefore, although when within the local government a CEO might be using Absolute or Expert DMP, when networking outside the town-hall, Facilitative DMP is more likely. This is because it is not enough to be the best in one's own municipality, nowadays it is more important to be able to **cooperate** on the same hierarchical level with other "the best" CEOs from other municipalities.

Other respondents holding the Ceremonial DMP, did not connect the potential increment of their DMP to the institutional changes affected by NPM or Governance practices. I need to emphasise that even if I have not discovered that decision-making power of some Slovak and Spanish Mayors' was not influenced by Governance practices, or that decision-making power of some Finnish Mayors and CEOs was not affected by NPM practices, it does not mean that these actors do not perform these activities. It only means that at the time of the interview, these respondents did not find those developmental trends as important factors influencing their ability to be successful in the strategic collective municipal decision-making process.

7.5 Implications for Policy and Practice

Throughout several decades, scholars of political, sociological, economical, and organisational studies have been searching for appropriate solutions to assure the efficient and effective delivery of public services within democratic local government systems. In this regard, some of these theoretical suggestions have been to apply generic managerial practices derived from the theoretical framework of

New Public Management, invite private and third sectors actors to cooperative activities and assure the accountability of made public decisions to the citizenry. These suggestions were transformed into a series of public administration reforms in general and local government reforms in particular, and affected municipalities all around the Europe. As a result of these reforms, it was expected that leading civil servants would gain more competencies for managing public services in a more efficient and effective way. It was also expected, that leading politicians would gain a more important role in networking and consequently blending together different public, private, and third sector actors interested in solving public problems. In other words, the decision-making power of leading civil servants was supposed to increase due to their expert knowledge in modern management of public duties, and the decision-making power of leading politicians was also supposed to increase due to their active involvement in governance practices.

Comparative research in the field of local government, as discussed in the literature review, demonstrated that the initial stage of European local government systems was very diverse before the application of current reforms. By using a bit of a simplistic view point, countries in the Northern part of Europe have always been considered as services providers (John, 2001; Stoker, 2011) with a strong position and role of leading civil servants. Thus, it can be assumed that in these countries, the current public administration reforms would focus more on increasing the role of politicians in order to assure higher public accountability. These countries in the Southern part of Europe, have always been considered as identity-defenders (John, 2001; Stoker 2011), with strong emphasis placed on the role of political leaders. Thus, it can be assumed that the current reforms would focus more on increasing the role of civil servants in order to assure a better provision of public services. It should be noted, also, that countries in the middle zone benefit from a particular combination of both systems. Thus, it can be assumed that the current reforms would focus on either the empowerment of politicians or civil servants, or even both actors, depending on the nuances of a particular system.

My dissertation project confirmed that from the institutional point of view, these expectations have been, during the last 10 years, fulfilled in all three studied countries. Nevertheless, not all the studied local representatives completely

personalised with those changes positively, since it partly violated their intrinsic values.

For this reason, one of the first implications from this study (which is already quite commonly known, but less commonly practiced), is that before the implementation of new structural reforms and the application of new administrative practices, a very careful consideration needs to be done of the cultural values acknowledged in the society. This is because only a profound knowledge of the values shaping the superior-subordinate relationship, attitudes towards certainty or uncertainty about the future, or attitudes towards individualism and collectivism, can help to illuminate the potential impacts of such reforms in real life. In practice, it means what a number of recent comparative studies also showed (e.g. Asaduzzaman, 2008). Essentially, that not everything that works in, for example, a high uncertainty avoidance country can be applicable in a low uncertainty avoidance country and vice versa. The frustration of some Slovak CEOs working in currently deregulated institutional systems shaping the Mayor-CEO relationship, is a good example of this. While this loose Mayor-CEO relationship is perceived as very beneficial and productive in the Finnish and new Spanish organisational structure, it is perceived quite negatively in the Slovak context. This is because, the lack of trust in Slovak society creates a demand for strong institutional protection. If this is not assured, people might start to feel insecure and hostile.

With regard to the mentioned, to change institutional structures or practices, only because those who share different cultural values perceive such structures as not being appropriate, or good enough, is a harsh thing. The resistance of Finnish officials to the application of the strong political Mayor model in local governments, keeping shared leadership and acknowledging a strong position of non-elected civil servant, even if it is internationally criticised, is a good example of this implication. It is not in 'Finnish nature' to have one strong, autocratic leader. Finnish society is full of strong individuals who are aware of their skills, qualities, and duties. They are used to following rules, but rules which are institutionalised and equal for everybody. The strong Mayor model creates inequality – by emphasising one person, while the others have to just follow. The Finnish mentality does not allow "the others" to accept such a system, since it hinders any feeling of involvement or cooperation in the decision-making process. If this participation in the decision-

making process is not ensured, distrust can emerge. On this note, this is something which this highly trust-based society would hardly like to achieve.

Finally, despite of the still ongoing discussion about keeping the local governmental organisations in a strict politico-administrative dichotomy, this study provides another empirical example (others can be seen in the studies of Mouritzen and Svava, 2002; Alba and Navarro; 2006), that pure politico-administrative dichotomy is a myth, which in practical life is not possible to achieve. Politicians and administrators cannot work in two separate worlds, without sharing knowledge of strategies, political interests and technical practices, which assure the implementation of these strategies. Creating ‘walls’ between councillors and civil servants, by not allowing communication between these two crews (as was recently established in one Slovak municipality) is hardly likely to produce positive results. Instead it may lead only to the emergence of animosity, due to a lack of information and a lack of awareness of different interests. If local governments wish to work as successful organisations fulfilling the needs of their citizens, they should rather each focus on finding the means for working as a homogeneous body with a transparent and hierarchical information flow and be motivated to produce good for the society.

7.6 Limitations of the Study

The comparative aspect of this qualitative research project caused a number of challenges, previously mentioned in the methodological chapter. At this point is it important to point out that, one of the objectives of the qualitative research is to give respondents freedom in expressing their opinions about studied phenomena. I tried to follow this suggestion quite conscientiously, although I did keep the interview questions in the standardised form. However, during the interview analysis, I encountered that this freedom was perhaps too great. Especially, the interview question related to the impact of public administration reforms on respondents DMP could have been more specific and more direct in order to provide better, more consistent comparative material.

In addition, the number of interview questions could have been reduced – or at least not have dealt with so many different aspects or factors of decision-making power at

once. I believe that the current set of questions is valuable and relevant for gathering data about changing DMP in one country. Also it is valuable and relevant among for gathering data among a more homogeneous group of respondents. However, for comparative purposes in different countries (and among different research objects) it brought about a lot of confusion. Also, the diversity of the interview questions led me to omit deeper analysis of some answers on some of the questions due to a lack of time and cognitive limitations. On a positive note, however, data which has not been used in this dissertation thesis could be used for further academic research about this topic.

For increasing the depth and richness of obtained data – especially related to the politico-administrative relations, I could have stayed in one municipality for a longer time and I could also have benefitted from personal observations of the Mayor-CEO relationship. This could also, at least partly, cover the conceptual gap between what is the respondents' perception and what is the “reality” of their thoughts.

One of the limitations of the Decision-Making Power Matrix, is its focus only on the legislatively set amount of formal functions, without profound consideration of their actual impact or value in the municipal decision-making process. This could provide misleading perceptions of the real or actual influence of studied actors in municipal decision-making. However, I tried to triangulate this bias by analysing the personal perceptions about the actual influence in the municipal decision-making process.

The institutional analysis with a focus on the public administration reforms between years 1999 and 2009, does not provide all the legislative amendments, which could have influenced the formal position and role of political and administrative leaders in studied countries. In spite of this, the relevancy of presented reforms is supported also by the empirical data gathered from the interviews. Thus, I believe that any major public administrative reforms dealing with the central-local or intragovernmental relations were missed out.

One limitation may be that the study was conducted by a foreigner with only limited language skills of the local languages and therefore much of the discourse about the perceptions of respondents' decision-making powers, or the impact of the public

administration reforms on changing DMP, could have been missed out. However, being an outsider to the field, I found this to be a strong advantage. Especially, because I arrived at a conviction that interviewees from Spain and Finland treated me as an outsider to whom many details and relations needed to be explained thoroughly. This is because they considered my lack of knowledge of local conditions and circumstances as a natural phenomenon.

Finally, the fact that I am a novice in the field of public administration or public management in general (and local governance in particular), might have resulted in a lack of theoretical sophistication. Also, the fact that I am still a novice in these academic fields, might have caused my study to lack presented work that has been already produced in each academic discipline. It might even have caused my thesis to give off the impression that I am merely “reinventing the wheel” (Silverman, 2005). At the same time, however, I believe that the fact that I did not have much of the taken-for-granted background knowledge could actually have provided a benefit. In my opinion this also brought about some new approaches to the study of politico-administrative relations, collective decision-making and power at local governments from a comparative perspective. Finally, I believe that this study is the beginning of further research about the linkages between the institutional systems, cultural predispositions, and inter-personal relations in comparative local governance studies. This is because, undoubtedly, comparative local governance studies still deserve more academic research.

8. References

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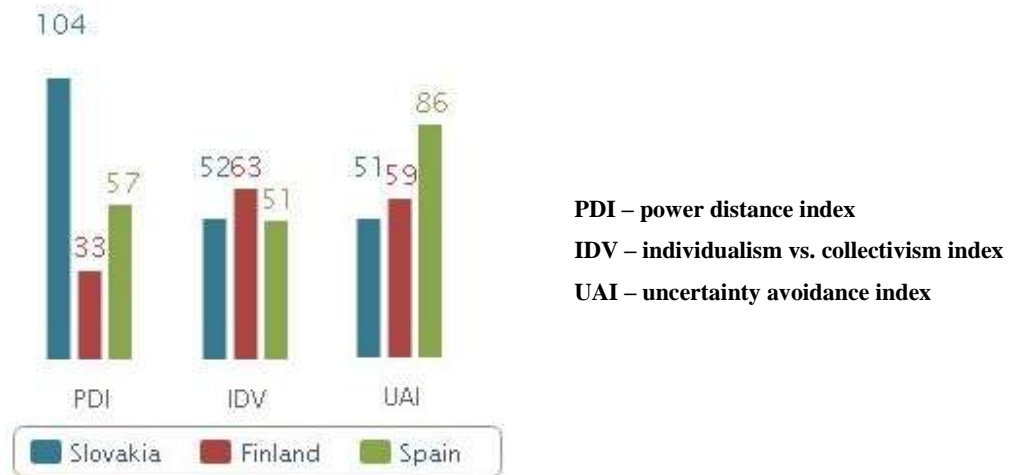
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9. Appendix

Appendix 1: Distribution of individual scores per studied country (Chapter 2.4)



Source 3: Adopted from Hofstede, 2011

Appendix 2: Example of the interview questions in English/Spanish as a part of the Interview Report

Formulary (Chapter 3.1)

Interview Report

Date:

Name of the municipality: _____

Name of the Mayor: _____

Name of Secretario: _____

Name of Gerente: _____

Name of Director of Department: _____

Age: ____ How many years have you been working on your position : ____

Education: _____

Professional experiences : _____

1. What are your main responsibilities as a CEO?
¿Cuáles son sus principales responsabilidades en la posición de Gerente?

2. What do you understand with decision-making power (DMP)?
¿Cómo entiende Usted el término “poder de toma de decisión” (PTD)?

3. Could you describe a process of budgeting in your town?
¿Puede Usted describir el proceso de realizar el presupuesto?

4. What is your role in this process?
¿Cuál es su papel en este proceso?

5. Imagine a situation, when together with other councillors you are preparing a municipal budget during the EB meeting. You come with a proposal where you are suggesting 5% budget increase for the committee of education and culture. What do you do if you want the EB to accept your proposal (what is your strategy)?

Imagine la situación: durante la preparación del presupuesto Usted sugiere el aumento del presupuesto para el departamento de educación (por que Usted quiere realizar un proyecto en la escuela primaria). ¿Qué hace Usted si quiere que la Junta de Gobierno acepte su proposición? (¿Tiene Usted una estrategia?)

6. So how would you characterize your DMP: how do you use it, when do you use it, over whom you use it...?

¿Cómo podría Usted caracterizar su PTD: cómo lo usa, cuanto lo usa, con quien lo usa?

7. What does it mean for you to have DMP?

¿Qué significa para Usted tener PTD?

8. What do you think what are the factors which influence your success/failure in accepting/refusing your proposals by other decision-makers in the Executive Board (EB)? What is the most important factor?

¿Cuales piensa Usted que son los factores que influyen su éxito/fallo en aceptación/denegación de su proposición durante las reuniones sobre el presupuesto municipal? ¿Qué factor es el más importante para Usted?

9. To which extend are your decisions influenced by interests of other actors in DM process: such as your (if you belong to) political party, citizens, or enterprises?

¿En cuanta medida son sus decisiones influenciadas por los distintos actores: partido político, habitantes, empresas?

10. Do you think that your DMP increased or decreased during the last 5 years?

¿Piensa que su poder de toma de decision ha aumentado o ha disminuido durante las últimas 10 años?

11. What are the reasons of this change?

¿Cuales piensa que son los razones de este cambio/estabilidad?

12. Did any institutional changes in LG influence your DMP? If so, how?

¿Piensa Usted que algunos cambios institucionales (outsourcing, privatización, PPP proyectos, o reestructuración del gobierno local) han influenciado su PTD? ¿Cómo?

13. What do you think about the DMP of HEC/CM? Is his/her DMP stronger or weaker than yours one during e.g. already mentioned budget meeting?

¿Qué piensa Usted sobre el PTD del Alcalde/Secretario/Director? ¿Ha aumentado o disminuido durante últimos 10 años?

Question specific only for the Spanish case with the position of CEO

14. *Question for Mayor and Gerente: what is the reason for creating a position of Gerente in your town?/How this position influences the position of Secretario?*

¿Cuál es la razón para crear la posición de Gerente? ¿Cómo la posición de Gerente influye el trabajo y la posición del Secretario?

Appendix 3: Survey questions for municipal councillors and other civil servants (Chapter 3.1)





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INTRODUCTION

Dear Sir, Madame,

My name is Michaela and I am a PhD student at the University of Tampere (Department of Regional Studies). I approach you with a short questionnaire of 15 items, for which you need no more than 15 minutes.

The aim of the survey is to find out, how do you (councillors and public administrators) perceive decision-making power of City Manager (CM) and Head of the Executive Committee (HEC) and what kind of changes have you observed during last 10 years in their decision-making power.

This survey is part of an international project conducted in Finnish, Spanish and Slovak municipalities. The selection criteria for the municipalities are strict, and my plan is to investigate only few municipalities per country (max 7).

Therefore your municipality and your answers are essential part of my research.¹

When you fulfill the questionnaire, please, print it and send it by post to this post-address.

Michaela Batorova
Department of Regional Studies
Kanslerinrinne 1,
33014 University of Tampere,
Finland.

Thank you very much for your participation and honest answers!

Best regards,

MSc, Michaela Bátorová,
PhD student



¹ Data from the survey will not be used for other purpose than the one dedicated to this research.

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A. PERSONAL DATA:

1. **Gender:** Woman
Man

2. **Name of the municipality where you work:** _____

3. **Occupation**

a. *If you work as a municipal councillor choose one of these options (if it is suitable):*

- i. administration of municipal assets
- ii. economic development
- iii. transportation and public services
- iv. culture and sport
- v. social affairs
- vi. housing
- vii. urban planning
- viii. security and public order
- ix. Other (specify) : _____

b. *If you work as a public administrator, choose one of these options:*

- i. administration of municipal assets
- ii. economic development
- iii. transportation and public services
- iv. culture and sport
- v. social affairs
- vi. housing
- vii. urban planning
- viii. security and public order
- ix. Other (specify) : _____

4. **How many years have you been working at the Town-hall?**

- a. Less than 5
- b. 5-10
- c. 11-15
- d. 16-20
- e. More than 20





B. ABOUT THE POWER OF HEAD OF THE EXECUTIVE COMMITTEE (HEC)

5. Which of these statements you consider as the most appropriate? (Choose only one option):

- a. HEC has strong power (lots of formal competencies) which allows him to make decisions related to the municipal budget very fast and without big discussions with other Town-Hall members (City Manager, heads of the municipal units, councillors, treasurer,...) and/or external institutions (companies, citizens, regional or national authorities, NGO, or other interest groups)
- b. HEC has decision-making power but other Town-Hall members (City Manager, heads of the municipal units, councillors, treasurer,...) and/or external institutions (companies, citizens, regional or national authorities, NGO, or other interest groups) have strong influence on his/her decision-making about the municipal budget.
- c. HEC has weak decision-making power related to the municipal budget.

6. Do you agree or disagree with these statements: HES has strong influence over other municipal members (who take part in the decision-making process related to the municipal budget), because HEC has... (Choose one option for each row)

HEC	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
Has great general knowledge about the municipal management and municipal development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has very good negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has received strong support from the political party.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has received support from the citizens, companies, NGOs or other external institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has strong charisma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



7. Please, specify other reasons, why do you think HEC is/is not powerful in decision-making process related to the municipal budget.

✎

8. Decision-making power of HEC has changed during the last 10 years:

- a. Very significantly
- b. Significantly
- c. Moderately
- d. Has not changed during the last 10 years

9. If the decision-making power of HEC has changed, what do you think are the reasons of that change? (Type a number 1-5 to the blue checks according to the importance. 5 is the most important, 1 is the least important).

- a. Due to the administrative and political reforms, HEC's formal position has strengthened. N
- b. HEC has good contacts and co-operation with other public actors – private sector, NGO, regional or national authorities, other municipalities... u
- c. HEC has improved his/her negotiation skills m
- d. HEC has more and more supporters among the citizens, city council, administration office, etc. b
- e. Other reasons, please specify ✎: e



C. ABOUT THE POWER OF CITY MANAGER

10. Which of these statements you consider as the most appropriate? (Choose only one option):

- a. CM has strong power (lots of formal competencies) which allows him to make decisions related to the municipal budget very fast and without big discussions with other Town-Hall members (HEC, heads of the municipal units, councillors, treasurer,...) and/or external institutions (companies, citizens, regional or national authorities, NGO, or other interest groups)
- b. CM has decision-making power but other Town-Hall members (HEC, heads of the municipal units, councillors, treasurer,...) and/or external institutions (companies, citizens, regional or national authorities, NGO, or other interest groups) have strong influence on his/her decision-making about the municipal budget.
- c. CM has weak decision-making power related to the municipal budget.

11. Do you agree or disagree with these statements: CM has strong influence over other municipal members (who take part in the decision-making process related to the municipal budget), because CM has... (Choose one option for each row)

CM	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
Has great general knowledge about the municipal management and municipal development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has very good negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has received strong support from the political party.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has received support from the citizens, companies, NGOs or other external institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has strong charisma	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>





12. Please, specify other reasons, why do you think CM is/is not powerful in decision-making process related to the municipal budget.

13. Decision-making power of CM has changed during the last 10 years:

- d. Very significantly
- e. Significantly
- f. Moderately
- g. Has not changed during the last 10 years

14. If the decision-making power of CM has changed, what do you think are the reasons of that change? (Type a number 1-5 to the blue checks according to the importance. 5 is the most important, 1 is the least important).

- h. Due to the administrative and political reforms, CM's formal position has strengthened.
- i. CM has good contacts and co-operation with other public actors – private sector, NGO, regional or national authorities, other municipalities... N
u
m
- j. CM has improved his/her negotiation skills b
e
- k. CM has more and more supporters among the citizens, city council, administration office, etc. r
- l. Other reasons, please specify :



D. ABOUT THE POWER BETWEEN HEC AND CM

15. Which of these options you consider as the most adequate? (First, choose one option from question areas A-D and then continue with other items within the chosen "area")

A. HEC IS THE MOST POWERFUL DECISION-MAKER WITHIN THE MUNICIPALITY

- It has always been like that
- 10 years ago HEC didn't have such a power to make decisions

If you chose that "10 years ago HEC didn't have such a power to make decisions" specify who had stronger power to make decisions 10 years ago?

- CM
- Treasurer
- Head of Municipal Council
- Municipal Council
- Regional Authorities
- Other (specify) : _____

B. HEC IS MORE POWERFUL THAN CM BUT OTHER MUNICIPAL MEMBERS ALSO SHARE THE POWER

- It has always been like that
- 10 years ago HEC was the most powerful actor in the municipality
- 10 years ago CM was the most powerful actor in the municipality
- 10 years ago CM was more powerful than HEC, but the power was also shared among the other actors in the municipality

C. CM IS MORE POWERFUL THAN HEC BUT OTHER MUNICIPAL MEMBERS ALSO SHARE THE

- It has always been like that
- 10 years ago CM was the most powerful actor in the municipality
- 10 years ago HEC was the most powerful actor in the municipality
- 10 years ago HEC was more powerful than CM, but the power was shared among the other municipal actors



D. CM IS THE MOST POWERFUL DECISION-MAKER WITHIN THE MUNICIPALITY

- It has always been like that
- 10 years ago HEC didn't have such a power to make decisions

If you chose that "10 years ago CM didn't have such a power to make decisions" specify who had stronger power to make decisions 10 years ago?

- HEC
- Treasure
- Head of Municipal Council
- Municipal Council
- Regional Authorities
- Other (specify) : _____

CONCLUSIÓN

Thank you very much for your time and willingness to participate in this international survey.

Now, please, print this questionnaire and send it by post on the address below.

The survey results will be part of the dissertation thesis, which will be written in English. But several articles based on the manuscript are planned to be published also in Finnish journals related to local government studies. Therefore you will have a chance to read my findings in Finnish language too. The expected reports of the first findings are in spring 2009. If you want to know these preliminary results, please contact me on the mentioned e-mail address.

I wish you all the best in achieving your personal and professional goals and looking forward for some other potential co-operation.

Yours sincerely,

MSc. Michaela Bátorová,
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Appendix 4: Functions of municipal governments based on the OECD report from 2009

(Chapter 4.1)

	Service kind	Spain		Slovakia		Finland	
		Provided by	Special features	Provided by	Special features	Provided by	Special features
WELFARE SERVICES	Health	S/R/M	V	S/R/M	O	M	SR
	Education	P/M	V	S/R/M	O,T	M	SR
	Social Protection	R/M	V	R/M	O	M	RD, SR
“BASIC RUN” SERVICES	General public services	P/M	C for all	M	O,T	M	V
	Economic affairs	N/A	C for all	M	O	M	V
	Public order and safety	M	C for >20,000 inh.	S/M	O	S/R/M	RD
OTHER SERVICES	Housing and community amenities	M	V	M	O,T	M	N/A
	Environment protection	P/M	C for >50,000 inh.	M	O	M	RD
	Recreation, culture, and religion	S/R/P/M	C for >20,000 inh.	S/R/M	O	M	V, RD

Note: S – State, R – Region, P – Province, M – Municipality,

C – Compulsory competence for all municipalities, V – Voluntary competence, inh. – Inhabitants

O – Original competence,

T – Transferred competence

RD – Competence regulated by the State with considerable local discretion,

SR – Competence strictly regulated by the State

Appendix 5: Comparison of Number of Councillors according to the size of the population

(Chapter 4.2)

Population	Spain	Slovakia	Finland*
<500	5-7	3-5	17
501-1.000	7	5-7	17
1.001-5.000	9-11	7-11	27
5.001-20.000	15-17	11-19	35-43
20.001-50.000	21	15-25	43-51
50.001-100.000	25	19-31	51-59
>100.000	25+1 (every 100.000)	23-41	59-85

*Each councillor has also a deputy councillor, who is participating in various municipal committees or other organs to which he or she is elected/appointed.

The bold numbers reflect on the situation in the medium size municipalities, which were investigated in this dissertation thesis.

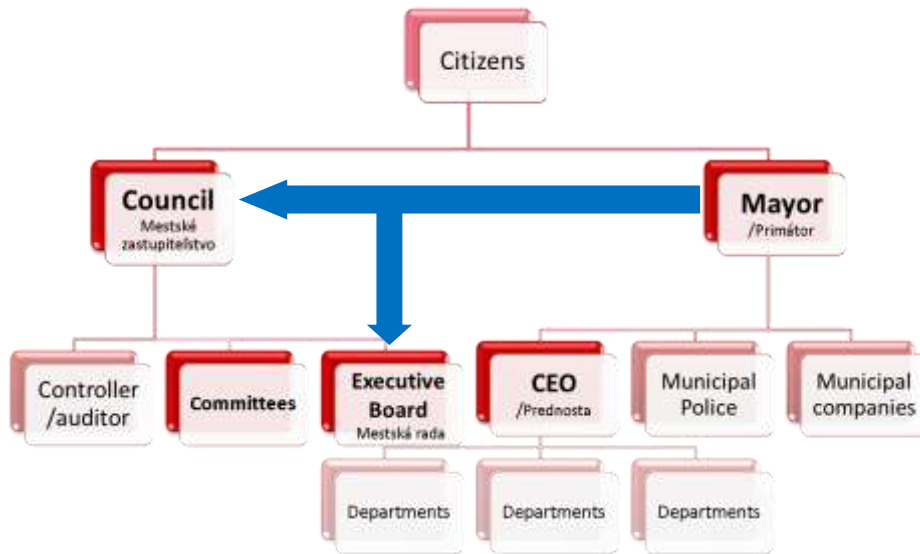
Appendix 6: Typical Organisational Structures of Studied Local Governments (Chapter

5.4)

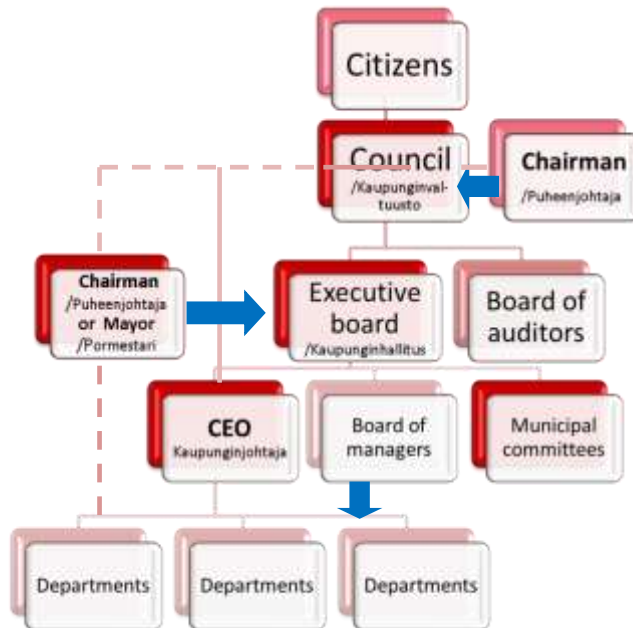
Spain:



Slovakia:



Finland:



Note: The full lines represent hierarchical relation in terms of selection. The blue arrows show the leadership position, if it does not flow from the position in the organisational structure directly. The dash lines represent position/relation, which is “new”, i.e. not spread around the whole country yet.