

# Local Governance in Western Europe

Peter John



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For Mike with love

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## Preface

This book arose from a course, Comparative Local Government and Urban Politics, which I taught with Keith Dowding at the London School of Economics between 1997 and 2000. Students on the Public Administration and Public Policy and Regional and Urban Planning masters' degrees could take it as an option. The long title of the course reflected a dialogue between the traditions of urban political science, on the one hand, and comparative local government studies on the other. The study of urban politics originates in the United States of America and focuses on power and policy-making in cities. Scholars take the context of urban politics as the important determinant of decision-making, particularly the exigencies of the economy. They examine individual and group choices within the urban setting, covering topics like the power of local elites, the demands of the business sector and competition between urban centres. As well as carrying out empirical studies, urbanists privilege social science theory, acknowledging debates on pluralism, elitism, Marxism and rational choice theory (for a review, see Judge et al., 1995). In contrast, comparative local government studies is a branch of the study of public administration, mainly concentrating on elected local governments in Western Europe and the English-speaking world. Researchers wish to understand the operation of political institutions, in particular the significance of legal frameworks, the allocation of functions between tiers of government and the impact of the size of local government units. Topics include central–local government relations, systems of local government finance and the role of the courts. Both traditions of study were represented at the LSE: the former in a long-running course called Comparative Local Government, taught by George Jones; the latter in Urban Politics, convened by Patrick Dunleavy. With Jones and Dunleavy away, Keith Dowding and I created the hybrid.

Both urban political science and comparative local government studies have their limitations. The former tends to be ahistorical, taking the USA as the norm and downplaying the importance of traditions and political institutions. Moreover, the term urban politics is a misnomer, suggesting that all local politics is urban in character whilst much politics occurs in rural areas and at spheres above and below the boundaries of the city, such as in communes and regions. But comparative local government studies veers too much in the opposite direction, implying that local politics is about institutions and little else. The approach seems to suck out the lifeblood from the subject by replacing the analysis of power with the description of

laws, taxes and procedures. Local government scholars often think that comparison is only about understanding differences and that students should be content with an appraisal of the unique character of political institutions.

Even if institutions were central to the operation of local politics, they are less relevant at the beginning of the twenty-first century. Western European local politicians and bureaucrats have to respond to international economic competition, liaise with a variety of private interests, link to the institutions of the European Union, reorganize the internal structure of their bureaucracies and compete with many other local-level organizations. What is interesting about local politics is not just the institutions themselves, but how they operate in the wider context of the restructuring of the economy and react to new loci of power. Governance rather than government best sums up the current state of local politics in Western Europe. To understand the new framework of governing, students need to understand both the traditional institutions of local government as captured by the study of comparative local government and to comprehend the wider structures of power as analysed by urban political scientists. The topics I taught took the best from both sub-disciplines. This book, which draws from the course, seeks to correct both the universalism of urban political science and the particularism of local government studies by setting out a comparative analysis of the transition from government to governance.

The book also draws from my research on comparative local politics that I started in 1987-8 with a one-year research post at Nuffield College, which was for a project on meso government in Europe, directed by Jim Sharpe. Most of all, I extend the ideas that arose in a two-year project I carried out with Alistair Cole between 1994 and 1996, 'Local policy networks and intergovernmental co-ordination in Britain and France', that was part of the UK Economic and Social Research Council's local governance programme (grant number: L311253047). Also I have attended many workshops and conferences organised by the European Consortium of Political Research, the European Affairs Research Association and other bodies, which have been useful in acquiring knowledge from experts across Western Europe.

The book reflects my biases and language skills. The UK is my own stamping ground and the book is also solid on French matters. But I have relied on the secondary literature for the other countries. As a result I can only convey the broad elements of these complex local political systems. The book hopes to overcome the limitations of expertise by being both schematic and theoretical.

## Acknowledgements

I thank the master's students who attended the Comparative Local Government and Urban Politics course at the London School of Economics where I was a part-time lecturer between 1997 and 2000. Many chapters of the book started life as lectures, and trying them out helped improve them. I also learnt a lot from the students, as many were from the countries I was trying to describe. I enjoyed informal discussions on the book with Peter Newman, Patrick Le Galès and Mike Goldsmith. I benefited from the many workshops in the UK Economic and Social Research Council programme Local Governance of which I was part. I especially appreciated the guidance and encouragement of Gerry Stoker. I received excellent written comments on the first draft of the book from Patrick Le Galès, Mike Goldsmith, David Wilson, George Jones and the series editor, Ian Holliday. I am very grateful to Lucy Robinson at Sage Publications for her support throughout the project, and for her tolerance of the many extended deadlines. Finally, I finished the book whilst visiting my friend Vicki Spencer in Adelaide. I thank her for her hospitality.



# 1

## From Local Government to Local Governance

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### **The central ideas of the book**

At the beginning of the twenty-first century powerful forces from within and outside nation-states challenge many of the established practices and conventions of local politics. For much of the period since the Second World War, the nature and purpose of public decision-making could be inferred from the bundles of economic compacts, bureaucratic routines, party hierarchies and political traditions that operate mainly at the national level. The practices and institutions of local politics in Western Europe, the subject of this book, largely reflected the consolidation of many national democracies at the end of the nineteenth century. Local organizations, party systems and institutions became embedded in national political, administrative and legal frameworks whilst central or state government bodies managed territorial politics. Even if local politicians and groups pressed first for democratization, with national institutions following rather than leading the establishment of representative democracies, in the end nation-states emerged as the legitimate political organizations. Central governments became the foci for political debate; they sought to resolve conflicts



over ideas and resources; and they were the places where political parties and networks of policy-makers found their apex.

Nationalized forms of politics ensured that the public decisions at the sub-national level were institutionalized within local public bureaucracies and political parties, largely because central or state governments created and legitimated local political institutions. Even though national politicians and bureaucrats depended on territorial power bases, local politicians formed close links to and depended on the powerful central government bureaucracies that evolved and spread in most modern nations. This book claims that the subordination of local politics was a feature of an unusual period in European history when a great deal of freedom over public decisions resided with national parties and representative political institutions. At the beginning of the twenty-first century, European states are experiencing the first signs of a more variegated, independent and experimental form of local politics. The way in which local politicians, bureaucrats, interest groups and publics operate is in keeping with the recently emerged internationalized economy and Europeanized polity. These claims are strong, and the empirical chapters examine the many counter arguments and qualifications. Even if the book retreats somewhat from the sweep of these opening pages, it is necessary to state the case unreservedly so that the later detail does not overwhelm the argument. The final chapter of the book draws together the evidence in an even-handed fashion and seeks to understand the nature of these political changes and appraise their expression across Western Europe.

### **Normative arguments**

The argument about transformation is important because of the potential contribution of sub-national forms of politics to democratic life. The underlying ideas in this book reach back to the classic justification of local self-government made by J. S. Mill (1861): local democracy offers citizens the potential to exercise their freedom and to express their local identities in a manner that is different from and complementary to higher tiers of government. The idea is that local political institutions can be closer to citizens than national governments. Locally elected governments offer the benefits of diversity; provide a supply of public goods that reflect the preferences of those who live in local jurisdictions; and can ensure that higher levels of government express a plurality of territorial and functional interests. Not that local government automatically expresses such political values in its practices, though it has the potential to do so. Nor are the consequences of following these values always to be preferred, as many scholars question whether local government can realistically embody such principles as liberty (see Sharpe, 1970 for a review of the debate). Moreover, this book argues that nationalized political systems did not foster the full

expression of local democratic practice. One aspect was that the closed institutions of local politics permitted rule by small, elite cabals. These elites used hierarchically organized local political parties and the legitimacy of bureaucracies for their protection and freedom to exercise policy choices. But the current disruption of local politics offers some potential for democratic renewal. The politicians and bureaucrats in charge of local government, as a response to the challenges of institutional fragmentation, internationalization, Europeanization and more populist forms of participation, have the opportunity to re-discover local government's contribution to democracy. The act of re-conceiving local politics in an internationalized and Europeanized context can spur decision-makers to involve the citizen more in public affairs and help administrations respond to the communities they govern. Moreover, the move to a less institutionalized pattern of decision-making could ensure that political elites incorporate a wider range of groups and interests than before. The demands of partnerships and larger policy networks may open up local politics.

The reinvention of local politics has implications for the procedures and justifications of the institutions of representative democracy. In the past, the legitimate forms of political participation created a central role for elected representatives organized into competing groups of political parties; now other forms of political participation, the delegation of political authority to micro agencies and the assertion of power of groups that were marginalized from the political process suggest alternative mechanisms of political decision-making than representation. The challenge for local representatives is to find ways of adapting to the new forms of politics rather than to replicate the patterns of the past. Whilst there are opportunities for sub-national political leaders to reinvent their roles, they can also become marginalized. As elected local government was a key element to the consolidation of democratic rule in many northern European states, it no longer has such an automatic and legitimate role when so many citizens and experts question representative institutions. Local political leaders and bureaucrats cannot claim that they alone can and should make authoritative local decisions. Nor is local government able to respond to the challenges of policy-making as efficiently as it did before.

### **The comparative approach**

The book maps out the transition from local government to governance across Western European states. The idea is that the magnitude of the change may be gauged by charting the differences and similarities between local government systems, since the starting point of the transformation is the distinctiveness of nationally based local governments. The book assesses the claim that the form of the transition from government to governance occurred in highly particular contexts. One such place was Britain in the

1980s, where the Conservative party in power restructured local government, making it respond to the demands of the private sector and replacing the direct provision of services with quasi-markets. When the focus is on privatization and limiting the state, governance appears as a feature of the neo-liberal polity rather than having wider application to democratizing nations and social-democratic governments. This argument draws on the idea that the UK or Britain is an exceptional European state, with its North American influence and non-statist political tradition (Dunleavy, 1989).

There is a weaker and more plausible form of this argument. Northern European local government systems show more of a tendency toward governance because locally elected authorities administered large parts of the welfare state. Reforms of the welfare policies and institutions cause a series of dramatic changes for local government. New agendas and policies challenge local professional and bureaucratic monopolies, an argument which does not seem so applicable to nation-states with more centralized traditions. This book seeks to counter both the stronger and weaker versions of the particularist argument by showing that Western European local political systems have changed in similar ways in response to the economic and political competition, the Europeanization of public policies, the explosion of ideas, institutional and management reform and challenges to representative democracy. Scholars of local politics need to move away from their preoccupation with fiscal pressures, privatization and welfare reforms to consider broader forms of local politics and their reformulation.

Guiding the aim to map out the transformation and to apply the comparative method is the idea that there are different forms of institutions and political practices across Europe, which affect both how effective the local government systems were, how the emerging local governance system operates and what normative arguments apply. What aspect of governance best embodies the unique contribution of the local sphere of action to democratic life? To explore such themes, the book takes the changing sub-national political systems of the countries of Western Europe as its focus, noting the similarities and differences between them and applying the comparative method to understand how models of local democracy have evolved.

### **What is Western Europe?**

The nations of Western Europe are a small selection of cases given the large number of local government systems across the world. It limits discussion to the economically developed nations. The reason for this choice is that these countries form a unit for analysis as they are part of a region that is clearly defined in the south and west by sea borders, even though there is no accepted view about where Western Europe ends and Central Europe begins. Western European states share a culture and artistic heritage; they

have similar political ideals and have experienced the parallel development of forms of religion; and many have had similar patterns of economic development. Europe was an entity long before the modern period, having been the source of migration from the East and where various forms of the Indo-European language evolved. At various points in history it has had common government or sources of political authority, such as the Roman Empire, the Catholic Church or the Holy Roman Empire. Now there is the expanding European Union (EU). Even during the heyday of nationalism in the late nineteenth century, the common project of imperial conquest and military alliances linked many European states together as well as made them rivals. Alongside these ethnic and political histories are shared cultural and scientific knowledge that have defined the European space at various points in time and have assisted its economic and political supremacy up to the mid-twentieth century. Not that observers should neglect the diversity both across and within nation-states and the constant migration flows, particularly from East to West, and then to and from the rest of the world. But there is enough of a common history to take the local government systems and their contexts together, especially when monetary union is strengthening the EU.

#### *The coverage of the book*

Whilst Western Europe is the context for the book, it is now hard to define what it is in the 1990s and 2000s (see Rose, 1996, chapter 1 for a useful review of the problem). For some comparativists, like Mény and Knapp (1998), the primary focus remains the mainly developed states of pre-1989 democratic Europe, which are of similar size, economic development, length of democratization and extent of the welfare state to maximize the potential inference, as suggested by 'the most similar method' (Przeworski and Teune, 1982). This selection would include France, Italy, West Germany, the United Kingdom, Sweden and, since 1975, Spain. With these cases, researchers can leave as constant many of the crucial determinants of political behaviour and institutional formation to concentrate on the remaining differences. The second version, favoured by this book and some authors (for example, Rhodes et al., 1997), adds some of the smaller states of Western Europe – Belgium, Denmark, Finland, Greece, Ireland, the Netherlands, Norway, Portugal and Switzerland. The selection loses some of the similarity and means that researchers cannot study countries in as much depth as a smaller group. The choice of Western European states has some attractive properties – it neatly divides Western Europe into a number of groups of states with similar features, and facilitates an easy set of comparisons and clear insights into the effectiveness of these systems.

This book, however, recognizes that the collapse of the Communist regimes since 1989 created new democracies that imported models of representative government from the developed world. Their governments,

parties and interest groups wished to remake the connections to Western European states that had existed before the 1930s. One of the most important developments was to apply to become members of pan-European organizations, such as the EU and NATO, and soon there was a queue of new countries wishing to become members of both. It is likely that the borders of the EU will extend to Russia and the Ukraine, and that NATO will include almost all European countries except Russia. Since the division into Eastern and Western Europe was artificial in the first place, an artefact of conquest in 1945, the vision of Europe as extending from the Atlantic to the Urals and beyond means that the current practice of European politics has now caught up with its history (Davies, 1997). The incorporation of new democracies into Europe disrupts some of the politics of the old local government systems and the comparisons that have been made. Whilst acknowledging their importance, this book does not examine the local government systems of central Europe. That task awaits the completion of a research project (Hughes et al., 2002).

### **The elements of Western European local governments**

#### *What is government?*

The term government refers to the formal procedures and institutions societies have created to express their interests, to resolve disputes and to implement public choices. The idea is that political systems have rules about political behaviour and mechanisms to protect the rights of minorities and to ensure that the supply of public and other goods and services reflects the preferences of citizens. Written constitutions may set in place institutions or they gradually evolve over time as political systems stabilize the mechanisms through which they make decisions. Different electoral systems, legislatures, central bureaucracies, judiciaries and local governments became defining features of Western nation-states. It is not surprising that traditional political institutions became central topics in the early years of the study of politics. Experts emerged on institutions, such as electoral systems and legislatures, who sought to understand the mechanisms of decision-making.

The claim that government is the central aspect of politics is not incompatible with the importance of social values, political movements and the organization of interests. There are two worlds of activity – the political and the social/economic – that interact with each other. Moreover, the key claim of political science during the behavioural revolution of the 1960s was not that social movements and class structures determined the practice of politics, but that the social movements of the late nineteenth century became expressed in structured forms of political behaviour, which became institutionalized over time. Lipset and Rokkan (1967) claimed that the party

systems of Western European states had been frozen into place through the operation of electoral systems and the incorporation of the working class into liberal forms of politics. The secret of effective political institutions is not the application of abstract norms to political behaviour, but their ability to incorporate political movements, to stabilize political parties and to accommodate interest groups into the interests of the state. The standard texts of public administration and policy-making stressed the stability of policy-making and the way rules of decision-making privileged certain interest groups. Mass publics supported the main political institutions and approved of the policies these bodies produced. Public administration was largely hierarchical: elected politicians were formally in charge of policy-making and lines of bureaucracies were organized according to principles of command and control.

*The role of local government in the political system*

This book argues that local governments played a key role in the national pattern of government in Western Europe. Whether elected or nominated, they emerged at different times and in contrasting contexts as formally constituted public authorities with a high degree of control over jurisdictionally defined local areas. They were usually governed by nationally organized parties that ran for office in competitive elections. Local governments emerged and developed at the same time as the central state consolidated patterns of administration and extended the franchise. Political parties came to dominate political representation. Their ideas and bases of support reflected the cleavages at the beginning of the twentieth century, whether socio-economic, religious or ethnic. Territorial politics and the freezing of cleavage structures intertwined and reinforced each other (Rokkan, 1966). With party loyalty came sub-national cleavages and hence patterns of party control and influence over local government.

Most reformers of local government sought to impose a uniform system of local administration across a nation-state. Local authorities have denoted geographic areas for which central governments or parliaments give them powers, functions and finance to carry out public tasks, either solely or in partnership with other organizations. Political parties can compete to run these organizations and formulate public policies, either alone or in coalition arrangements. The idea is that each territory has an equivalent allocation of public tasks; no part of the country is exempt from the provision of public services. Each has equal representation – in theory at least. Every large urban commune in a country like France would have, for example, its own mayor who would be formally no different in election from the leader of the smallest rural unit, though of course every country varied some of the powers it gave to local authorities, giving special powers to metropolitan governments and allowing capital city administrations to tackle strategic issues. In theory all citizens could claim equal protection