



**STEERING COMMITTEE ON LOCAL AND REGIONAL DEMOCRACY
(CDLR)**

**INSTITUTIONAL DIALOGUE BETWEEN THE STATE, REGIONS, LOCAL
AUTHORITIES AND THEIR ASSOCIATIONS**
report by the CDLR, May 2002

Report, conclusions and parameters for good practice

TABLE OF CONTENTS

Foreword:

Chapter I: Institutional dialogue – its background and increasing importance

Chapter II: The Institutional Dialogue: Practices and Challenges

Chapter III: The representation of local and regional interests: the role of associations

Chapter IV: Final remarks

Conclusions

Parameters/guidelines

Appendix: Mechanisms for institutional dialogue: a survey of the main features

CHAPTER I - Institutional dialogue – its background and increasing importance

1. Intragovernmental relations within the state as a new dimension of public policy

a. The increased importance of intergovernmental relations to all type of states

On the basis of all the reports received in response to the questionnaire¹ and the common knowledge on other cases, we may conclude that there have been very important changes which have lead to a new scenario of intragovernmental, or inter-administrative, relations. Even those countries where there is a federal system and where intra-governmental relations are long-established have undergone important changes in the last years. We are confronting fully new systems of domestic government and must decide whether to follow the academic or the practitioner's approach to understanding these issues. Both approaches have pointed up as important issues, the dramatic transformations, the break with the past, the challenge of new realities, new solutions, new financial arrangements, the increasing involvement of the sub-central level in governing and administering activities, and the pressure of the citizens who are more aware of their rights and needs.

In the past, it was a common practice to study, or consider, the various levels of government as separate entities, as different fields for the analysis rendering specialised research reviews on the national-central government, on "states" or regions and also on local authorities. Nowadays, research is mostly focused on a new field, intragovernmental relations, as a framework that considers the network of relations as the proper area for studying today's governance structures. The change is relevant because, for the first time, intragovernmental relations are not equated to federalism. In fact, federalism is only a limited area within a wider category, which includes unitary, semi-federal, decentralised and dual systems². We cannot continue to work with a limited view of IR (intergovernmental relations) as being restricted to traditional centre-regions (in the USA Federal-States) interrelations. Now, if we talk about IR, we must consider all activities between the different territorial units of all types and at all levels within a specific political system.

b. The importance of institutional arrangements

In the analysis of the practice of governance, we can either favour a behavioural approach, considering that the relations established, are not among governments or territorial units but among persons, elected officials or bureaucrats, who govern or administer those units, or, we can follow the new institutional models, bearing in mind that whatever governments choose to do or not to do, is done through a complex network of intragovernmental actors. It is true, that the new globalised economic and political complexities have produced changes in the type of

¹ These replies are available on the Local Democracy web-site, which can be reached at www.coe.int, under Legal - Local Democracy.

² These systems are not mutually exclusive.

persons involved in those relations. It is also true, that legislatures, courts and executive politicians are unable to handle the continuous pressure for policy changes, for implementation structures and for providing solutions to new problems.

But we should not forget that “institutions matter”, and that the specific way in which each country articulates its intragovernmental relations and the mechanisms for coordination or joint decision-taking are particularly relevant. Although bureaucrats these days are increasingly involved not only in policy implementation but also in the highly relevant policy-formulation process, the outcome will entirely depend on the type of structural arrangements determining what people are able or are not able to do. The traditional definition of public policy analysis as “what do governments do? why do they do it? and what difference does it make?”, can only be properly understood in connection with the intragovernmental context. Furthermore, the success of any policy is not determined by the voluntaristic-rational approach expressed as “getting through from top to bottom”, but, more often, the best policy is the one which best satisfies all interests involved. It is true, as expressed in some reports (Norway, Spain or Denmark) that the “top-down” model is applied in most cases, but it is also true that, through formal or informal channels, “backward mapping” is often used as well to make successful implementation and consensus building possible

We know that public policies have a very important symbolic aspect in this context, and, sometimes countries just provide the adequate signals, through regulations and formal settings, to communicate symbolically with the territories and the citizens living there, without pretending to go any further. In those cases, the political systems produce “outputs”, but not any specific “outcome”. But, if a political system wants to produce real implementation and get results, it should invariably include in the decision-making process all the interests involved and affected by it. Normally, the national constitution and other legal and political regulations determine who the players are, what governmental tasks should or should not be performed jointly by two or more levels of government and which specific programmes are or are not, jointly administered. Sometimes, those definitions are merely formal regulations disconnected from practice. In other cases, formal regulations are the real expression of living structures and of processes with real bargaining and relevant political contents. But in all cases regulations are not neutral. We can see examples of this in the way in which local interests are defined and in the difficult borderline between what is considered local versus what is considered regional, and, above all, in what are considered “core tasks” reserved to the central government. The situation is all the more difficult to grasp because we are touching upon what is called the “living constitution”, a state of affairs continuously being re-organised and subject to cyclical changes.

c. Different types of institutional arrangements: development towards the “web-state”

In some cases, it looks as if the political system is articulated in such a way that decentralising strategies (financial aid, services to be delivered, mandatory tasks, etc.) aim to serve the purposes of the central government rather than of other governmental or administrative levels. As often happens in such cases, the high hopes of achieving a policy designed at the centre, end in failure in the periphery. We are probably approaching a model of multiple overlapping

jurisdictions and structures and individual responsibilities where politics and policy-making are increasingly the product obtained from a bargaining process (through the exchange of information, co-operation, collaboration or, even, joint taking decisions, as the reports shows). We may further our understanding by considering the following questions:

- Which substantial areas of governmental operations involve several levels of government, or administration, simultaneously?
- What sizes do the areas of autonomy, single jurisdiction and full discretion at each level have?
- If, as can be clearly inferred from the reports, the power or influence available to any one of the levels (state, regions, local) is limited, what is the position of the authorities in order to accomplish their targets?
- Do they need to negotiate?
- Is bargaining the expression of limited authority?

The reports, offer all kind of examples. A first one is the Unitarian, “top-down” model, in which there is not much room for bargaining processes. Other examples show that different levels of government have been dissociated in the process of making of models, such as in some central and eastern European cases, without very clear definition of their position. Furthermore there are the decentralised models (such as Spain) and the federal cases in which we face a situation in which we have: a) a widely distributed power and authority; b) a large degree of interdependence; c) few areas of autonomy; d) an ever-present bargaining-exchange relationship and, as a corollary to these, the real possibility of both cooperation and competition.

In a global context, whichever meaning we attribute to the concept of globalisation, we face new challenges coming from several sources and if we add the developments of the European integration and the weakening of the traditional state format, it would not be surprising to see a trend that runs against the traditional “nationalisation” of local problems and the local agenda. Regions and local authorities are increasingly involved in issues that have traditionally been the exclusive territory of the national governments. This “localisation” of national problems is a direct consequence of the new managerial approaches, the subsidiarity principle and the reinforcement of accountability mechanisms. This new awareness of the global agenda, and the European Union as a part of it, have changed the image of the regional and local authorities becoming progressively new actors within what has been called “the web state”.

2. The relevance of experimenting with territory: administrative and political dilemmas

a. The different levels of government within the state; three basic models

It is well-known that economic structures, the territory they cover, their administration and the distribution of territorially based power, are all intimately interconnected. From any perspective, whether economic, social, political or administrative, the relevance of the territory is absolutely clear. If we limit our considerations to the European experience, territory is particularly relevant to many changes, some of them dramatic ones, which affected the various components of this territorial network. All countries under consideration in the reports have a multiplicity of levels and agencies of government, or, administration. In some cases the sub-state levels are representative and democratically elected, in other cases they are

not. Sometimes they have competence over a single, or a few, functions (education, housing, water supply...), others, by contrast have general competence and the possibility of developing political discretion, of carrying out different practices, making choices and setting priorities in relation to the various competences.

The administrative systems also follow different patterns. We have the unitary administrative systems as in the case of [Bulgaria, Denmark, Finland, France, Greece, Hungary, the Netherlands, Norway, Poland, Portugal, Sweden or the United Kingdom,] formally federal administrative systems such as the Russian Federation and quasi-federal administrative systems, as in the case of Belgium or Spain and truly federal ones such as those in Germany, Switzerland or Austria.

With respect to their local government systems, European countries mostly follow one of the three models (see Bennet, 1989 and Leemans, 1970): *dual systems*, *fused systems*, or *split hierarchy systems*. Each one is defined by the way in which the relations between the different levels of government are organised. What levels are we talking about? Probably not all countries have the same complexity, but we need to clarify at least five different levels: **Central government** (always refers to the overall government of the state, either national or federal); **State government** (it is the term for the second level in the federal systems, either “states”, “cantons”, “Lander”, “autonomous communities”); **Regional government** (it has several meanings: subnational governments in non-federal systems; administrative division, economic or linguistic community within the state...); **Upper-tier local government** (province, “department”, district, county) and **Lower-tier local government** (municipality, commune). Aware of the difficulties with which we are faced when using these concepts that do not have the same meaning everywhere, the aim is to develop typologies which enable the comparison of the heterogeneities present in the reports and to allow for variations within each type (in some cases “government” means political power and competences, in other cases it is only an administrative device to deliver services or, simply, to control the periphery).

The way in which these five levels interact produces one of the three models, but it should be taken into account that in reality each country may practise a mixture of all three. The reviews written on the subject talk about *fused systems* when the vertical and horizontal relationships produce a pattern of “fusion” among the several levels of government (or, administration). As an example, reference can be made to France, where the “cumul de mandates” and the figure of the “prefect” in the departments are the pillars around which the system became “fused”. This model is also present in many ways also in Italy and Portugal. In Spain some of the difficulties of making the new quasi-federal structure compatible with the old “fused system” were expressed through the changes to the structures of central administration in the periphery, aiming to avoid duplication and overlapping structures in the same territory and moving to what is known as “single administration”.

The *dual system* is characterised by the English tradition of “government” by committee: the responsibility for the functions of local government are borne by the democratically elected council as a whole, but within overall supervisory, legal and financial framework set by Parliament. In this system there is not a unified executive, neither politically nor administratively.

Finally, the *split hierarchy system*, as a mixture of the fused and dual systems, expresses the conditions of some countries (the Scandinavian mostly) in which the central government has power over the periphery and where at the same time local authorities enjoy considerable autonomy and have their own elected councils and specific responsibilities.

The issue requires further research, but it is possible, for example in the Spanish case, to be faced in a single country with different models at each level of government and depending on our constructed analytical system (supranational, national, subnational) we will find various and heterogeneous practices.

b. The diversity of demographic developments and situations

All European countries have undergone changes leading to special developments. In some cases urbanisation, as a first development, is crucial, in others the trend is sub-urbanisation (people moving outside the cities) and there are also movements of a counter-urbanisation ideology leading to decentralisation and desegregation of urban conglomerates. The territories – when considered economically, administratively or politically – vary tremendously in size and population. Metropolitan areas are in expansion and there is a problem related to the viability of rural municipalities. At a more aggregated level we see there is a whole range of European countries that, in population figures, goes from the Russia Federation with almost 150 million inhabitants, to Germany with 83 million, France and the UK with circa 60 million, Poland and Spain with around 40 million, Belgium and Czech Republic with 10 million and others with one digit figures (Sweden with almost 9 million and, at the bottom, Estonia and Slovenia with less than two million). With all those variations it is not easy to give a simple answer to questions about how to make the relationship between territories efficient (politically, socially and economically) and how to make the functions fulfil those aims within the political system as a whole.

c. Decentralisation and institutional dialogue

Perhaps the main problem is trying to solve the disconnections between areas in which there is a sense of community, a sense of belonging, a collective identity and the administrative map of the same territory. There is enough evidence that regionalism has been, among other things, a reaction against the attempts of central governments to hegemonise and homogenize the peripheries. What is the level of, what we can call, “territorial dissatisfaction” in each case, i.e. the feeling of dissatisfaction with the central authorities? We also need to think in terms of the dissatisfaction of individuals with large-scale administrative units and try to look for solutions based on more representative systems, more open participatory democratic arrangements, flattening the traditional and hierarchical bureaucratic domination: probably decentralisation is a good way to proceed. Decentralisation should be understood in a flexible manner that can bring along the need to rethink and redesign the scale of administrative

structures, the role of central government, the distribution of competences, responsibilities and resources among the several levels of governmental administrative action (see R. Bennet: “European economy, society, politics and administration: symmetry and disjuncture”).

The reports submitted in response to the questionnaire offer a rich landscape of institutional dialogue mechanisms which result from the several systems of distribution of competences between the different levels of government. Practice shows a mixture of all of them. If we go from all those practices into theoretical types we come to the following ones. In some cases, priority is given to the sense of community, to the collective identities. In many others, the arguments follow the reasoning of technical and economic efficiency (economies of scale and distribution, resource allocation and economic stabilisation). In terms of the political economy school, the political system should practice the “calculus of consent” and look for preferences among the possible choices and in accordance with the decided priority and hierarchy of public goods (local, regional, national or international). Probably, the smaller the territorial units, the higher the chance of reaching consensus and, in the same way, smaller territorial units will minimize the danger of citizens feeling alienated. Furthermore, a higher degree of immediacy in the relationship with authorities may lead to a greater degree of engagement and contentment influencing the need for regulatory control. However, in cases of joint externalities collective action is highly beneficial. In fact there is no universal answer; probably each policy area in each country requires a different formula.

In all cases traditions and bureaucratic constraints affect administrative practice and the way, in which each country arranges the vertical relations (between different levels of government), the horizontal cooperation systems (at the same administrative level), and any other networks and cross-linkages available. The logic behind each one of those patterns determines: a) distributions of administrative, or governmental departments according to each issue, or each group of people (economy, minorities, social affairs, employment, elderly...); b) distribution along administrative functions lines; or, c) administrative departments for each territorial unit with devolution, or decentralisation, or deconcentration, to the lower levels. The latter strategy can be implemented through a centralised government, or, with the control of vertical departments, or, with governments that have different functions, or, even, with separate government systems, and last but not least, if possible there should be a two-level government as a practicable formula.

In the never-ending process of institutional learning it is relevant to be open to institutional dialogue based on flexible models of decentralisation and coordination, accepting the given asymmetries, in the understanding that a good relationship between territory and government (and administration) is best for better management and better governance.

3. Central-Local Relationships: A changing partnership

A few years ago, Kjellberg, in the analysis he made of local government reforms, introduced an interesting model and classification. The idea set forth was that changes could occur, either in the organisation structure, or in the decisional aspects. The former concerns the framework of intra-governmental relations and then we have *structural reforms* (territorial division and organisation, amalgamation, development of “meso level of government”, mandatory or voluntary cooperative mechanisms...). If the level affected, through structural reforms, is the internal municipal one, then we have *organisational reforms*, reforms in the internal organisation of local authorities (relation between administrative and political bodies, the access of the citizens to the decision-making process, the reshaping of the local administrative structure, etc.). On the other hand, if we look at changes in the decisional aspects, and if those changes affect the intra-governmental relations we are dealing with *functional reforms*, which mainly involve the redefinition of tasks, very often associated with financial and fiscal reforms. Finally, if the changes in the decisional aspects affect the internal municipal reality, then we are dealing with *decision-making reforms*, that is, changes in the content of the decisions of the local authorities.

| | | |
|-----------------------------------|------------------------------|--------------------------|
| | Intra-governmental relations | Internal municipal level |
| Changes in organisation structure | Structural reforms | Organisational reforms |
| changes in decisional aspects | Functional reforms | Decision-making reforms |

It is true that all four categories of changes are interconnected and that specific countries have their own combinations and their own temporal sequence of these types, but the specificity of the recipe that can be used for each case is important for understanding the role that local government should play and the type of relationship with central authorities. The same logic can be applied to the regional level, in some cases, by considering it a new political actor, and, in other cases – as is the case in southern Europe – by considering it the functional equivalent of the local authorities in the Northern areas.

Similar changes are affecting central-local relations in all countries, firstly at the level of demographic and social relations. Every society has a tendency which points to an increase of elderly people living in local units and a higher rate of youths that attend school, as well as an increased trend on crime and/or unemployment. All of these point to new demands stemming from local levels of government. In other respects, globalisation has already produced dramatic changes in the way government operates. To name but a few, we could mention; new communication technologies, internet, new actors, new networks, growing complexities, new and easy access to channels of information, a sharp increase in the demand for services (including the post-material ones), new global consciousness and activism by citizens and groups and the discovery of the “new politics” out of the traditional mechanisms of political participation. It is often suggested that globalisation and decentralisation go hand in hand, in a process that is sometimes described as: “glocalisation”, and, that probably, the future of government lies in the regional level and within new and more flexible regulatory systems.

A few years ago, under the direction of Edward C Page and Michael J Goldsmith, a comparative research effort was conducted trying to achieve a better understanding of the changing conditions in the central-local (including the relationship between regions) relationship in Western Europe. It would seem perfectly appropriate to make use of the proposed framework here. The assessments in terms of the institutional dialogue presented by the country reports show quite clearly that the two main concerns continue to be the following: a) what is the “best” way (in technical-administrative terms and also in political terms) to organise territorial units in order to provide public services; and b) what should be the competences and powers of the sub-state levels of government in a modern state.

It also appears that some types of functions are inherently more likely to be performed by sub-state levels irrespective of the particular political system. What is not, apparently, a common feature is the real and substantial dialogue of the centre with the peripheries in all the cases under consideration. Yes, there are mechanisms, formal or informal, direct or indirect, real or just in the legal framework, bilateral and also trilateral, in which regions and local authorities have the opportunity to cooperate, to co-ordinate or exchange information with central governments. Sometimes those “dialogues” are mandatory, or compulsory, in many other cases, they are not. As we will see when analysing the local associations, normally the actors are organisations representing territories, in others, regions are just central government using techniques taken from others, and, finally, some associations are elected bodies by local officials and closely connected with party politics. As regards this possible shift towards "Regions" it is however also suggested that the central state will and should continue to play a pivotal, albeit modified, role notwithstanding and indeed as a result of these developments.

A more detailed analysis of the replies appears in the Appendix .

But to fully understand the precise meaning of those dialogues we need to know in detail what the functions of the local and regional authorities are. We should not confuse, on the one hand, having the formal responsibility to administer a programme, and on the other hand, enjoying the discretion to influence the ways in which this same programme is to be carried out. What are the choices available for them? What are the autonomous powers to develop own public policies? Are the new regional actors changing the role of local authorities? Obviously in the federal system the “regions” (canton, Land, autonomous community) have complete power upon their territory and for analytical purposes they are the real centre in the relation with the local authorities, either high tier or low tier. In order to understand the level of discretion it is not only necessary to distinguish between those systems in which local authorities have “general competence” from others, such as the British one, until recently, which are based upon the doctrine of “ultra vires”, but also to focus on specific local services and to look for the cases in which the local units can develop their own policies, which play a very significant role on financial matters.

4. Centres and Peripheries: the dislocation of the centre

a. The growing importance of regions

Richard Rose wrote in 1985 that “the growth of the welfare state has transformed a system of government which did little and which acted mainly at the separate levels of government in isolation from one another to a system in which interdependence, is now the general trend, so that *policy unites what constitution divides*” (“From government at the center to nationwide government”, in Y. Meny & V. Wright (eds.) Center-Periphery Relations in Western Europe, London). What research has found, and what the country reports support, is the consolidation of an intermediate level of government between centre and local, municipal or communal level. However, this new actor has been evolving at a time at which the European Union was also consolidating its position and reaching a profound level of integration. Apart from the constitutional regulations, the fact is, that the term periphery is becoming ambiguous, as it can be used to describe the position of the regions with respect to the central states, but it can also refer to the fact that the states themselves increasingly are becoming the periphery with respect to the European Union. Policy processes link these multiple level governance structures.

Regions, understood as an intermediate level, have different meanings and function under different conditions throughout Europe. In some cases regions have executive and, even, legislative and judicial powers and are democratically elected (as in Italy, Spain, Belgium). In other cases regions do not have these features, eg. they have no primary legislative power or their deliberative bodies are elected by local councils (eg. Ireland)³ or make reference to the renovated and strengthened council level in the northern European local governments. But in all cases, the developments in “regional government” have changed the nature of the old states and, in several countries, political conflicts with or about regions have played an important part in the recent history.

In this context it could be said that European Union policies have opened the door to a new scenario in which the regions (and also local governments) get support for their new claims (“Europe of the regions”, “subsidiary principle, financing mechanisms highly regionalised...”). This rise of the “European meso” (so-called by L J Sharpe from which some of the arguments were derived) needs to be explained and should also teach us to be open to mutual learning processes that facilitate the less costly practices of “trial and error” and, lastly, to try to visualize what future we are likely to be heading towards.

³ A detailed overview of different models of regions in Europe was produced by the CDLR and is available on the Local Democracy Web-Site of the Council of Europe (www.coe.int.)

b. Regions and ethnicity

An undesirable factor in these developments is regional ethnic nationalism as a cause for the emergence of intermediate levels of government. Without entering into details, that are too many and very complex to deal with, attention may be drawn to the variations between different cases in terms of centripetal or centrifugal tendencies, the use or not of violence, the strategies to become a sovereign state (not being successful in the past) or just part of a multinational one. The experiences of Italy with the regions, the devolutionary process in the United Kingdom, the special cases of the Basque Country in Spain or the Northern Ireland, or, finally, the Belgium one, can provide a material for all types of analysis. As a broad observation it seems that the awakening of the regions was in some way related to struggles that took place as a result of the previous political constraints: Franco's dictatorship in Spain, fascism in Italy, the German occupation, or more recently – and with respect to eastern European cases – soviet supremacy. Also the perception of uneven economic development trends appears to play a significant role in many cases.

c. Social and economic changes: the development of welfare state

Important as ethno-nationalist elements may be, the importance of economic and social changes that have been taking place over the last thirty years (at least) such urban development, the demands for new territorial units to make up for the lack of congruence between the traditional local municipalities and new realities, new functions, welfare policies of growing complexity should not be underestimated. In addition, it appears that in some cases politicians at the local level of government have been rather reluctant to implement the new agenda of the modern welfare state and thus the creation or strengthening of regions became the only possibility to modernise the traditional local authorities structures.

Sharpe suggests that the rationale in the old days was based on two main principles: the *rule of externality* for the local government, in the sense that the municipal government corresponds to a space in which the services delivered should correspond to the taxes paid by their citizens. Therefore the services that have substantial externalities cannot be handled by this level of government; the *indivisibility rule* establishing that central government should be in charge of tasks in respect of indivisible public goods unable to be fragmented or subject to devolution (public order, foreign relations, judiciary functions, economic management, communications, etc). When the welfare state developed and new policies had to be implemented, central governments found that these public goods did not correspond exactly to this traditional duality, that of having big externalities and not being indivisible. The solutions put into practice were mainly two, either modernising or enlarging the local government (which has to a great extent been the policy followed by the Northern European countries), or the having the centre decide (also in its own interest) to decentralize those policies to make the implementation possible, and also to unload the centre and transfer to the new regions the burden of carrying this out. It is well documented, that the various processes of regional planning and regional development plans also produce new structures, new patron-client relationships, new arenas of power, new spaces for political parties and interest groups alike and also changes in the regional consciousness of the citizens. Ideally, regionalism means decentralisation and also democratisation, efficiency and de-bureaucratisation. It is quite interesting to see that many ideological battles were connected to the clash of views between those (liberals) that understood local government as a defence of the citizens rights and liberties from the hostile state centralism, and the “communitarians” (egalitarians) that considered local government as the main obstacle to the fair distribution and even implementation of the new welfare policies. The new regional space has received support, for

different reasons, from political parties (particularly those in opposition), bureaucrats (very often “budget maximisers”), individual politicians and special interests associations, among others. New conflicts arise between the general principle of individual rights and the new territorial ones that also claim new political representation channels. Some people consider that giving priority to territorial rights is against the basic democratic covenant, for others it is a new element that enriches and complements our democracies.

d. Future developments

If we consider the possible future in this field, the question arises what the role of the regions in the new Europe will be? Is the traditional state fading away? Undoubtedly it is to soon determine that and the multi-level governmental systems are too heterogeneous to visualize any clear trend among them. Within the European Union the outcome of the "Future of Europe" debate currently (2002) taking place, will undoubtedly have an impact on institutional arrangements, not only at EU level between the EU member states, but also on relations between levels of government within the EU member states themselves.

This debate will also cover the relation between EU institutions and sub-national levels of government. To EU and other European states alive it is likely that there will be further developments of a “web-state”⁴ in which the dialogue between different (levels of) institutions of government will only increase in importance.

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see Chapter I.1.c. above.

CHAPTER II - Evaluation of the Institutional Dialogue: Practices and Challenges

Having explored the background and increasing importance of institutional dialogue, it is now time to look at the existing systems and to evaluate them.

All the country cases⁵ have made an important effort to assess the functioning of the institutional dialogue and the map offered is quite a complex one, among other factors because the institutional framework and the rules of the game are quite different (see Appendix). It also needs to be taken into account that democratic practices and the period during which the main dynamics have taken place vary considerably. Thus in some cases we are before an old democracy, in others before recently consolidated ones, or before new democracies trying to build new institutions and new policy and agenda setting systems. Furthermore, sometimes the reports equate the institutional representation framework and the “dialogue” between the different levels of government. It may also be pointed out that the information gathered mostly has a central perspective, i.e., it is mainly the evaluation of central governments of the institutional dialogue with the peripheries and not the evaluation by other tiers of government. However, none of these points take away from the fact that the reports contain some important indicators that are relevant by themselves.

1. Formal versus informal channels

All countries have a full range of formal networks either legally regulated or as part of the practical political system, but when seeking to understand the relevance of these mechanisms, informal channels are always taken into account. The practice of politics outside formal organizations is quite normal everywhere. There is probably an inverse relation between the level of informal dialogue and the constraints of the formal settings. The way in which every political system articulates links across and between the various levels of government also has a lot to do with the political culture. The French report offers a typology of different logics within the political system: representative versus participative, ascending or descending, which can be applied to the other cases. It is connected to the well-known debate on “representative democracy” versus “participatory democracy”.

The use of formal or informal networks also depends on the type of issue under consideration and whether the issue has specific legal requirements. Major policies, political or administrative reforms, distribution of tasks, decentralization, among others, always require concrete formal dialogue.

With respect to access to decision-making bodies, only a few cases reported the relevance of informal networks (such as Norway, Poland and Sweden), and it is more than likely that those informal contacts will be present everywhere and that the real bargaining process takes place on the basis of personal ties, mediated through political parties, interests groups, special interest local associations or political bosses. The same face-to-face contacts make formalised ones, probably, not so relevant in all cases. In fact, the answer to the question related to the frequency and importance of the direct forms of access (the formalised ones) in comparison

⁵ All reports have been published on the Local Democracy web-site: www.coe.int

with the indirect, informal, ones, can give us relevant information on the nature of the local influence at the centre. It is as important to know the nature of the access, as it is to know the patterns of access to it. According to the reports received there are all kinds of models, special bodies (sometimes appointed by the central government, in other cases agreed upon by the partners), conferences, joint committees, bilateral meetings (central-regions; central-local; regions-regions; regions-local; or, local-local), which appear to be used most frequently and trilateral ones. Sometimes networks are articulated around a parliamentary commission, in other cases they are articulated within the national executive (with the full cabinet or special ministries). Looking at the reports, it would seem that in those countries in which local authorities are more consolidated, they are more powerful and more services are delivered. The dialogue often has an optional nature, i.e. central government is not under the obligation to discuss the issue. It is not in any way bound by a formal request presented to them through local or regional authorities. Many issues are thoroughly discussed by all parties involved, and although these discussions do not always lead to binding decisions, the agreements reached are usually implemented. In federal systems, the situation is more complicated with a full range of networks from the “co-federal dialogue”(Switzerland) or the “multilateral conferences” (Spain) to the lower levels of local commissions. In the Spanish case there are four main levels of dialogue (centre-regions; centre-regions-local; centre-local; and regional-local). In the first level (centre-regional) there are three types of bodies: 1) the Sectorial Conferences (ministers of central and regional governments) considered as the very top positions in the political decision-making structure; 2) the one of the General Directors in each ministry (by administrative functions) and the equivalent political executives at the regional level. Those are the conferences that prepare the Sectorial Conferences (the real political decision-making bodies); and 3) the several commissions or working groups of a more technical character. Together with these multilateral networks there are also at the same level the Bilateral Cooperation Commissions (centre and one of the regions). In general the Autonomous Communities (regions) in Spain have a tendency to prefer this second mechanism, bilateral bargaining instead of the multilateral ones.

The trilateral structure of the dialogue (centre-regions-local) is articulated with the presence of the Federal Association of Spanish Municipalities and these are more than 70 of those trilateral commissions in which local authorities participate.

The third level of dialogue is exclusively bilateral between central government and local authorities and it is done through a special commission (National Commission for Local Administration) under the presidency of the minister of Public Administration consisting of an equal number of representative members from central and from local level. The Federal Association appoints those representing local authorities.

Finally, there is a fourth level of dialogue that reproduces at the regional level the structure and functioning of the third level of dialogue between central government and local authorities. In this case, the dialogue takes place between Autonomous Communities and the local authorities within their territory.

In other respects, Spanish local authorities, have developed by themselves several cooperative mechanisms. In some cases, this has been achieved through “mancomunidades” (horizontal cooperation among local authorities to handle externalities and to face new challenges), in other cases by “consortia” (vertical articulation with other levels of the administration), or, simply, by joint programmes and strategic plans.

The living laboratory of the Spanish case offers a very well developed system with both a formal and an informal character to it, with the presence of bodies that are politically salient and that have decision-making power. Together with them, there are others, which are merely cooperative networks or networks with consultative functions. As a result, the practice is a mixture of a “bottom-up” and, in some cases, a “top-down” model. It is important to take into account that whenever local authorities are allowed to participate in the political bodies, they are only allowed to do so as observers. In addition to that, those same local authorities are also present in the cooperative bodies merely as consultants.

2. Bilateralism or multilateralism?

The reports make clear that bilateral dialogue is the most frequently used pattern. This bilateralism can be applied to the various levels of government. If, as it happens in some cases, there is not a “meso” government, the only dialogue is between the central government and the local authorities. But if we are in developed federal systems we can speak of a double bilateral track: Central-Regional and Regional-Local. Bilateralism can also be practised because territorial authorities think that they are able to present their own interests by themselves. In the Spanish case it is very common for the regional governments to establish an institutional dialogue individually with the central government, that it is to say without the presence of the other partners. The existence of several governmental levels, sometimes more than the usual central-regional-local, sometimes – as in the case of Norway – produces a full set of patterns. Therefore, we have institutional dialogue among state-regions, regions-regions, central-local, regions-local and local-local. Very often the purpose of the dialogue, or, the issue at discussion will lead to the use of one or another of the models provided. There is everywhere a full basket from which to pick up the appropriate method trying to adjust it to the specific question, the jurisdiction applicable, the territorial authorities involved and the decision-making process.

3. The ladder of institutional dialogue

The dialogue is, in principle, voluntary and/or compulsory. The degree of success of the voluntary pattern is higher in those cases where the culture of co-operation and the consensus building practices are well established. The type of dialogue linked to the joint-taking of decisions is very uncommon, but there are cases (Denmark for instance) in which the municipalities are heavily involved in all major decisions and even play an important role in the parliamentary legislative process. In other countries the devolution process, or federal arrangements, have produced major territorial political powers and those regions (cantons, self-governing communities very often participate in joint decision-taking institutional dialogue. In some cases the structure of decision-making requires the use of such joint decision-taking models because of the specific policy involved (e.g. in the case of regional development, or territorial reforms in several countries).

Second in intensity is the model of territorial coordination and co-operation, which is most developed and is also, according with the information provided, the most relevant and efficient one. The experiences presented allow us to consider that the central government has better information, that the regional and local interests are expressed in a better way, that the agenda setting is built up in a more comprehensive way and that the political system produces better quality policies and implementation has less obstacles.

Finally, the minimum level of the institutional dialogue is the consultation. Sometimes consultation requires previous coordination, or is done precisely to achieve better coordination. Also, in some cases, consultation is a legal requirement. Consultation can have a binding or non-binding outcome. The various experiences show that, even in the frequent cases of non-binding consequences, the central government would, normally, take into account the opinions and the interests of local or regional authorities.

4. Institutional dialogue: top-down, or, bottom up?

The experiences of the countries represented in the report demonstrate the presence of a top-down and vertical model of institutional dialogue in many cases. This should be understood as an expression of the relevance of the central government vis-à-vis the other levels, (and also with the presence of the descending and vertical model of relationship). In some cases (Bulgaria, Hungary or France for example), the bottom up model is perfectly visible in specific policy areas.

According to the theory of public policy, for any government to successfully implement its governing activities, several preconditions should be fulfilled:

- a) Adequate time and sufficient resources for each programme and at each stage of the implementation process.
- b) The policy to be implemented should be based upon a valid theory of cause and effect and the relation between cause and effect should be direct and, in any case with very few intervening links.
- c) There should be a single implementing agency and if other agencies must be involved the dependency relationship should be minimal in number and importance.
- d) A complete understanding of, and agreement upon, the objectives to be achieved. Specifying in complete detail and perfect sequence the task to be performed by each participant.
- e) Perfect communication and co-ordination of the various elements involved in the programme.

- f) The authorities should be in a position to demand and obtain perfect obedience.

This top-down model has been heavily criticised in many research studies mainly because it does not take into account the real complexity of policy-making and implementation in modern political systems. Many policies (as several reports made explicit) represent compromises between conflicting values. In our case they are probably represented by the different views of the process among the several levels of government. Normally the policies to be implemented involve compromises with key interest within the implementation structure. Even more so, the policies to be implemented within any political system also involve compromises with key interests upon which the policies implemented will have an impact. A further complication has to do with the fact that many governmental actions do not involve the promulgation of explicit programmes requiring new activities. They involve adjustment to the way activities are to be carried out, or, frequently, they take the form of increases or decreases of resources for specific activities.

The potential for implementation deficits is present everywhere and we should take into account the fact that implementing is sometimes just another step of the policy-making process. The reason is that many decisions are not taken at the policy-making stage and are handed over to the implementation process, open to interactive and negotiative mechanisms. We know that the following facts affect the top-down model:

- 1) Conflicts cannot be solved during the policy making stage;
- 2) It is necessary to let key decisions be made when all the facts are available for those involved in the implementation;
- 3) Little is known in advance about the actual impact of new measures;
- 4) Day-to-day decisions will have to involve negotiations and compromise with powerful groups.

Institutional dialogue is a very useful tool to put policy-making and policy implementation processes into practice. For each one of the actors involved it can be understood as a learning process and, also, as a coalition building process. However, the insufficiencies of this top-down model are the basis for the bottom-up alternative, the ascending logic, the response to problems in the form of choices between alternatives. In general terms bottom-up is considered to be more flexible than the top-down model. Also, the bottom-up model is related to policy as an output, whereas in the top-down model, policy is mainly seen as an input. The assessment available may clarify that in many cases the position of central government supports the prevalence of top-down models, but in other countries politics is dominated by compromises between territorial units. We also see cases in which the central government goals are not so clear giving room to all kind of political manoeuvring.

5. Patterns of conflicts, difficulties and advantages

The conflicts concerning the practice of institutional dialogues are quite heterogeneous. Sometimes the conflicts are related to the institutional regulation, others are specifically based on the “hard issues” (usually financial policies). In other cases difficulties and potential problems come from representational issues, the overlapping of jurisdictions, or, the lack of certainty about distribution of competences. In those cases in which the territorial authorities affected have access to the courts to challenge the decision taken by superior authorities (as the French report suggests) it would be possible to construct a conflict index using the level of judicial challenge to tell us about the quality and efficiency of the institutional dialogue. Sometimes the heterogeneity of demands stemming from the plurality in number and diverse characteristics of local authorities is also the basis of some difficulties and potential conflict. In several cases the horizontal institutional dialogue, specifically at local level, becomes a successful solution to a failure of the system. In other respects the role played by the regional and local associations is quite important in aggregating demands and bringing territorial authorities into institutional dialogue networks. Further, we should not forget (as the UK reports suggested) that success or failure depends also on the different cultures of the several partners, with their legal framework. Finally, the quality of the dialogue can be improved (e.g. Norway or Denmark) if local authorities are given stronger constitutional powers. Perhaps the “critical case” for better understanding and assessing institutional dialogue would be to study in depth the budgetary and financial co-operation among territorial authorities.

CHAPTER III – The representation of local and regional interests: the role of associations

Every political system has some way for citizens and social groups to express their needs and demands to the government. These processes of interest articulation and interest aggregation can take many forms. The most basic form might be citizen participation and action that can be done through a variety of methods (from voting to personal contacts, from protests and direct action to simple political alienation). A more institutionalised form of interest articulation occurs through social and political groups that represent the interests of their constituents. The main differences with citizens' action are their enduring organizational base, professional managers and staff and regular participation in the policy process. These institutional groups may vary in organizational elements, financing mechanisms, political style and constituencies. Modern political science classifies groups in anomic (spontaneous groups of individuals that respond emotionally to specific disappointments), non-associational (not very well organised, irregular or episodic activities and based in common interests such as ethnicity, religion, occupation), the associational groups, formed explicitly to represent the interests of an specific group (trade unions, voluntary associations, civic groups etc.) and, finally, the institutional ones (who are formal organizations that together with the interest articulation function they perform other political or social functions, examples as the political parties, the armies, the bureaucracies or the churches). The associations of local or regional authorities within our democratic countries are perfect examples of the institutional interest groups and, legitimately; try to reach the central government (or in some cases the superior within the several tiers) through the channels of political access available.

As we know, aggregation of interests is one of the most important activities through which political demands of individuals and groups are combined into policy programmes. However, interest aggregation can occur in many ways. Sometimes through a patron-client structure, sometimes through political parties or interest groups. In most modern countries the traditional personal interest aggregation networks are being substituted by institutional interest aggregation systems. Usually a distinction is made between more pluralist versus more neo-corporatist arrangements. In the pluralist model, groups do not co-operate so much as compete for influence over government. They are not partners with government, not bound with it in the decision-making framework and the various groups do not have any formal role in decision-making. The neo-corporatist model refers to a system in which each set of interests in a policy area is organised comprehensively into peak associations or federations, which co-ordinate or monopolise their field. The distinctions are normally applied to business interests, but analogically can serve to understand the way in which those regional or local associations have been articulated as illustrated by the several examples offered by the country reports. Sometimes, local and regional associations are private organisations, more often they are regulated by public law, they have legal status, representational privileges and a legally established functional position and internal structure.

The federal, or quasi-federal system, does not have regional associations because the regions (cantons, länder, self-governing communities) are part of the power structure under the federal regulations and they do not need to promote their interests through associational devices. In the case of Switzerland, associations are related to the municipalities, are national ones and split according to the units represented (one association for cities and another for towns). In the Spanish case there are one national association of local authorities and nineteen regional ones (one for each region, with the exception of Aragon and Catalonia where there are two). The national association is an umbrella model encompassing the regional ones (with the exception of the Basque association and one of the Catalan and Aragon associations). In Spain, there are other associations, geographically limited or representing special purposes, or both at the same time, which are not relevant at all.

The unitarian political systems have either one national association (Czech Republic, Latvia, Lithuania or Norway), or more than one national associations (Bulgaria, Hungary, Poland, Slovakia, Sweden). In the Bulgarian case it is interesting to note that they have one of the two national associations based on municipalities membership (all of them) and another which is constructed upon individual membership or upon elected officials and closely linked to political parties.

At the regional level, and considering only the unitarian systems, the reports show some variations. Lithuania, Latvia and Denmark do not have (separate) regional associations whilst by contrast, in the rest of the cases there are an important number of associations at the regional level (Bulgaria has ten, Russia Federation more than forty, Slovakia fifty seven, for example). It will be interesting to know what interests, in real terms, are articulated through the special interests (historical cities, mayor associations, spa towns, etc). In many cases the national associations encompass the heterogeneity of the local authorities (big and small, urban-rural, tourist or agriculture, mountain towns, etc.), in others, as in the case of Poland, associations tend to represent the territorial peculiarities.

Associations which articulate local and regional interests are usually legally founded. This legal framework is often provided for by each country's constitution and the specific local government acts, either general legislation or specific legislation, which regulates local self-government. Very often, the national legal framework makes specific references to the European Charter of Local Self-Government. In some cases local authority associations are private organisations, legal persons under private law, and as such, free from specific requirements of public law. Countries such as Sweden do not have a specific regulation on local associations and the right of association depends upon a general constitutional guarantee. It is also common for local regional associations to be established by legal persons, such as local and regional authorities.

a) Typology and Membership

National associations exist in all countries. Some have only one, and others, such as Estonia, Hungary, Russia Federation and Poland, have more than one national association. The most common pattern is to have all sorts of territorial associations: regional, local and special purpose ones. Looking at the way their members aggregate, some of the associations can be referred to as single-tier and others as two-tier. We also see differentiation according to the way in which interests are articulated, e.g. associations which specifically represent the interest of cities, rural municipalities, cross-border municipalities, tourist settings and so on.

In many countries associations are articulated in several ways, such as associations of single-tier, two-tier, and associations which are not based on the tier variable. The United Kingdom, Latvia, Norway, Russia Federation and Spain represent examples of multi-faceted membership articulation. On the contrary, Denmark, Lithuania and Switzerland are characterised by single-tier type of associations. (i.e. in Switzerland the cantons and “communes” have their own associations). Another case is that of Romania, where single-tier type organisations have established a single common federation.

b) Political Links and Association Goals

Without a doubt local and regional associations operate everywhere along political lines. The relevant argument to be set forth is that some associations are organised on the basis of political pluralism and it is quite common for the bodies represented to be closely related to specific political parties or groups. On the contrary we can find local associations with a very specific link to a single political party. As an example of this, in Spain there is a national local association, the FEMP, with members that come from several parties and at the same time one of the two Catalan regional associations which is directly connected with the right-centered catalanist party (“Convergencia I Unio”).

The associations are commonly considered as bodies with a general competence. According to this they can work in any desired field within the interests represented. At the same time, we very often face special purpose associations which focus on specific issues. Associations fulfil tasks established by the law (i.e. Estonia has legal demands for the associations to respect their role in evaluating and training civil servants or organising health and transport).

The most salient elements common to all the associations can be summarised as follows: defending, representing and articulating common interests, favouring local autonomy, contributing to the mechanisms of co-operation and providing its members or other governmental levels with advice and staff resources. Depending on the constitutional and political position of the local and regional authorities, their associations are able to participate in the decision-making process within the political system, or simply, to be a voice without the capacity to influence or vote on specific issues. Being important political actors, they can contribute to improved local legislation, build a more positive partnership between central and local levels of government, have a relevant impact on public opinion, and, recently, they are able to establish networks with foreign associations and international forums.

c) Size, Mechanisms of the Dialogue and Internal Structure

The number of members of local and regional associations follows the local map of each country, from near seven thousand in Spain to less than three hundred in Switzerland, nearly 120 in Estonia and 60 in Lithuania. It is more interesting to note that local associations integrate almost the totality of the corresponding units. In some countries (Belgium, Bulgaria, Denmark, France, Lithuania, Norway, Romania, Sweden, United Kingdom) they represent 100% of the universe of local authorities, or (very nearly that figure) and about 80% in the cases of Latvia, Poland, Spain, Slovakia and Russia Federation. In the cases in which regional nationalism is very strong, local authorities are very reluctant to become members of the national association, as in the case of Spain with the Basque country, where only 15% of the basque local authorities are members of the national association.

As we described above and according to the reports, local associations are important political actors. They have a permanent dialogue with the central governments, they are frequently consulted by superior authorities on real issues and, apart from the informal links, they are very often members of several national commissions and ministerial department bodies and are involved in international arenas. Perhaps the areas in which the dialogue has been developed most consistently are the budget and financial policies.

Furthermore, the associations have a very similar organisational structure with a General Assembly, an Executive and “ad hoc” commissions. All the representations have been democratically elected. In some cases the executive, or council, is organised in two branches (the political decision-maker and the managerial one), as in Poland. It is also common practice to have permanent commissions or committees. In terms of the staff number and budget resources the associations are very dissimilar. The personnel varies from 500 in the case of Denmark, around 200 for the United Kingdom and Norway and Sweden, 90 in Spain, to 30 in Bulgaria, 42 in Estonia, 26 in Latvia, 14 in Lithuania, 46 in Russia Federation and 6 in Poland. The budget of each association shows big differences: in the top, a group of countries which have a budget exceeding 20 million euros (United Kingdom, Norway, Sweden, Spain); Switzerland and Poland around one million euros and the rest with figures between 650.000 euros, such as Russia Federation, and below this figure are the cases of Bulgaria, the Czech Republic or Latvia. Practically the totality of the budget comes from membership fees and the weight of personnel and administration in the total budget is, in relative terms, very high.

Finally, in order to understand the budget of each association in relative terms, we need to find an indicator that is sensitive enough to be able to compare the absolute figures given in some reports.

CHAPTER IV - Final remarks

From the valuable reports of the countries represented in this survey, we know considerably more about a crucial and until now relatively little studied aspect of the intergovernmental relationships. Everywhere we face an increasing process of decentralisation and democratic strengthening and the new governance system requires sophisticated mechanisms of dialogue.

The comparative analysis of the several cases provides a very important learning process for all of us and the activity should be continued in order to contribute country-based research with two main targets: to obtain the same information for each case and with the higher level of homogeneity. Secondly, to do the same at the level of local and regional authority for a better understanding of their needs and their perceptions and assessments of the institutional and non-institutional dialogue mechanisms.

To avoid a potential “tower of Babel”, it is important to develop analytically clear concepts and, as far as possible, precise and accurate in its connections with the empirical world. We are talking about common problems and common needs to tackle those questions but within a group of countries that represents different types of political systems, different political cultures and differentiated administrative traditions.

In order to arrive at a deeper understanding of the main parameters, such as unipolar or multipolar, institutional dialogue versus partnership, representational systems (regulated or not, access to decision-making arenas by representational bodies and/or sub-national entities, participation in decision-making processes or just in the delivering of services, we need to continue our efforts that in the end will make our countries more democratic and more participatory.

The complexities of modern societies make the public policy process an activity that requires continuous interaction among levels of government and if, as Rose stated “policy unites what constitution divides”⁶, institutional dialogue is a strategic factor.

Institutional dialogue, from that perspective, can be seen as an essential tool for providing the necessary coherence in final policy delivery, bringing together the various strands of policy making that for institutional reasons have inevitably been separated.

⁶ See p. 11 above.

Conclusions

1. Institutional dialogue may be described as the whole network of communicative relationships between all territorial authorities (including central government) of a single state. The current report examines in particular the institutional dialogue between central government on the one hand and other levels of territorial authorities on the other hand.

2. The individual dialogues within this notion of institutional dialogue can be distinguished according to the following modalities:

- the policy area they address;
- their status (periodical or *ad hoc*);
- whether or not there is an obligation to discuss;
- the frequency;
- the format;
- whether or not there is an explicit legal basis;
- by whom the central level is represented;
- by whom the other (levels) of territorial authorities are represented;
- which levels are involved (central-regional; central-local; regional local; central-regional-local; one level only);
- whether or not the dialogue involves all institutions of the same level;
- the importance of the issues;
- the type of outcome;
- the (non-)binding nature of the outcome;
- the impact of the outcome.

3. Arrangements for institutional dialogue are highly sensitive to their context and cannot be fully evaluated, let alone re-arranged without considering their full environment. Given the broad range of possible modalities for individual instances of institutional dialogue, it is neither possible nor desirable to seek the development of a single design for institutional dialogue. However, this does not preclude that there may be scope for developing common parameters for successful institutional dialogue.

4. Over the last few decades, institutional dialogue has become more important in all member states due to the increased complexity of governance and the recognition that policy responsibilities shall generally be exercised by those authorities which are closest to the citizen.

5. Institutional dialogue is an essential part of the governance of a democratic state.

6. The real impact or effectiveness of individual institutional dialogue cannot be ascertained without taking account of parallel processes of informal contacts between individual officials and representatives of the levels involved and the contacts mediated through political parties.

Parameters/Guidelines

1. The existence of a framework for institutional dialogue should be recognised as an integral part of the governance of a democratic state. The modalities of institutional dialogue (the policy area they address; their status (periodical or *ad hoc*); whether or not there is an obligation to discuss; the frequency; the format; whether or not there is an explicit legal basis; by whom the central level is represented; by whom the other (levels) of territorial authorities are represented; which levels are involved (central-regional; central-local; regional-local; central-regional-local; one level only); whether or not the dialogue involves all institutions of the same level; the importance of the issues; the type of outcome; the (non-)binding nature of the outcome; the impact of the outcome) can only be determined in the specific context of each member state but should conform to and enhance the implementation of principles of good governance. As a minimum, the institutional dialogue should enable the implementation of Article 4 paragraph 6 of the European Charter of Local Self-Government, which reads as follows:

“Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly”

and Article 9 paragraph 6, which reads as follows:

“Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them”

2. The design of arrangements for institutional dialogue should notably meet parameters of effectiveness, transparency, accountability, representativeness and efficiency.

Effectiveness

In order for the institutional dialogue to be effective it is to be ensured that:

- it takes place in a timely manner;
- it takes place on the basis of clearly established procedures;
- all relevant information is available to all participants, in particular relevant dates, agendas and events are to be made available in advance;
- the outcome, if not binding, is given at least due consideration in the final decision-making process;
- the institutional dialogue is meaningful and not rendered ineffective through parallel processes;
- whilst respecting the rules of public access to information, the basis on which information about the process is to be made available to the public is to be agreed by all participants in order to ensure the necessary trust between participants.

Transparency

- It is to be ensured that rules of access to public information are respected and that the results of the dialogue are made public as soon as possible;

Accountability

- It is to be ensured that those participating in the institutional dialogue are accountable to democratically elected bodies (assemblies).

Representativeness

In order for the institutional dialogue to be representative it is to be ensured that all (levels of) territorial authorities with a legitimate interest in the matters at hand are involved, regardless of the party political make-up of these territorial authorities. Participation in the dialogue should generally not be limited exclusively to those who belong to the political majority. In as far as participants represent territorial authorities, they must be representative of these territorial authorities.

Efficiency

In order for the institutional dialogue to be efficient it is to be ensured that:

- the best possible use is made of existing resources and procedures;
- care is taken to avoid unnecessary duplication;
- the dialogues between different levels (state-region; state-local level; regional-local level) are well co-ordinated.

3. It is important that the functioning of institutional dialogue is periodically reviewed in light of these parameters identified above. Such an evaluation should at least involve all those involved.

4. It is important for central governments and territorial authorities also to share at international level information about the functioning of institutional dialogue in order to allow for the exchange of ideas and identification of good practice.

APPENDIX

Mechanisms for institutional dialogue : a survey of the main features

In this appendix an attempt is made to identify the main features of mechanisms of institutional dialogue as they appear from the survey conducted by the CDLR. To this end, a schedule has been prepared, giving an overview of the various modalities of institutional dialogue that were identified in the questionnaire sent to member states. Each column deals with one parameter and contains at least two and often more options. The schedule gives a summary of the results of the survey in accordance with the modalities identified.

Before proceeding with a presentation of the results, a few remarks of a more general nature should be made about the schedule.

Firstly, the number of parameters and the number of options in respect of each of them, illustrate the broad range of arrangements for institutional dialogue that is theoretically possible. Although the replies to the questionnaire show that not all theoretical options exist in practice, it is true that many different forms are indeed practised. This wealth of information is well worth looking at in detail by anyone wishing to acquaint themselves with the way in which arrangements have been made in member states. To that end, the original questionnaire, as well as the full text of the replies, are available on the Local Democracy Website⁷. However, for the purposes of this report it is not possible or even desirable to reproduce the details of all the arrangements for institutional dialogue in member states in full detail. Rather, this part of the report seeks to draw out and analyse some of the main common features of the systems presented, using examples from the practice in individual member states as illustrations.

A second general remark is to underline that the analysis of the different parameters of institutional dialogue does not aim to establish or distil a single model of institutional dialogue as being the best model. Although the discussion of modalities below may point to certain relative strengths and weaknesses of various options, it must be borne in mind that the arrangements for institutional dialogue are highly sensitive to their context and cannot be fully evaluated, let alone be re-arranged, without considering their full environment. Furthermore, the analysis of these modalities inevitably gives only a part of the full picture. Modalities that look impressive may in practice only be paper tigers, whereas the opposite may also be true. In order to fully evaluate these arrangements in practice, it would for example be necessary to ascertain how satisfied the users of these systems at local, regional and central level are and whether the systems meet the expectations of those involved. Such a survey falls outside the scope of the current report. Nonetheless, an attempt at some evaluation is made in chapter three, based on the replies received to the questionnaire.

Thirdly, in order to avoid misunderstandings, it is important to make the following points about the results of the questionnaire which are represented numerically in the schedule. As indicated above, 21 replies to the questionnaire were received. However, not all the replies could be used for the purposes of schedule 2 because some countries elected, as they were entitled to, to present the information on the institutional dialogue in their country in a different format. Thus, out of 21 replies 16 were used to prepare the schedule.

⁷ www.coe.int : the Local Democracy Site can be found under: "Legal" (A formal decision to this effect has not yet been taken).

Further it should be stressed that the schedule deals only with the institutional dialogue between the centre on the one hand and local and regional authorities on the other. The institutional dialogue between the various levels of sub-national territorial administration thus is not in evidence here.

Also, as a glance at the numbers in the schedule suggests, it is the case that in several countries more than one mechanism for institutional dialogue exists, even in respect of a single set of issues. This means, for example, that within one area of issues there may be both a mechanism with a binding and with a non-binding outcome.

Finally it is stressed that the numbers, based on the replies, should not be given an absolute importance. Indeed, trying to fit complex reality into a schedule such as this one always entails certain difficulties of classification of individual cases. Consequently, the numbers should rather be read in relative terms, in terms of more or less and it is on that basis that the following presentation is made.

Schedule 1: Overview of modalities of institutional dialogue in practice

| | | Foreign policy/ international relations | European integration and implementation of EU policies | Domestic issues of political relevance on the agenda | Implementation of national policies or legislation at local or regional level | Devolution/ delegation of new tasks to local/regional authorities | Funding system/ financial arrangements for local regional authorities | Changes in the legal framework concerning exchange of information local/regional self-government and its operation |
|------------------------------|------------------------------------|--|--|--|---|--|--|--|
| Status | <i>Standing</i> | 3 | 5 | 7 | 7 | 6 | 8 | 5 |
| | <i>Ad hoc</i> | 2 | 4 | 5 | 5 | 3 | 2 | 3 |
| | <i>Not Applicable</i> | 6 | 2 | 2 | 2 | 1 | 0 | 1 |
| | <i>Not indicated</i> | 4 | 5 | 4 | 2 | 3 | 3 | 5 |
| Obligation To discuss | <i>Yes</i> | 5 | 5 | 6 | 8 | 10 | 13 | 11 |
| | <i>No</i> | 4 | 7 | 7 | 6 | 3 | 3 | 3 |
| | <i>Not Applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 1 | 2 | 1 | 2 | 1 | 1 | 2 |
| Frequency | <i>Regular/ Frequent</i> | 7 | 7 | 14 | 14 | 13 | 16 | 12 |
| | <i>Occasional/ Sporadic</i> | 3 | 7 | 1 | 3 | 1 | 1 | 4 |
| | <i>Not Applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Format | <i>Conference</i> | 0 | 1 | 3 | 2 | 1 | 1 | 0 |
| | <i>Meeting</i> | 4 | 4 | 6 | 5 | 5 | 7 | 5 |
| | <i>Joint body</i> | 3 | 6 | 7 | 10 | 7 | 7 | 6 |
| | <i>Participation In other body</i> | 0 | 2 | 0 | 1 | 1 | 0 | 1 |
| | <i>Submission For opinion</i> | 0 | 1 | 1 | 2 | 3 | 3 | 4 |
| | <i>Other</i> | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Legal basis | <i>Yes</i> | 5 | 5 | 4 | 5 | 6 | 7 | 6 |
| | <i>No</i> | 0 | 3 | 4 | 3 | 2 | 2 | 2 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 5 | 6 | 6 | 5 | 6 | 7 | 7 |

| | | | | | | | | |
|-----------------------------|---------------------------|---|---|---|----|---|----|----|
| Central Participants | <i>Ministers</i> | 2 | 3 | 6 | 4 | 2 | 5 | 2 |
| | <i>Officials</i> | 4 | 6 | 7 | 8 | 5 | 6 | 6 |
| | <i>Parliament</i> | 0 | 1 | 0 | 1 | 0 | 0 | 2 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 5 | 5 | 3 | 3 | 6 | 7 | 7 |
| Loc/Reg participants | <i>One Loc/Reg</i> | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| | <i>Sev Loc/Reg</i> | 1 | 3 | 1 | 2 | 1 | 1 | 1 |
| | <i>All Loc/Reg</i> | 2 | 6 | 5 | 6 | 1 | 2 | 1 |
| | <i>Associations</i> | 3 | 6 | 8 | 9 | 9 | 10 | 10 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 4 | 4 | 2 | 2 | 4 | 4 | 4 |
| Levels | <i>Cent – Loc</i> | 3 | 7 | 7 | 10 | 8 | 9 | 9 |
| | <i>Cent – Reg</i> | 3 | 4 | 4 | 6 | 3 | 4 | 3 |
| | <i>Tri-lateral</i> | 3 | 4 | 4 | 8 | 4 | 6 | 5 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 2 | 2 | 1 | 0 | 2 | 2 | 1 |
| Importance issues | <i>Usually great</i> | 4 | 4 | 6 | 7 | 5 | 8 | 7 |
| | <i>Often great</i> | 0 | 2 | 6 | 6 | 3 | 6 | 5 |
| | <i>Not so often great</i> | 1 | 6 | 1 | 3 | 3 | 1 | 1 |
| | <i>Usually not great</i> | 3 | 1 | 0 | 1 | 1 | 1 | 1 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 2 | 1 | 1 | 1 | 2 | 1 | 1 |

| | | | | | | | | |
|-------------------------------|---------------------------------|---|----|----|----|----|----|----|
| Outcome | <i>Joint decision</i> | 3 | 3 | 5 | 5 | 4 | 6 | 6 |
| | <i>Joint planning</i> | 0 | 1 | 1 | 0 | 1 | 0 | 1 |
| | <i>Vertical co-ordination</i> | 2 | 4 | 4 | 4 | 3 | 4 | 3 |
| | <i>Horizontal co-ordination</i> | 3 | 2 | 2 | 3 | 2 | 2 | 2 |
| | <i>Co-operation</i> | 2 | 2 | 3 | 2 | 3 | 4 | 4 |
| | <i>Consultation</i> | 5 | 9 | 10 | 11 | 10 | 12 | 12 |
| | <i>Advising</i> | 2 | 1 | 4 | 4 | 2 | 5 | 2 |
| | <i>Exchange of information</i> | 4 | 5 | 8 | 7 | 8 | 8 | 6 |
| | <i>Other</i> | 0 | 0 | 0 | 1 | 0 | 1 | 1 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 1 | 0 | 0 | 1 | 0 | 0 | 1 |
| Binding nature outcome | <i>Yes</i> | 2 | 1 | 1 | 3 | 1 | 1 | 1 |
| | <i>No</i> | 8 | 12 | 12 | 10 | 12 | 14 | 11 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Impact of outcome | <i>Very important</i> | 2 | 1 | 4 | 4 | 4 | 7 | 5 |
| | <i>Important</i> | 3 | 4 | 4 | 5 | 3 | 2 | 2 |
| | <i>Not so important</i> | 2 | 2 | 0 | 2 | 0 | 1 | 1 |
| | <i>Not applicable</i> | 6 | 2 | 2 | 2 | 2 | 0 | 1 |
| | <i>Not indicated</i> | 3 | 6 | 6 | 5 | 7 | 7 | 7 |

1. Status of the dialogue, obligation to discuss an issue and frequency of the dialogue

As the schedule shows, the basic options concerning the status of the dialogue are that dialogue either takes place on a periodic basis or on an ad hoc basis. Although a periodic basis for dialogue might suggest a more intensive level of dialogue than ad hoc dialogue, it appears in practice that where such ad hoc dialogue exists it takes place regularly (for example in the United Kingdom) on an addition to regular dialogue.

The great majority of countries in the survey report that where institutional dialogue takes place it often does so frequently. This appears to be the case in respect of all issues, except European integration (issues 2). If the status of the dialogue may be considered less important than the frequency with which the dialogue is held, the most important parameter is arguably whether there is an obligation on the central authorities to enter into a form of dialogue when the local or regional level so requests. As to the latter question the survey shows that there are cases where such dialogue is obligatory in respect of all the types of issues. Furthermore, it seems that such an obligation is more likely to exist in respect of issues type 4-8, core issues for any form of local and/or regional territorial administration. However, also in respect of issues of foreign relations and international relations, a majority of the countries in the survey report that an obligation for dialogue exists. Of course, this does not preclude that central authorities would be willing to enter into dialogue with regional or local authorities, even where an obligation to do so does not exist. Indeed, the frequency of the institutional dialogue on many types of issues suggests that this may well be the case in practice. Finally, the obligation to enter into dialogue on a certain issue should not be confused with an obligation on the central authorities to be bound by the outcome, or even to be bound to take it into account. This parameter will be discussed below.

2. The format of the institutional dialogue.

The schedule illustrates that there is theoretically a wide range of formats in which the institutional dialogue can take place. The survey shows that, within this range, the format of dialogue is most often either a joint body, in which the different levels of government involved all have their representatives, or a meeting between the different the levels involved. Few countries know neither of these two formats for their institutional dialogue (e.g. Latvia, Norway). The format of a conference or a forum also exists in practice, but is less common (Norway, Hungary, Finland, Russian Federation). A further format is the participation in the meetings of bodies at central level (e.g. Bulgaria and the Russian Federation). Exceptional are the formats of an inter-ministerial conference (Belgium only, linked to the specific constitutional arrangements) and of an almost entirely informal institutional dialogue, based on individual contacts for all issues not pertaining to legislation (Sweden). Trying to analyse what factors influence the choice for the establishment of one or the other format, it would seem that the existence of a joint body is conducive towards achieving a joint or common position, which may or may not be binding on the levels of government involved. Where the object of the dialogue is the exchange of information or a consultation of the local or regional level prior to decision-making at the central level, the format of a meeting between the levels involved seems to be more apt. This format also seems appropriate where the object of the dialogue is to arrive at a formal agreement between the levels (Latvia).

3. Legal basis

In the majority of cases reported the institutional dialogue rests on a legal basis, the nature of which may vary from the constitution (Belgium, Switzerland), through national legislation (Poland, Portugal) to an executive order (Russian Federation).

4. Central level participants

As has been pointed out above, this presentation focuses on the institutional dialogue between the central level on the one hand and the local and/or regional level on the other. The survey clearly shows that in the great majority of cases the participants at central level are from the executive branch of government, i.e. government ministers or (senior) officials. Institutional dialogue with a chamber or a committee of the national parliament is much less widespread. Of course, in a Federal system, the entities which make up the Federation are often represented as such in one of the Chambers of Parliament, an arrangement which could in itself be seen as part of the overall institutional dialogue. The focus of this report however is on the dialogue between the different levels of territorial authority and not the institutional representation of one level in the other level. Nevertheless, the latter element must be taken into account when seeking to assess the interaction between the different levels (e.g see below under 7).

5. Participants from the local and regional level

Participants from the local or regional level are either designated directly by the local and regional authorities involved or are representatives of associations of the local and regional authorities. The survey shows that these associations are in fact involved in institutional dialogue in a great many cases, particularly when it comes to the core issues. More details about the make-up and functioning of these associations will be discussed below in Chapter IV. The survey also appears to indicate that institutional dialogue with just one or several but not all authorities of a given level (local or regional) is the exception rather than the rule.

6. The levels of territorial administration involved

In most cases, it seems that the institutional dialogue with the central level takes place separately with regional level and local level. However, tri-lateral institutional dialogue is also quite widespread.

7. The issues and their importance

As can be seen from this survey, institutional dialogue between the centre and local/regional levels exists in respect of all issues and furthermore the dialogue in most cases focuses or often focuses on matters of great political significance, strongly underscoring the relevance of the subject matter of this report. As noted before, the institutional dialogue between the centre and the local and/or regional level seems, perhaps unsurprisingly, to be most widespread in relation to issues of implementation of national policies or legislation at local or regional level, devolution/delegation of new tasks to local/regional authorities, funding systems/financial arrangements for local regional authorities and changes to the legal framework concerning local and regional self-government and its operation.

However, it is important to note that the type of state structure has a bearing on the type of issues that are the subject of the institutional dialogue, such as in the case of Switzerland . The institutional dialogue does not apply to issues of devolution or changes to the legal framework concerning local/regional self-government because the central authorities have no say in these matters. The absence of institutional dialogue can thus not simply be equated to the existence of an exclusive central authority on the issue.

8. The type of outcome of the institutional dialogue and whether or not it is binding

Consultation is the single most frequent type of outcome, but exchange of information, advising, joint decisions and vertical co-ordination are also regular features of the process. In the great majority of cases the outcome of institutional dialogue is not binding on the levels involved, at least not in a legal sense of the word, although this does exist (Belgium). Nonetheless, the impact of the outcomes seems generally high, with only a minority of cases in respect of all issues indicating the impact of the outcome as “not so important”.