Reforming Public Administration in Multilevel Systems

An Evaluation of Performance Changes in European Local Governments

Sabine Kuhlmann, Stephan Grohs, and Jörg Bogumil

Introduction

The reallocation of public tasks is a common reform strategy in most of the Western European states. On the one hand, there is a trend toward decentralization, on the other also some centralizing measures. Next to the appraisal of decentralization seen in some strands of the literature (see the next section), a comparative view offers a more nuanced angle. If we take into account that the actual strategies of decentralization, the fiscal measures, and the specific nature of delegated functions vary significantly across countries and regions, some differentiation is to be expected regarding the effects of such measures. Against this backdrop, we seek to analyze decentralization policies in Germany, France, and the United Kingdom. In these three countries, varying decentralization strategies have been pursued, the impacts of which partly confirm and partly disprove common assumptions. Taking an evaluative approach, we seek to identify the conditions under which decentralization fulfills the promises (transparency and accountability, efficiency gains, improved citizen-centered services, better coordination, and service quality) that have made it one of the most prominent reform strategies worldwide (Treisman, 2007).

This chapter proceeds as follows: we will attempt first to introduce the reader to the theoretical debates on intergovernmental relations, decentralization, and performance impacts. After a brief overview of the methodology and the analytical framework adopted for our empirical research, we will present the empirical results of our comparative study of the effects of decentralization. The conclusion presents a differentiated view on the virtues and vices of decentralization.
Effects of decentralization: theoretical framework

A wave of enthusiasm tends to accompany the international discussion on decentralization. It promises to bring the state closer to the citizen, to enhance efficiency and effectiveness in the provision of public services, and to promote accountability and participation (for an overview, see Treisman, 2007, pp. 1-14). The international scientific discourse on local government and public administration is almost unanimous in seeing a global trend toward the decentralization of state functions (Stoker, 1991; Pollitt and Bouckaert, 2004; Denters and Rose, 2005).

Nevertheless, the arguments and findings on the effects of decentralization are extremely contradictory (cf. Pollitt, 2005; De Vries, 2000; Treisman, 2007). Drawing on both theoretical arguments and empirical evidence, we can find support both for positive effects and for negative effects in almost all dimensions amenable to evaluation, such as effectiveness, efficiency, horizontal or vertical coordination, democratic control, or equity (for an overview, see Grohs et al., 2012, p. 127). In order to reconcile these divergent and strikingly contradictory assessments, it has been proposed that it is not so much decentralization itself that impacts and differentiates performance but rather the manner of implementing the decentralization agenda (cf. De Vries, 2000, p. 200; Treisman, 2007, pp. 21–6) – in conjunction with the specifics of the policy domain (cf. Ostrom and Bish, 1977; De Vries, 2000, pp. 200–1).

Our objective here is to attempt to identify the specific conditions that impact the outcomes of decentralization. In the course of doing so, we differentiate between institutional factors (type of decentralization mechanism), policy-specific actor strategies regarding implementation, and other contextual factors (administrative culture, economic and social environment). We distinguish three basic decentralization types, which can also diverge into different variants and “subtypes” (cf. also Beuz, 2002, p. 209ff; Wollmann, 2006).

1. Political decentralization is the complete transfer of state functions to local administrative bodies. In this process, a democratically elected local representative organ is given full responsibility over planning, financing, and administration of the new task. This brings decision making closer to the citizens, safeguarding transparency and participation.

2. Administrative decentralization is a more moderate type of the transfer of functions. In this case, the elected local representative organs do not receive autonomous decision-making and control competencies
in the course of the delegation of functions. Local authorities function as agents of the state and continue to be subject to its legal and expert supervision.

3. Administrative deconcentration involves the transfer of central government functions to authorities or other statutory public sector bodies that are located at the subnational administrative level but continue to be part of the organizational structure of the state government system, in the broader sense.

The institutional effects of the various forms of decentralization relate to two basic models of administrative organization: the multipurpose model and the single-purpose model (Benz, 2002; Wollmann, 2006). Whereas the multipurpose model implies a horizontal form of administrative organization in one territorial jurisdiction, the single-purpose model is geared toward a vertical, functionally specific type of administrative organization. In the former, the local government consolidates all operational tasks related to its territorial unit and performs the inherent functions with its own political mandate. In the latter model, functionally differentiated and highly specialized units take care of all issues related to their responsibility. Both of these ideal-type configurations are seen as being responsible for certain specific effects on the provision of services and on performance in general. In line with this view, the multipurpose model favors the coordination of specialized departments and the creation of uniform decision-making processes in administration. There is also a prevalent belief that the multipurpose model reinforces democratic control since the shaping of a broad spectrum of policy functions can be influenced and controlled directly by the citizens or their council representatives. More negatively, the multipurpose model is assumed to provide little scope for the development of specialized expertise within local administrations and it, therefore, can lead to shortcomings in efficiency and effectiveness (Wollmann, 2006). Conversely, the impacts of the single-purpose model are believed to possess the inverse characteristics.

Applied to the three decentralization types, the following effects could be expected: political decentralization is assumed to have a particular ability to strengthen both democratic control and the horizontal coordination between different functions. At the same time, coordination and equity among constituencies, as well as administrative capacity as such, are weakened due to declining economies of scale. In contrast to political decentralization, administrative decentralization is expected to lead to a reduction in the occurrence of both positive and negative
Table 13.1 Assumed performance effects of various decentralization models

<table>
<thead>
<tr>
<th>Performance dimensions</th>
<th>Political decentralization</th>
<th>Administrative decentralization</th>
<th>Administrative deconcentration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness</td>
<td>+/-</td>
<td>+/-</td>
<td>+/-</td>
</tr>
<tr>
<td>Efficiency</td>
<td>+/-</td>
<td>+/-</td>
<td>+/-</td>
</tr>
<tr>
<td>Horizontal coordination</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Vertical coordination</td>
<td>-</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Democratic control and</td>
<td>+</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>transparency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity between local</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>governments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend: "+" means "increase"; "-" means "decrease"; "0" means "no change"; "+-" means "partial increase/partial decrease"

effects. Lastly, the opposite effects as are expected for political decentralization are anticipated in the case of administrative deconcentration (Table 13.1).

In all three models of decentralization, the nature of the policy under consideration is expected to matter. From the perspective of the public and other stakeholders, policies differ in political saliency and hence face varying demands regarding input-output standards of legitimacy (Scharpf, 1999). As a result of this, political decentralization in contexts such as service delivery to individual persons may be more visible and hence might have a more straightforward impact on the perceived performance as compared with – for instance – services rendered in the technical field.

Research design and methodology

Our aim is to contribute to the question of how decentralization affects the performance of public task fulfillment in local government jurisdictions by a three-country comparison. With regard to the dimensions for evaluation, the study draws on the dimensions common in current research on institutional reform policies: effectiveness, efficiency, horizontal coordination, vertical coordination, democratic accountability, and cross-municipal homogeneity and comparability of service provision (see Pollitt and Bouckaert, 2004; Kuhlmann and Wollmann, 2011, pp. 490-1). We explore two local policy domains in each country. Those policy domains entail, on the one hand, citizen services, particularly social services and education and, on the other hand, technical and


regulatory tasks, including the environmental protection services and spatial planning-related functions of the local administrative bodies. Even if no hard comparative performance data can be gathered on all dimensions, a qualitative assessment of the developments is possible. To do so, we rely on document analysis and expert judgments that could be gleaned from case studies in the three countries and a comprehensive evaluation of the available secondary data in the respective national and local contexts. Several different stakeholder groups (local heads of departments, state supervisory boards, local interest groups, and so on) were included in the sample of interviewees. In the course of the field research, a total of 80 interviews were conducted with selected experts on the local level and in upper-level state agencies in the years 2007–9.

Germany, France, and Great Britain are excellent cases for research into performance impacts of decentralization policies. Over the past two decades, a series of restructurings of intergovernmental relations have been pursued in all three countries. However, the three countries started out from quite different points of departure: Germany and England traditionally belonged to the multipurpose model. France, on the other hand, has featured as an example of a country oriented toward the single-purpose model. Furthermore, the types of decentralization pursued varied considerably across countries, so we can control for institutional effects (for details, see Kuhlmann et al., 2011).

Results of decentralization: do institutional reforms make a difference for performance?

In this section, we present a comprehensive summary – in a very condensed form – of the case studies conducted. Herein, the effects of three basic decentralization typologies, namely, political decentralization (a), administrative decentralization (b), and administrative deconcentration (c) will be analyzed comparatively. In all three countries, political decentralization measures can be found. These are the social welfare assistance program for the long-term unemployed (RMI) and urban planning in France, the integration assistance program for people with disabilities in Germany (Baden-Württemberg), and local planning in England. The approach of administrative decentralization will be analyzed in the case of environmental administration (emission control) in Germany (Baden-Württemberg). Lastly, administrative deconcentration is analyzed in the English cases of the school administration and regional planning. In the following, we analyze the decentralization impacts according to the aforementioned six performance dimensions (see Table 13.1).
Effectiveness

Regarding effectiveness, we are first concerned with questions of professional quality, substantive goal attainment, and improved citizen orientation.

(a) Political decentralization, according to our research results, leads to improvements in technical fields such as planning. In France, this finding can also be partly explained by the time that has passed since decentralization in the 1980s – which has allowed for the growth of administrative professionalism in the big and medium-sized cities. In the case of English local development frameworks (LDF), the effectiveness of planning administration at the district levels has improved and managed, in effect, to gain increased autonomy.

In the field of personal services, by contrast, political decentralization efforts have led to improvements in effectiveness only under certain locally specific conditions. The interests of local actors and the political preferences of officials charged with the execution of local functions have been identified as the fundamental triggers for this variance, as in the case of the integration assistance program (for people with disabilities) in Germany (Baden-Württemberg).

Also in the RMI case in France, the effectiveness of decentralization cannot be explained independent of the parallel policy reform. No significant improvements resulted from the reform initiatives in this case. The problem was essentially linked to the fact that the Départements needed to reorganize and undertake drastic organizational and skills-oriented measures in order to reconcile their parallel engagements in both institutional and policy reform processes. On the whole, after overcoming the initial problems of readjustment, improvements can be expected in the future.

(b) The German approach of administrative decentralization within the technical policy regime of emissions control has led to a deterioration of implementation quality. The serious implementation shortcomings identified in our case studies appear to have resulted from a remarkable loss in professional competence when a constituency’s size falls below a minimum threshold mass. The necessary talent, breadth of knowledge, and capacity to adjust to the relevant managerial roles as required cannot be expected under such circumstances.

(c) Administrative deconcentration in both personal services and technical tasks also evidenced unconvincing results concerning effectiveness. In the case of English schools, the reform objectives of promoting
homogenization of school quality and equalizing the performance of schools by means of uniform learning standards have not materialized. Differences among the schools appear still to be a product of the social backgrounds of the school children, rather than the actual capabilities of the schools. Therefore, there are hardly any signs of improvements in effectiveness that can be credited to the process of deconcentration in the educational sector. A similar diagnosis could be made in regard to the deconcentrated level of regional planning in England, which was seriously hampered by political and legal barriers as well as opposition at the local levels.

A direct comparison of the three approaches to decentralization reveals, at a first glance, that political decentralization appears to be the superior option concerning effectiveness. However, the results seem to be strongly shaped by policy and local characteristics, such as the time passed since implementation of the reform, the professional exigencies of the decentralized policy, the size of jurisdictions, and the local political constellations. Administrative decentralization and deconcentration yield negative results concerning effectiveness. Yet this finding also needs to be understood in conjunction with intervening variables (territorial size, external saving premises, and resistance of relevant actors).

Efficiency

Decentralization programs are often pursued with high expectations regarding potential cost reductions, savings, and economies of scope. However, the empirical evidence is somewhat ambiguous. In the following, our aim is to concentrate on resource increases and the probability of cost reductions.

(a) The political decentralization of the RMI in France was accompanied by enormous cost increases. The problem resulted from the fact that the national government, in addition to transferring the responsibility for the program's execution to the Départements, also passed along a whole series of other task-related risks. Moreover, the cost explosions resulted from the declared political will of most of the Conseils Généraux. In order to be able to meet the requirements, it became necessary for most of the Départements to invest in additional personnel and to take measures to readjust their internal management processes and technical capacities to ensure the successful accomplishment of their duties.
The decentralization of urban planning in France had similar effects. New instruments (SCoT, PLU) in the urban planning sector led to significant staff increases, particularly in the intermunicipal bodies (établissements publics de coopération intercommunale – EPCI) that are responsible for urban planning matters. These bodies were in need of new experts and specialists for the proofing and permission work. Compensation payments by the state were no longer sufficient to cover these additional costs. Overall, one can conclude that this area of political decentralization led to significant cost increases and that the expected savings have not been realized.

A similar situation is seen in the integration assistance program for the disabled in Germany. Also in this case, additional costs arose as a result of political decentralization. Short-term investments were required to create case management capacities and individualized care arrangements. However, these investments might lead to cost reductions in the future. However, due to the uneven distribution of qualified personnel among the local government agencies, the starting conditions for overcoming the decentralization-induced cost explosions vary from jurisdiction to jurisdiction.

The reform of local planning processes in England resembles the German and French experiences. Efforts to transfer such activities to the district level produced the inevitable need to increase the existing personnel pool considerably in the starting phase. It remains to be seen whether the promise of efficiency gains can be realized – though they are expected, especially from the reduced need for coordination in the daily routines underlying planning and building permit procedures.

(b) In the course of the administrative decentralization of emissions control in Germany, the local councils accepted a 20 per cent decrease in the state's share of the costs. These savings were often secured through downsizing the professional teams. While large administrations were able to cope with such a downsizing of personnel, the smaller counties are confronted with structural problems. The interviews reveal some drastic capacity deficits that could result in long-term follow-up costs, which in turn would offset any savings associated with the decentralization process.

(c) As far as administrative deconcentration is concerned, efficiency improvements remain controversial. Within English schools, most of the cost savings cannot be ascribed to functional changes but rather to the new flexible budgets, which are independent of deconcentration measures (see Levacic, 1994). In spite of this, higher
administrative costs and a deprofessionalization have resulted from the internalization of administrative functions (such as personnel management or the maintenance of buildings) into single schools.

The newly instituted regional planning entities in England have become leaner than the former county administration concerned with such plans, which at first glance indicates an increase in efficiency. However, a larger pool of personnel has become tied to the central government bureaucracy and the planning inspectorates in such a way that on the whole there is no empirical evidence for efficiency gains in this task domain.

In sum, it can be concluded that political decentralization has led to immediate and somewhat far-reaching cost increases in all cases – a burden that tends to overstretch the capacities of local government agencies. This is sharpened by the fact that the state subsidies have turned out to be inadequate. While savings expectations seem to be possible in the long term, in the interim a widening gap has emerged between necessary expenditures and available resources. Such unfavorable circumstances tend to put economically disadvantaged and poorly performing local governments under pressure.

Horizontal coordination

It is expected that decentralization measures will produce a highly integrated and synchronized system of coordination that covers the entire territorial area and transcends a single-policy orientation. We continue our analysis in the following by concentrating on this aspect of intersectoral coordination.

(a) For political decentralization in France, some evidence of improvements in horizontal coordination can be seen. The Départements were able to overcome the multidimensional challenges that came along with the newly delegated tasks. They were also relieved by the fact that their actions were no longer constrained by "partnerships" with state agents. Multilevel entanglement has been reduced considerably. The French "multilevel state," to pick up the concept of the introductory chapter, operates now in a far more disjoined manner. Consequently, frictional losses were reduced and local-level coordination mechanisms were strengthened. Hence, the intersectoral horizontal coordination capacities of the General Councils improved remarkably. Within the area of planning, French local governments profited from well-established and functioning
relationships among local planning offices, construction administrations, and operators in other connected fields. After the new planning legislation came into effect in 2000, this collaborative synergy across the professions deepened and intensified.

Some positive impacts can also be seen arising from the political decentralization of the integration assistance program in Germany. For the first time, it became possible to bundle most social services such as social welfare, health, and youth services at the local level. The decentralization project laid the foundation for the establishment of case management systems and strengthened the collaboration with local service providers. On the other side, the need to reconcile the viewpoints and standard practices of the different counties requires intensive interlocal negotiations, which lead to friction losses.

The political decentralization of planning functions to the district level in England can also be positively assessed. Intersector coordination among the various professions has improved considerably, especially in the field of development control. Speculative predictions of a likely deterioration in consultation practices among the counties turned out to be unfounded. Moreover, the creation of a single statutory agency to oversee all planning functions has positively impacted the coordination patterns among the local governments.

(b) Regarding the activities of the administratively decentralized local-level Emission Control Authority in Germany, specialists in the field emphasized potentials for improving cross-policy consultations between neighboring departments. Yet contrasting opinions pointed to the fact that the level at which tasks are fulfilled does not matter for performance. Furthermore, there are often internal conflicts, which tend to hamper horizontal coordination within the county administration. Therefore, our evaluation yields a quite ambiguous empirical picture, which supports the explanatory power of actor-related factors.

(c) As expected, administrative deconcentration, which typically applies to the English cases, leads to clear losses in horizontal coordination. Instead of cooperating with one another, it has now become the rule for schools to compete for personnel and the use of public goods, reminiscent of the US adversarial system government. We heard regular reports of poor coordination activities among schools and local authorities affecting access to such key services as youth welfare, crime prevention, planning, recreation, and sporting activity services.
Also regarding regional planning in England, we find the typical situation of a single-purpose administration with corresponding deficiencies in coordination. Planning processes are decoupled from other policy domains, simply because monofunctional planning authorities tend to concentrate solely on the responsibilities associated with their own planning mandate. The management of other equally important regional planning functions, such as in the areas of economic and structural development, was assigned to other agencies at the time of our research. This tends to bring about a certain degree of institutional rivalry.

To summarize, our findings indicate that political decentralization measures have produced improvements in the form of horizontal, cross-sectoral coordination. In contrast, the assessment of administrative decentralization measures on performance is less clear-cut, while the assessment of deconcentration processes seen in England is clearly negative. From the perspective of the multilevel state, capacities to coordination depend on type of relationship between levels.

Vertical coordination

Vertical coordination describes the capacity of institutional actors to find solutions to problems across multiple administrative levels. Typically, decentralization measures have been assumed to impact this performance dimension negatively. What conclusions can be drawn from our empirical findings with regard to this performance dimension?

(a) In the case of RMI as well as that of urban planning, political decentralization measures in France have contributed to a weakening of vertical coordination between the local government entities and the state. In the case of the RMI, this has proven to be detrimental, because the subnational levels still lack any kind of hierarchy. Informal methods of cooperation between the territorial levels could not compensate for this deficiency, which has led, in turn, to friction losses and partially limited the capacity for action in the subnational space. However, in urban planning, a quite different situation has arisen. Well-developed informal coordination mechanisms across levels of government have continued to operate and support sector-specific cooperation as they did before.

In the aftermath of the political decentralization of the integration assistance program in Germany, vertical coordination activities
have been reduced almost exclusively to relationships between the different local government levels. Consultations occur regularly between local government units and the Association of Local Authorities for Youth and Social Welfare (KVJS) – a single-purpose cooperative body of local authorities. After the decentralization, the KVJS found itself deprived of much of its original power and it now operates primarily as a service unit. Thus, vertical coordination mechanisms in this case have been reduced to a remarkable extent.

Looking at planning at the local level in England reveals that the district councils are still subject to vertical interventions, in spite of their increased autonomy and the diminishing discretionary power of the state. The launching of the urban planning measures was closely supervised by the Government Offices and is monitored by state planning inspectors. This coordination has proven particularly problematic whenever political differences over planning decisions have surfaced.

(b) Administrative decentralization measures have led to a reduction in state-local coordination practices vis-à-vis the emissions control authority in Germany. The regional governments (Regierungspäsidien) are not in a position to offer their own capacities to meet the professional needs of the local governments. They have relinquished their active role as a supervisory agent. This has proven to be functionally unsatisfactory for the support needs of the local governments.

(c) As would be expected, administrative deconcentration measures in England increased coordination efforts among actors within different administrative levels. Consequently, the scope of institutional linkages between state representatives and individual schools, as well as local authorities, has since become much greater. Forms of arbitrary interferences by the national government have increased, as can be seen in the rigid system of inspections, performance management standards, rankings, and benchmark tests. Furthermore, regional planning activities have increasingly been subject to interventionist controls from national government agencies.

A summary of our empirical observations reveals that decentralization strategies have predominantly resulted in the weakening of vertical coordination. This posed no problems as long as informal communications between skilled professionals continued. Nonetheless, the process
was still accompanied by some problems, such as in those cases where formal legislative directives were unclear or when supervisory and support functions were no longer sufficiently provided by the state government level.

**Democratic control and accountability**

Input legitimacy results from a precise political mandate, transparency of decision making, and democratic participation in the formulation and execution of policies. To what extent has this changed due to the decentralization policies?

(a) The *political decentralization* of the RMI and of urban planning in France led to a strong local-level politicization. Local actors had major political stakes in these fields and were strongly interested in guaranteeing an effective and efficient task fulfillment to their voters. On the other hand, citizen or interest group involvement turned out to be minimal. The task transfers served to strengthen the power of local executives, who are well known for their tendency to marginalize the elected council.

Also in the case of Germany, the formal authority of the local political organs over the integration assistance program met a limited degree of actual democratic support. The freedom to act is limited to implementing case management, differentiating care facilities, or tightening the fiscal framework. This tends to lower the salience for local politicians. Although people with disabilities now have greater opportunities for voice, they are constrained by the fact that the decision-making processes have become less transparent. In most constituencies, professional charities tend to monopolize the existing representative mechanisms for their own ends. Thus, there has been no significant improvement concerning democratic accountability.

In England, the political decentralization of the LDF has reinforced democratic accountability, since the councils gained more room for maneuver. This pertains to the discretionary power of individual councils to pursue their own planning needs and to coordinate their actions with those of neighboring regions.

(b) *Administrative decentralization* does not imply a transfer of political decision-making powers. Yet an analysis of the local Emission Control Authorities in Germany reveals that local political interests...
nevertheless exercise considerable influence on decision making. There is a permanent struggle between legal regulations and the local actors' interests. Considering that there is no legally prescribed formal decision-making power granted to the local council in this task domain, political accountability and transparency of competencies have become blurred.

(c) A similar assessment can be made regarding the effects of administrative deconcentration in England. Accountability is blurred by the creation of advisory boards to support the autonomy granted to schools. There is an obvious weakening of the elected councils. A comparable waning in democratic control and accountability can also be seen at the regional planning level in England. The regional administration model consisting of regional planning bodies, regional assemblies, and national Government Offices revealed a serious failure to realize the expectations of transparency.

Summing up, it is evident that political decentralization measures strengthen formal democratic control and accountability. However, the actual degree of democratization tends to be limited. Some of the politically decentralized tasks leave very little room for discretionary decision making. On the other hand, policy implementation depends to a great extent on the policy preferences of local actors. This has contributed to the diminishment of the power of elected councils. In many cases, executive actors or individuals with corporate interests have tended to become the ones who profit most. In the case of administrative deconcentration, the transparency of decision making has declined. Hence, local task fulfillment has become politicized – the lack of formal political powers notwithstanding. Thus, there is a risk of policymaking at the local level becoming a privilege of the few. Finally, administrative deconcentration strategies may offer more opportunities for participation by different stakeholders (concerned citizens, interest groups, and so on). Other relevant aspects of input legitimacy, such as the political accountability of the elected councils, often tend to fall far short of expectations.

Equity of service provision

Decentralization strategies are often seen as a reason for growing disparities among local governments and regions. A common normative counterclaim is the need for the equal treatment of citizens. The
The question here is: to what extent can decentralization and equity be made compatible?

(a) The political decentralization of the RMI integration policy in France has further widened preexisting regional disparities in social standards. Départements struggling with tight budgetary situations are not able to configure their policies in a proper way. This contrasts to some extent with the case of urban planning, where performance differences did not increase. Variation in planning instruments and the density of planning activities is due to the demographic and structural differences between localities.

In Germany, variance among local governments has intensified over time. In the case of the political decentralization of integration assistance for disabled people, this is due to differences in the fiscal conditions and diverging management philosophies. Whereas the majority of the county governments attempt, in general, to strike a balance between an acceptable level of service and cost savings, others confine themselves exclusively to short-term measures.

(b) This finding applies even more to the administrative decentralization of the Emissions Control Authorities in Germany, which have heightened the variance of task performance. Unequal political support, varying resources, access to advanced training possibilities, and distribution of informal networks are seen as responsible for the further diverging performance levels.

(c) Whereas this diagnosis is thus far consistent with our initial assumptions, intensified performance variations in the context of administrative deconcentration are counter to our hypothesis. However, performance heterogeneity has increased among individual schools as well as among municipalities. Although there is an overall slight trend toward improved performance resulting from stronger competitive incentives, the deconcentration has nevertheless intensified preexisting differences between schools. There was also considerable variance in regional planning activities in England. Huge dissimilarities in implementation quality and density throughout the country existed. These are reinforced by political resistance against the planning objectives imposed by the central government, particularly in the conservative South.

Regardless of national and policy-specific features, all three reform models have resulted in the intensification of performance differences among local government authorities. The principal causes of this
development could be traced to unfunded mandates and insufficient fiscal resources of local governments as well as a lack of political will to achieve alignment in local service delivery.

Summary and conclusion

The concept of the multilevel state sketched by Bohne et al. in the introduction to this volume is a fundamental characteristic of the modern state. Our research shows that multileveledness can show different facets with different consequences for the quality of governance. Our findings can be summarized as given in Table 13.2 regarding how the different decentralization types and task areas are related to the six performance dimensions.

In general, our empirical findings show the institutional changes that exert a significant influence on task fulfillment and the performance of

<table>
<thead>
<tr>
<th>Performance dimension</th>
<th>Political decentralization</th>
<th>Administrative decentralization</th>
<th>Administrative deconcentration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>France</td>
<td>Germany</td>
<td>England</td>
</tr>
<tr>
<td>Technical planning task</td>
<td>Person-related task</td>
<td>Person-related task</td>
<td>Technical planning task</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>+</td>
<td>0</td>
<td>+/-</td>
</tr>
<tr>
<td>Efficiency</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Horizontal coordination</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Vertical coordination</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Democratic control</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Aggregated case study findings (F1 = South and North Département; F2 = South and North City; D1 = South and North County and North City; D2 = South and North County, South and North City; E1 = North and South City, North and South County, Regional Planning Area South-West and North-West; E2 = North and South County).

*“Technical planning task” is displayed twice for England in the table to reflect the partial inclusion of individual cases in either the area of political decentralization (local development frameworks), on the one hand, or administrative deconcentration (regional Spatial Strategies), on the other.

*“+” means “increase”; “-” means “decrease”; “0” means “no change”; “+/-” means “partial increase, partial decrease” (variance by cases).
service delivery. Any type of task transfer to lower levels of government – be it political/administrative decentralization or deconcentration – exacerbates existing performance disparities or creates new ones. Furthermore, there is a positive causal relation between political decentralization and the horizontal coordination capacities. This seems to prove our initial hypothesis that the integration of tasks within multifunctional institutions may help to improve territorial coordination within a given administrative jurisdiction. Our study also demonstrates that the effectiveness of task fulfillment tends to be positively influenced by political decentralization, while the opposite may be said with regard to deconcentration. This finding stands in contrast to our theoretical expectations as outlined at the beginning of the chapter.

However, the euphoric expectations placed on decentralization strategies cannot be justified. Decentralization often entails considerable additional costs and burdens that sometimes overload local governments. In none of the cases examined here have national/state governments shown much inclination to sufficiently address the budgetary problems of local governments by reimbursing costs. Such circumstances frequently carry the risk of leading them to default on their performance obligations and of creating implementation failures or inconsistencies of law application. Against this background, it comes as no surprise that decentralization of mandatory state tasks leads to reductions in voluntary local self-government tasks.

We need to emphasize, however, that the actual causal relationship between decentralization and performance is largely shaped by other intervening factors. On the one hand, our findings reveal that the effects of decentralization are closely linked to the nature of the transferred tasks. Wherever horizontal coordination is a significant aspect of service provision and economies of scale feature less importantly, decentralization leads to performance improvements. On the other hand, there is a clear influence of local policy preferences and political interests in conjunction with the salience of tasks. Improvements in effectiveness tend to occur if the fiscal situation of a local authority allows enough room for maneuver. This finding is consistent with the conclusions of other comparative studies, which suggest that the execution of a decentralized task works best if it is coupled with strong fiscal autonomy (for an example from Sweden, see Wollmann, 2008). This illustrates the fact that it is not only a question of too much decentralization but also one of not enough fiscal autonomy, which may ultimately lead to the overburdening of local governments in Continental Europe and the United Kingdom.
Notes

1. This chapter is based on the results of a project funded by the DFG entitled “Wandel westeuropäischer Lokalsysteme,” headed by Jörg Bogumil and Sabine Kuhlmann, and assisted by Falk Ebinger, Stephan Grohs, and Renate Reiter. For further results, see Kuhlmann et al. (2011) and Ebinger et al. (2011).

2. In a related article, we deal only with England, since after devolution some partly differing developments could be observed in Scotland, Wales, and Northern Ireland.

3. Owing to space limitations, not all evidence for our qualifications can be made explicit in this chapter. A more detailed analysis of the case studies including supporting materials can be found in Kuhlmann et al. (2011).

4. The Government Offices, along with the entire system of regional spatial planning, were abolished after the change of government in 2010.