

# Development of slovenian local self-government in the new public management perspective

UDC 352.07(497.4)

*PhD. Uroš Pinterič,*

*University and Research Centre Novo mesto, uros.pinteric@gmail.com*

*XI International Symposium SymOrg 2008, 10th - 13th. September 2008, Belgrade, Serbia*

**Abstract:** *From the first half of 1990s' Slovenian local self-government was involved in the ongoing process of public administration reforms. In this context main emphasis was on modernisation of public administration at all levels. Two main elements were influencing these processes. First it was tendency to fulfil criteria of the European Union concerning effective and democratic political and administrative system. Second one was theoretical background of New Public Management (NPM), that was present in Europe for longer period of time but in Slovenia it emerged only after 1990. In this context paper will try to show all the main elements of local self-government reforms in the context of New Public Management approach as the criteria of desired form and functioning of public administration. We will evaluate Slovenian local self-government via main elements of NPM, namely effectiveness, client-friendliness and economic performance.*

## 1. Introduction

Citizens around the world are awakened as never before to their right to an effective government, to a government that can perform honestly and efficiently. This awakening is the greatest source of pressure for better public policies, administrative reform, and a "New Public Management." Administrative reform is now an unquestioned priority of the international community, of OECD, of the World Bank, of the European Union, and of many regional bodies. This is also the case in Slovenia.

Since the Independence of Slovenia in 1991, there was a strong need for reform of public sector, connected to the new situation where some institutional structures and practices had to be replaced with more democratic and flexible ones. Former communist – Yugoslav institutional framework was destroyed and inappropriate for unified small state trying to adopt democratic tradition of Western Europe and to enter the European Union as final instance of its formal democratization. If first years after the Independence were mostly burdened with revitalizing Slovenian economic system and defining major shape of political and administrative institutions, only after the 1995 and due to accession to European Union Slovenia started to think about more effective and customer oriented public administration. Slovenian reform of public administration was mostly theoretically supported by the New Public Management approach defined by Lane and Osborne and Geabler (1993) as most influential writers on reforming public sector in the way opposite to bureaucratic organization. Slovenian researchers and academics prepared different studies on how to implement ideas on more flexible, effective, economic and user oriented administration in Slovenia. Under the pressure of public dissatisfaction

with public administration performance and after quite loud academic debate on reforms and under the pressure of European Union Slovenia started with more serious public sector reform in 1997. The reforms of Slovene public sector can be divided in four basic periods of development.

In this overview of Slovenian public sector reform we will try to define basic characteristics of Slovenian public administration reforms in its historical aspect, stressing basic shifts towards more effective, better organized, more user-friendly and less clientelistic and bureaucratic practices of work. With other words we will try to define best practices and warn from some missteps on the way towards better public administration in Slovenia.

Contemporary public administration is headed towards a concept of new public management that is overshadowing old Webers' bureaucratic administration. In this manner, new values like networking, flexibility and efficiency were introduced and are replacing old hierarchical and inflexible organizational structures that were not able to effectively manage problems in an unstable world.

Snellen (2003: 129) is defining change in administrative relations as a move from vertical towards horizontal. According to this change, public servants have to change their attitude from hierarchy toward cooperation and flexibility. Contemporary issues and problems require new approach; preferably networking of institutions. Lane (1995: 195) is defining basic changes in understanding public administration and its role. Written procedures and rules, sticking to old habits and law are

updated with more flexibility, efficient and client friendly orientations.

Efficiency is defined as relation between used resources (input) and results (output); administration is at its most efficient when fewer resources are used for the same amount of output. Efficiency, in other words, is measure of better economic use of resources at the same level of the output (Žurga, 2001: 82-83). However, we can also argue that efficiency can be understood in context of relativity. In this case, more resources can be introduced but output has to grow exponentially and not linearly.

At the same time, it is important to notice that some public services cannot be translated into monetary value, because of very nature of output. Such case is also the value of information. The value of information is not equal to the expense (in money and time) of producing the same amount of information. The value of information can be much higher than the value of resources spent to produce information.

## **2. Historical development of local self-government in slovenia**

Historical development of Slovenian local government started already in the Middle Ages when some Slovenian cities already had some kind of communal infrastructure administration (created under the influence of neighbour political entities). From Slovenian "župa" and monarchical feuds "neighbourhoods" came out as ancestor of Slovenian administrative municipalities. Despite administration was opposing local self-government in the area of Slovenia on June 24th 1850 in Leše first municipal representative organ was elected (Vlaj, 2006: 32). Under strong influence of Hapsburg monarchy and absolutist regime in the area of today's Slovenia there were 348 municipalities (reduced from 501 in 1866) and they had relatively strong self-governance (Vlaj, 2006: 32-33). In the area of Slovenia there were village and city municipalities, districts and "Kresije". Based on law from 1870 municipalities were responsible for municipal property, finances, and public safety, especially in the field of healthcare, cleaning streets and creeks, fire-fight brigades, maintaining municipal buildings, local paths and roads, bridges, wells, inspection of municipal border, food supply, etc. Legal state, organisation and functions are defined by municipal orders, accepted at the level of land. Local government layer above municipalities were administrative districts, with at least 16.000 inhabitants, and regional administrative units. Municipal representative organs were elected by male of age inhabitants of each munic-

ipality. After the fall of Meternich absolutism bigger cities were entitled to get their own statutes and privileged status of so called statutory cities. Namely they were Ljubljana, Maribor, Celje, Gorica, Celovec and Ptuj (Vlaj, 2006: 33). In the beginning of XIXth century there were many political changes that strongly and frequently reshaped Slovenian sub-national administration (as well as national) that ended only in 1955 with introduction of decentralised communality system that sets municipality as basic socio-economic cell that is also main unit of state government (see Vlaj, 2006: 34).

Great municipalities with 31.740 inhabitants and 321km<sup>2</sup> (in average) were created as institutions responsible (according to the constitution) for implementation of all federal and state acts if there was not set differently by specific law. Despite municipalities are primarily responsible to deliver public services that are important for local inhabitants, in Yugoslavia municipality was simultaneously governing and self-governing institution that was mainly providing services for the state and it was used as first level implementer of public policies (Vlaj, 2006: 35-36). In 1960s' municipalities were abolished and tasks were moved to regional centres. Local problems were addressed through newly shaped local communities that never gained importance of municipalities but especially in the case of rural areas they served public needs relatively effectively. In Slovenia there were 62 municipalities – communes that supplemented districts (in Slovenia finally abolished in 1965) that had representative organs elected on general and anonymous election, executive institutions and administrative services, connected to the central state administrative institutions (especially in the sense of legality supervision) but relatively autonomous under strong influence of different local interests (Vlaj, 2006: 36-41).

In 1991, with new constitution of independent Republic of Slovenia local government system in Slovenia returned back to classic role of municipality as foundation of local self-governance, where people manage their public matters of local importance (Vlaj, 2006: 41). Slovenian constitution is defining local government as important part of Slovenian political system. In this manner article 9 of Slovenian constitution (2001) argues that "in Slovenia assured local self-government". Further on, chapter 5 (articles 138 – 145) on self-governance defines that people can fulfil their right to self-governance in municipalities and other local communities. According to the constitution, municipality is self-government local community consisting from place more places connected together with common needs and interests of population in defined area.

According to second paragraph of 139th article of Slovenian constitution, municipality can be created by the law based on referenda carried out among local citizens. Next to defining basic competences and financing of municipalities (which are defined by different laws) there is also important article on broader self-governing structures combined of more municipalities joined together in order to provide services of broader importance, that is still not national. This is important element that enables creation of regions. Regions in Slovenia are one of most important issues since independence.

If we want to quantify development of Slovenian municipalities we can see need to decentralise local government on smallest parts possible. Slovenia made four reforms of local governments that caused rise on number of municipalities for more than 333,3% from 63 before 1994 to 210 in 2006. From the initial situation in 1993 only 13 municipalities were unchanged, while on the other hand, initial municipality Ptuj was in 15 years divided on 16 mostly rural municipalities with insufficient financial and human resources for successful further development. These two examples can be seen as indicator of lack of serious financial, development and any other analysis prior to establishing new municipalities. In order to additionally support the argument about political nature of local development in Slovenia we can describe the case of Koper municipality (its area was not changed from the initial situation in 1993). In every cycle of establishing new municipalities (1994, 1998, 2002, 2006) there were many attempts to divide Koper into smaller municipalities, some of those attempts were initiated even by National Assembly and Koper citizens refused such ideas on referenda. If we know that Koper is coastal municipality with sea-port and it is one of those municipalities that is realising budgetary surplus and has sufficient revenues to cover all expenses without additional state support it can be clear indicator that there is limited logic in the process of creating small and state-dependent municipalities.

Slovenian administrative system accepted new public management reform approach already prior to the entering the EU. Slovenian scientists wrote about introducing new public management elements into the work at all levels of Slovenian public administration already in the late nineties of previous century (e.g. Kovač, 1999, Kovač, 2004). At the turn of the century Slovenia introduced complete reform of Slovenian public sector that followed some basic ideas on more modern, effective and user-friendly public administration that was strongly related to the Slovenian efforts to enter the European Union. Despite there are some areas that can be understood as examples of good practices (some

forms of e-government (see Vintar, Kunstelj, Leben, 2004)), Slovenia still can be more or less passive observer and learner of user friendly and effective public services to the citizens. Different attempts to reorganize work of Slovenian public administration at all levels were mainly concentrated on changes of legislation. On the other hand there was no systematic effort to change administrative culture that is in fact basic element of every successful change and should be connected to the development of appropriate system of motivation for civil servants. This can be supported by the research on use of e-mail in Slovenian public administration. Where basic finding was that institution of public administration are not answering citizens' e-mails despite they are legally requested to do so. From this point it is evident that in this point of view legislation is not the reason of complete change of public administration and that much more attention should be paid to "soft" methods of motivation in combination with legal demands.

### **3. Legislative reforms of public sector in slovenia**

In first years after the independence the strategies for the reform were placed. This preparational period for the reform of public administration was quite long and also demanding. The result of preparational period was the scheme of organizational structure of new Slovenian public administration and timeline needed for the reforms to be implemented. Due to the accession to European Union in 1997 and demands of administrative environment for greater efficiency of public administration and better quality of public services, the reform of public administration became urgent and it has been carrying out since then. The role of public administration was very important in the process of the Slovenian accession to the EU because Slovenia needed to develop and adapt the administration systems to the point that they were able to work in the framework of European administration integration (so called common European administrative space).

So, during the years 1996 - 1999 the reform was based on the implementation of two main goals written in previous mentioned strategy: to increase the effectiveness of public administration and to adjust its structure and functions to the needs of uniting with European community.

The core institution for the implantation of the reforms was Office for organization and development of government, which combined four different sectors: sector for organization and activities of public administration, sector for normative activities, sector for inspectors and governmental academy. The Office rep-

resents strategic and performing part of the whole public reform process later on.

During 1996 - 1999 period the process of decentralization of decision making and organizational structures started, strive for professionalization was obvious, the inclusion of improvement of vertical and horizontal coordination of work happened and much clearer division of work between parliament and government was seen. In those years also the status of para-state institutions was clarified. Next to this, positive was also change in legislative part of the reforms. There were first changes in administrative legislation such as Law on Government, Law on public sector, Law on public agencies, Law on civil servants and legislation on local self-governance. According to the previous legislation in this area, much more clear relations between institutions were defined as well as their competences and work control possibilities.

However, the European Commission stated in its 1998 annual report on Slovenian pre-accession reforms: »Slovenia has made progress in the construction of some governmental institutions, but it still hadn't made enough progress in legislative area and jurisdiction. Slovenia was more concerned of economic reforms and less in short time priorities for membership«. So at the end of 1998 Slovenia was still not enough prepared for the membership in EU from the public administration point of view.

### **3.1. Preparing for the EU - Reforms during 2000 and 2003**

The reforms during this period were not written down in a special strategy like those that were happening in the years 1996-1997, but the effects of the reform were obvious in various legal documents and laws that were accepted and implemented during this period. Some most important laws that were accepted or significantly changed are: Law on civil servants, Law on system of payments in public sector, Law on public agencies and public structural funds, Law on Local government and changes of General Administrative procedure act. Basic characteristic of change in this part was more accountability of public sector and higher level of transparency that was requested especially in public spending concerning payments of civil servants and public procurements.

In the year 2001 also enactment of public operation with clients was accepted. Enactment foresees the public informer, the complaints book, unified schedule of public administration units across the country and across different branches (Administrative units,

Units of social security services, tax offices, etc.), informing the clients on procedures, rights, their work, etc. According to this, there are special civil servants (so called informators) in Administrative units, who are providing all necessary information to citizens concerning their procedure (like what one needs to get ID card, passport, driving license, etc.). Informators helped especially administrative units to reduce unnecessary long waiting time at counters, only to get basic information on how to begin procedure for some specific document. Positive effect was double, civil servants at counters could become more concentrated on procedures and citizens got information on how to act in specific procedure, which forms to fulfill in much shorter time (we have to understand that citizens are mostly not familiar with work of public administration and procedures before administrative organs).

Books of complaints must be not only exposed at visible location in institution but also regularly checked and signed by director of administrative unit or manager in other institution. Citizens have also right to get the information on how the complaint about the institution or his/her subject was resolved. Right to complain or to get the information were not completely new (book of complaints was present for longer time), new was obligation of high civil servants to solve the problem and to inform citizens on what was done about complaint or about some indicative. This forced civil servants to take book of complaints much more serious as before what resulted in improving quality of providing social services to the citizens.

Also a special program for diminishing administrative obstacles and law about gaining information was introduced, empowering the citizens to access all the information that are collected about them by different governmental institutions, with only limited exceptions of those information that can be proved as matter of state security. This pack of anti-bureaucratic reforms introduced new understanding of public administration in Slovenia as more client-oriented and client friendly as opposition as previous model of state-oriented services. Change of legislation on civil servants payments also introduced more effect rewarding payment system and de-secured their jobs and positions. Special concern was paid to the Small-medium enterprises – public administration relations in the way to simplify possibilities to register company (within 3 days instead of month or more as it was previous case), and to automates most of the processes possible (e.g.: entrance in multiple databases (register of companies, tax office database, etc.) is done automatically by competent institution for regis-

tering new companies and it is not obligation of new-established company).

At the same time Slovenian government also introduced norms of quality in this time. The administration uses European standards of evaluation, called CAF (Common Assessment Framework) ISO standards and internal control of work quality. Combination of higher public control over public administration work, introduction of objective quality control mechanisms and destabilization of security of job in public administration created environment suitable for change of public administration.

By 2003 Slovene legislation was already in accordance to the European Union legal system (acquire communautaire). Slovenian government has also accepted Strategy for further development of Slovene public sector. Strategy is based on New Public Management, Good governance approaches and European legislature. New systematization of civil servants passed. It divided civil servants by names and status.

Former officials of different rank were sorted in five different career classes; administrative civil servant (ranked I – IV), higher administrative civil servant (I-III) adviser (I – III), senior adviser (I –III), secretary general (I-III). Connected with the title are proper education, responsibilities and wages. Wage system becomes much more defined, despite still not achievement oriented (major rule of raising wage is still seniority with almost automatic promotions every three years). Rewarding good practices in public administration is still not the case in Slovenia. Sum of money reserved for rewarding good civil servants is still divided between all the employees in the organization in order to prevent tensions between workers. In this sense, the civil servants reform is a crucial part of administrative reform that failed. The reform has experienced many corrections and interventions with the main effect of higher inefficiency and lack of clearness that enabled old administrative structures to more or less keep their positions or at least wages.

Civil servants system reform was from the beginning closely connected with integration to the EU, being one of the main goals of the Slovenian Government strategy, successful enough to enter EU and ineffective enough that Slovenia still did not make complete shift from classical bureaucratic public administration to more flexible one.

Next to the more or less blurred civil servants system reform there was also another much more important

and successful reform that enabled Slovenian government to plan development more in advance. For the financial years 2002 and 2003 Slovenian government for the first time prepared two-year budget that enabled government to plan financial expenses and development in advance what was important for stabilization of state-supported and financed projects. Rebalance of budget caused by two-year-budget approach caused some political instability in 2002 because of misunderstanding of public finances. However, on long run, since 2002 Slovenian public finances become much more transparent and stable.

In providing more user-friendly services great progress was made via introducing information technology into administrative processes and procedures. We already discussed role of information technology in Slovenian government in previous issues of *The Public Manager*, but we will again pay some attention to this topic.

Quick development of Slovenian e-government from isolated attempts to organized reform flow towards e-governance introduced not only more diversified options to access public services such as e-taxes or e-government portals but also more user-oriented administrative culture.

We can see that the reform of Slovenian public administration has moved from structural and organizational changes also to human resource management, the potential of civil servants and orientation towards their professional development. Main goals of the reforms in public sector were then its modernization, effectiveness and the beginning of communication with users through modern IT technology.

### **3.2. Reforms after 2004: Re-politization of public administration reforms**

Reforms of Slovenian public administration after 2004 need some additional explanation to readers. Slovenia joined the European Union, and only month later elections to the European Parliament were held. Twelve-year period of medium left coalition was challenged but nobody put too much attention to electoral result. In the autumn 2004 there were also national parliamentary elections, where previously mentioned coalition absolutely lost its position. New, moderate right coalition stepped into a government and started great reforming processes in different areas including economy, public media and public administration (especially state administration). Some of more indisputable reforms were already planned in previous terms (2002 and later) while others were absolutely politically motivated consequence of changing relations in political arena.

Main reforms in this period connected to the Slovenian public administration can be divided into client/citizen oriented and into administration oriented. Among client oriented positive reforms in this period we can find slow erosion of territorial competence, meaning that citizens can go to the any administrative unit in the territory of Slovenia and ask for some services such as registration of car or getting the ID or passport. Prior it was only possibly to ask for these and other documents at administrative unit covering the area of individual permanent address. Second such improvement in the work of Slovenian public administration was connected to the state of e-government in Slovenia that was detailed described in previous issues of *The Public Manager*. Here we can only say that in this sense government stimulated e-communication with citizens, introducing more and more services available on-line (main example is e-income tax form). In the field of e-public services latest achievement in Slovenia is e-car registration. Procedure that previously took more than half day running from office to office at the area where car was registered for the first time now take significantly less time. Citizen now only have to pass test of car reliability (bakes check, CO pollution, lights, noise of engine) and all the other paper work can be done from their couch and signed with digital signature. Via internet application they can access public unite, insert data confirming that car passed the test, register car, and also insure it at the same moment (previous it was necessary to go to the insurance company and wait in row again), pay via e-banking system and so they complete whole transaction for the one year, without spending holiday leave for absence from work (because administrative units have official hours when citizens are at their jobs).

However, on the local level there was no systematic change in the way citizens' inclusion into policy processes or to enhance other forms of participation in policy-making processes. Institution of local government slowly introduced use of Information and communication technologies in their work with citizens in form of different e-forms that can be downloaded and fulfilled. They improved also other forms of ICT communication with citizens, despite their results are still far from satisfactory.

Second part of reforms was connected to the system of civil servants and reforms in this part took place only after few months of new government in role. If secretary general in pre-2004 government responsible for public administration was trying to provide as politically independent public administration in Slovenia as possible, after his appointment to the position of minister for public administration he started to destroy his

own system of civil servants positions; officially in the name of more flexible public administration. Main measures in field of civil servants system were connected with payments, responsibility and stability of employment in public administration. There were attempts to better connect payments in public administration with effectiveness of civil servants, and limit automatic rewarding of civil servants, what is positive. Main part of his civil servants system reform was enacted within document giving to the minister of public administration the power to dismiss high civil servants without any reason and appoint new individuals within first few months after being appointed to the minister position. Slovenian tradition of relatively apolitical and stable job in public administration was strongly endangered with this document. This case went to the constitutional court that ruled out that such act is completely against of existing legal system in Slovenia and it could cause stronger political influence on professionalism of Slovenian public administration.

After initial period after 2004 elections only some smaller systemic changes were enacted (one of them was also act requesting to treat e-communication with citizens equally to the other forms of communication) with unsuccessful to reduce number of employees in Slovenian public sector, especially in the state administration, were we are witnessing growing number of civil servants connected to the preparations for 2008 Slovenian presidency in the European Union and we can expect new wave of civil servants with introduction of second (regional) layer of governance.

#### **4. Political reforms of slovenian local governance**

Municipalities made significant development form rural type of running local affairs to more sophisticated way of dealing with development problems. If first set of municipalities in 1994 was mainly concerned with establishing democratic practice of political activities one can argue that in 1998 local election and later on, specific pattern of local political culture emerged and is developing. Number of municipalities was steadily growing from 63 before 1994 to 144 after 1994. In 1998 number of municipalities grew to 192 and later on in 2002 to 193. Increasing number of municipalities caused serious reorganisation of local governance especially with correlated growing financial and human resources needs. In this sense it is possible to connect inflation of municipalities (that are in general not financially and human resource self-sufficient) with two different development strategies of new municipalities. First one is interest of those searching for political opportunities to es-

establish themselves as part of (at least local) political elite. Second reason for the inflation of municipalities is money flow within the individual municipalities where most of money was invested in development of municipal centre, while municipal periphery was systematically forgotten in investment plans. In these cases it was only logical solution to split form the centre and establish new municipality with independent financial resources form taxes and granted state support. Despite initial effect in first and second kind of establishment of new municipalities are similar the difference is more than evident when one observe long run development success. Municipalities established on the basis of the second "Cause" are decade later are redistributing large share of budgetary money to investments compared to material and work expenses, are more successful in attracting additional state and European money for investments and municipality has positive statistics in every kind of development (infrastructure, services, social environment, etc.) On the other hand, municipalities established on the basis of private interests are in general spending highest percent of money for work and material expenses while investments are low. We can hardly say if this pattern is also significant for one municipality established in 2002 and even less for those 17 established in 2006. However, according to the 2006 local election we can observe new phenomenon in Slovenian municipalities and local politics.

#### **4.1. New local management?!**

As it was mentioned above, in 2006 new wave of municipalities brought 17 new ones to the sum of 210 Slovenian municipalities. Despite we are talking about relative young municipalities we can connect to the 2006 local election also important change in the local political arena that will probably strongly influence further development of Slovenian municipalities. Burdened with changes in national political arena and opportunity offered by first general election may of previous managers decided to enter the politics at the local levels as well as other independent candidates. But surprising thing was change in trend of electorate that under the uncertainty at the national level elected much higher proportion of independent candidates (or those who were not explicitly supported by any of major national political parties). De-politization of local politics brought new way of runnsonalism of Slovenian public administration.

After initial period after 2004 elections only some smaller systemic changes were enacted (one of them was also act requesting to treat e-communication with citizens equally to the other forms of communication) with unsuccessful to reduce numbZoran Jankovič was

appointed manager (state had strong stock share in this company) of Mercator system in late 1990s, made international "imperia" from small weak system of local grocery stores. After 2004 change of ruling coalition on national level he was resigned, despite there was no business reason. In late 2005 he announced to enter politics and run for the local election in 2006. He established political group "List of Zoran Jankovič" and started with defining crucial problems of Ljubljana municipality and its inhabitants. List of "22 things to be changed or done" become his political program when he started campaign for the mayor position. His personality created in era of Mercator manager position was unbeatable. People (in Slovenia in general) loved him, they knew that he is employing thousands of employees or students. His economic success was combined with constant smile on his face and personal touch with all employees (also shop clerks). On the day of the local election in 2006 he was absolute winner, gaining 62,99% of votes, beating 15 other candidates. List of Zoran Jankovič won 41,37% of votes and 23 out of 45 seats in municipal council. He got mandate of absolute ruler. He kept his first promise and block his mayor salary for one year (whit his other resources it was easy to do so) and decided to get paid on the basis of his success in first year of his mandate measured with support of citizens to his activities. His popularity was growing because Ljubljana started to regain its capital nature that was almost abandoned in previous mandates due to political disputes and inactivity. Jankovič restructured municipal administration, finances and life in the city. His list of 22 things to be done is becoming more and more checked as fulfilled and even expensive and unrealistic projects as new football stadium (that is certainly necessary but expensive investment) are becoming reality (Stadium is under construction in second year of Jankovičs' mandate, after mandate or two of thinking what to do). He is breaking all the public administration procedures and rules. Strongly supported by his list in municipal council, and his managerial ability enables him to change the system as well as Šrot in Celje municipality and Popović in Koper municipality did it already before and endangered Ljubljana position of central city (for some time before 2006 election there was some whispering that some of central institution could move out form Ljubljana). If other municipalities with weak political arena and strong managerial leaders will follow his example we can expect change in local governance principles that will brought potential to influence also national level of public administration and state institutions or they will more and more ignore state level and organize development independent form state development strategies.

## 4.2. Regionalization

Debate on regionalization in Slovenia exists since reform of local governance. In different waves intensity of regionalisation efforts increases and declines, but in general, for 15 years no significant progress was made. Last attempt to establish regions as second layer of sub-national government was going on in second half of 2007 and first half of 2008 and it failed. Main reason for the constant inability to create regional governmental structure is strongly connected to different political interests and lack economic sustainability (not even thinking of social or environmental one). Drafts of regional plans are not including clear goals that should be measured and evaluated in easy sense what blurs role of the regions as accelerators of development. This makes regions politico-administrative octopus that will re-direct money flow from municipalities and create new level of civil servants and bureaucratic decision-makers who will certainly not be supportive for investments and development. Basic argument in favour of this opinion can be sole nature of hierarchical decision-making processes according to which each new level of bureaucracy demands additional time and money in order to make decisions. With such situation it seems much better to use Slovenian statistical regions as equivalent to political regions (at least development performance will be easily measured) or to keep current situation and strongly support better cooperation among municipalities.

## 5. Concluding remarks

In general one can say that there was significant progress in the area of local self-government reform connected to the public administration reform. On the other hand there is still great lack of clear idea what is main mission of local self-government defined in the context of the new public management. Slovenian local self-government lacks of organizational, financial and human resources in order to provide appropriate level of effectiveness, efficiency, economy, and user-friendliness. From the presented reform way it is obvious that main source of reforms is legislation and not administrative processes. 2007-2008 period was strongly marked by regionalization debate that shows real impotence of Slovenian local self-government reform. If we

know that regionalization debate started already in 1992 we can see that only limited progress towards new legislation was made with no consensus on number and role of regions. Slovenia is still facing (on all levels of government) intensive political influence of administrative work and management. Regions in Slovenia will (according to the current situation) cause additional bureaucratization of local administrative processes instead of shift towards providing better administrative environment for the development of local governance and social inclusion into local policy processes.

## 6. Bibliography

- [1] Kovač, P., "Tradicionalno in novo upravljanje javnega sektorja – primer upravnih enot", *Javna uprava*, 35(1999) 29-48.
- [2] Kovač, P., "Novi javni management in slovenska uprava", M. Brezovšek in M. Haček (eds), *Upravna kultura*, Fakulteta za družbene vede, Ljubljana, 2004, 177-196.
- [3] Lane, J. E., *The Public Sector*, Sage publications, London, Thousand Oaks, New Delhi, 1995.
- [4] Osborne, D., Gaebler, T., "Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector", Plume/Penguin Books, New York, London, Victoria, Toronto, Auckland, 1993.
- [5] Pinteri, U., Benda, N., Belak, B., "Modernizacija slovenskih občinskih uprav: izbrane teme", URS Novo mesto, Novo mesto, 2008.
- [6] Snellen, I. (2003): "Matching ICT networks and PA networks: Lessons to be learned", In A. Salminen (ed.), *Governing networks: EGPA Yearbook*, IOS Press, Amsterdam, 2003, 129-141.
- [7] Vintar, M., Kunstelj, M., Leben, A., "Benchmarking the Quality of Slovenian Life-Event Portals", In E. Löffler and M. Vintar (eds), *Improving the Quality of East and West European Public Services*, Ashgate, Hampshire, Burlington, 2004, 208-221.
- [8] Vlaj, S., *Lokalna samouprava: teorija in praksa*, Fakulteta za upravo, Ljubljana, 2006.
- [9] Žurga, G., *Kakovost državne uprave*, FDV, Ljubljana, 2001.