

# Crisis and Local Government: from austerity to internationalisation

## I. The public sector in times of austerity: efficiency as improving strategy

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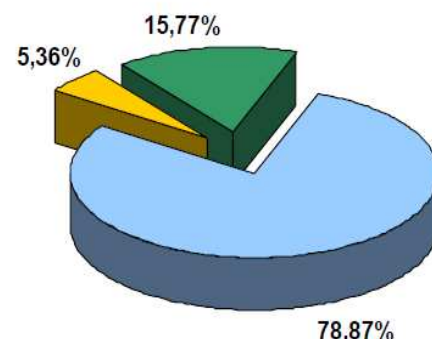


Spanish State with a multi-level government

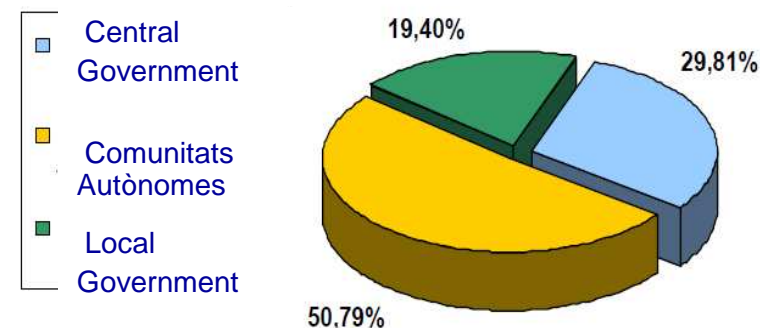
- 17 Autonomous Communities
- 8.116 local governments

### Public expenditure distribution (levels of government)

1982



2009



### Public expenditure distribution (jurisdictions and levels of government)

	Administración Central	Comunidades Autónomas	Corporaciones Locales	Total
01. Servicios generales de las Administraciones Públicas	60	15	25	100
02. Defensa	100	0	0	100
03. Orden público y seguridad	56	21	24	100
04. Asuntos económicos	43	39	17	100
05. Protección del medio ambiente	7	22	71	100
06. Vivienda y servicios comunitarios	4	27	69	100
07. Salud	7	91	1	100
08. Actividades recreativas, cultura y religión	21	30	49	100
09. Educación	4	91	6	100
10. Protección social	89	6	4	100
<b>TOTAL GRUPOS FUNCIONALES (EDP)</b>	<b>50</b>	<b>36</b>	<b>14</b>	<b>100</b>

Source: Ministerio de Hacienda y Administraciones Públicas, <http://www.seap.minhap.gob.es/>



## Public employment (in thousands)

	Año 1983	Año 2011
Administración General del Estado	1.357 (80%)	536 (21,2%)
Comunidades Autónomas	107 (6%)	1.342 (53,2%)
Administración Local	232 (14%)	647 (25,6%)
<b>TOTAL <sup>(1)</sup></b>	<b>1.696 (100%)</b>	<b>2.525 (100%)</b>

<sup>(1)</sup> El total de efectivos en 2011 no incluye Entidades Públicas Empresariales, Organismos Públicos con Régimen Específico, Universidades y Patrimonio Nacional. El total de personal alcanzaría los 2.683 efectivos si se contabilizasen.

	Funcionarios de Carrera	Personal Laboral	Otro Personal <sup>(*)</sup>	TOTAL
Administración General del Estado	456.933	124.645	11.285	592.813
Comunidades Autónomas	900.298	149.287	292.700	1.342.285
Admón. Local	217.785	386.152	43.551	647.488
Universidades	63.159	33.747	3.878	100.784
<b>TOTAL</b>	<b>1.638.175</b>	<b>693.831</b>	<b>351.414</b>	<b>2.683.370</b>

<sup>(\*)</sup> En "Otro Personal" se incluye al Personal Estatutario, Eventual, Interino y otras categorías de personal a extinguir.

Source: Ministerio de Hacienda y Administraciones Públicas, 2012  
<http://www.seap.minhap.gob.es/>



## DISTRIBUCIÓN INSTITUCIONAL DE LA CAPACIDAD (+) O NECESIDAD (-) DE FINANCIACIÓN DE LAS ADMINISTRACIONES PÚBLICAS

-I.1.2-

En millones de euros

SUBSECTORES	2006	2007	2008	2009	2010(P)
1. Administración Central	9.840	12.147	-32.952	-97.931	-52.710
- Estado	8.171	12.358	-33.170	-99.070	-51.292
- Organismos de la Admon. Central	1.669	-211	218	1.139	-1.418
2. Comunidades Autónomas	-382	-2.346	-18.203	-21.447	-36.878
3. Corporaciones Locales	767	-3.227	-5.328	-5.861	-6.509
4. Administraciones de Seguridad Social	13.124	13.681	7.586	8.096	-2.069
<b>5. Administraciones Públicas (1 a 4)</b>	<b>23.349</b>	<b>20.255</b>	<b>-48.897</b>	<b>-117.143</b>	<b>-98.166</b>
En porcentaje del PIB	2,4	1,9	-4,5	-11,2	-9,3
<i>PIB utilizado</i>	<i>985.547</i>	<i>1.053.161</i>	<i>1.087.749</i>	<i>1.047.831</i>	<i>1.051.342</i>

(P) Provisional

Fuente: Intervención General de la Administración del Estado e INE.

# ***I. The public sector in times of austerity: efficiency as improving strategy***

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## **➤ *Crisis and Local Government.***

- Which kind of “Crisis”? How we define the new scenario.
  - Economic crisis and crisis of public debt:
    - “Rolling back the frontiers of state”: reducing the public sector, in terms of resources managed, but also in terms of fields of action and intensity
  - Crisis of a model of public sector:
    - Reforms to facilitate the emergence of new capacities, improving efficiency through internal and relational reforms
- “Local Government” to do what? Political and administrative dimensions.
  - Competences to build capacities for action
  - Strategies to improve resource management (efficiency and effectiveness)

## **➤ *Public sector in times of austerity.***

- A review of changes inside local administrations to face new challenges and the impact on their capacities for action. The case of ***Catalan local government.***



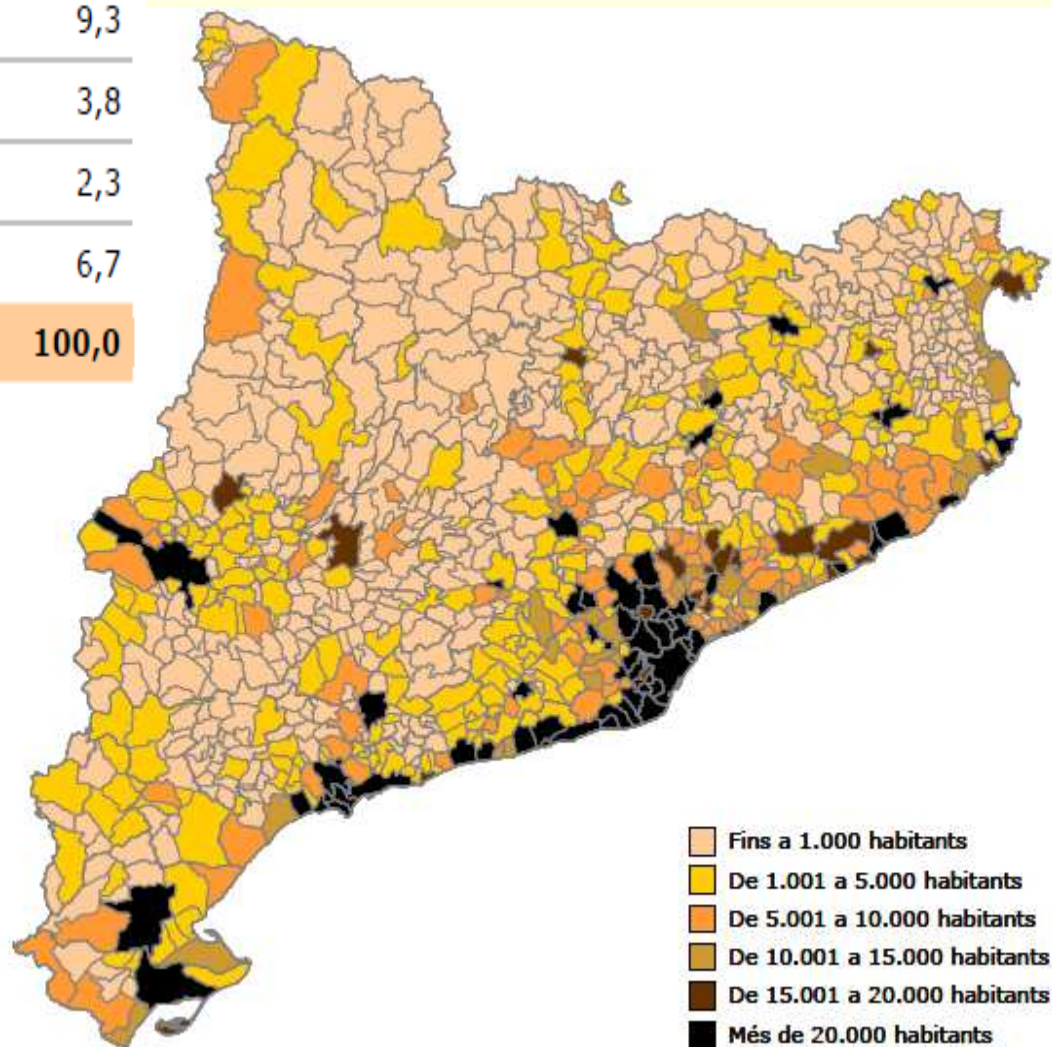
## Distribució dels municipis catalans segons grandària. 2011

Grandària dels municipis	Nombre de municipis	%
Fins a 1.000 habitants	479	50,6
De 1.001 a 5.000 habitants	259	27,3
De 5.001 a 10.000 habitants	88	9,3
De 10.001 a 15.000 habitants	36	3,8
De 15.001 a 20.000 habitants	22	2,3
Més de 20.000 habitants	63	6,7
<b>Total Catalunya</b>	<b>947</b>	<b>100,0</b>

Font: Idescat, padró continu a 1 de gener de 2011

Multi-level government structure in Catalunya

- 4 provinces
- 42 provincial counties
- 947 local governments



## Services to be provided by municipalities (Law 7/1985, 2 April, Regulation the bases of Local Government)

Basic local services (to be provided by all municipalities)	Public lighting, maintenance administration of cemeteries, refuse collection, street cleaning, sewerage, water distribution and drinking water supply, access to population centres, paving and maintenance of streets, food and beverage control, sanitary inspection
Services to be provided by municipalities up to 5.000 inhabitants	Parks and landscaping maintenance, public libraries, local public markets, waste treatment
Services to be provided by municipalities up to 20.000 inhabitants	civil protection, social services, fire prevention / suppression, slaughterhouses, public sports facilities
Services to be provided by municipalities up to 50.000 inhabitants	Urban public passenger transport, environmental protection
Other services provided (not compulsory services)	housing, museums, popular and traditional culture, music conservatories and schools, kindergartens, adult education, public actions related to health, care homes for the elderly

Source: Law 7/1985, 2 April, Regulating the Bases of Local Government



## ***Some previous debates on Catalan local government***

Since the late 80's there were some debates in Catalunya about the configuration of local government:

- a) The creation of province councils (1987)
- b) The “Roca’s Report” about the territorial model of Catalunya (2001)
- c) The debate about the creation of “Vegueries” (to replace provinces) (2010)

All of them looking for a better local government map design, combining criteria of efficiency and respect to local identity (and its political expression through local government).

Poor results in the implementation stage.

But local government has proved to be fertile ground for implementing innovative practices in the field of public management, especially in processes aimed at improving the provision of services to citizens





## ***Recent debates on Catalan local government***

- Why there are a new debate about the local governments?
  - New scenario characterized by economic crisis and an exhausted model of growth.
  - Context of pressures to all public administrations.
  - New political equilibrium both in State and in Generalitat de Catalunya (and also in supra-local governments).
- New arguments that place in doubt the dimensions (and the role) of local governments.
- Increasing pressures to control local governments (against their autonomy), specially from State
  - To modify local government map (merger/aggregation of municipalities)
  - To reduce local government budgets
  - To limit and modify local government fields of action



## ***Why there are a new debate about the local governments?***

(an answer following M. Barzelay's compounded model)

### **The confluence of three streams:**

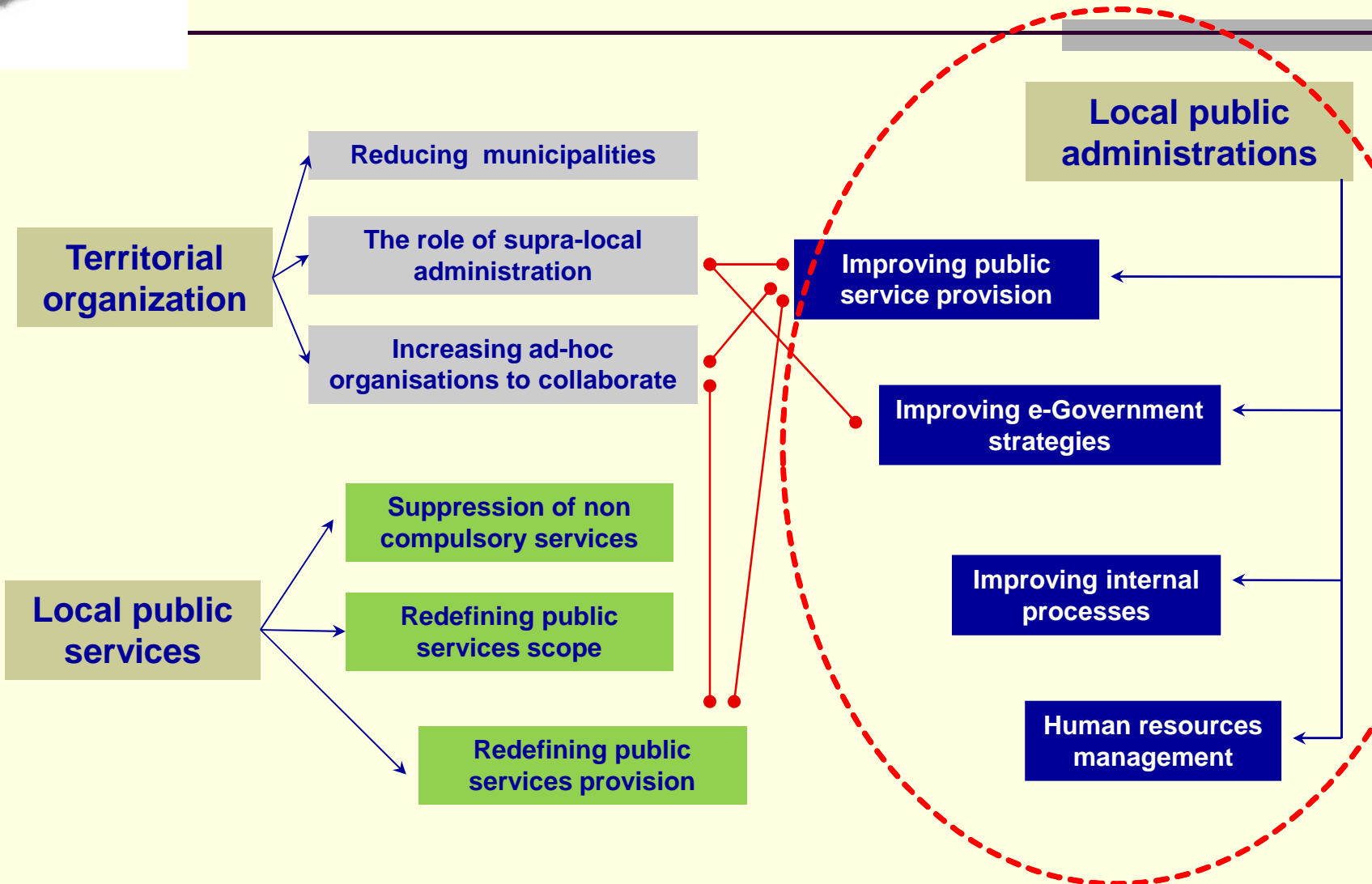
- **Problem Stream:** data about financial capacities of Catalan local governments
- **Policy Stream:** some “solutions” based on size reduction, refining jurisdictions.
- **Political Stream:** international pressures, State pressures, and new political equilibrium in the Generalitat de Catalunya, in major Catalan local governments and in supra-local governments (provinces and provincial counties)

That facilitate a “policy window” to include the issue of local governments management in the decisional agenda.

But also by the incidence of an emerging epistemic community connected with “New Public Management” and with private sector



## *Some spheres of change in Catalan local government*





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**Local public  
administrations**

**Improving public  
service provision**

Provision by supra-  
local governments

Inter-municipal  
collaboration

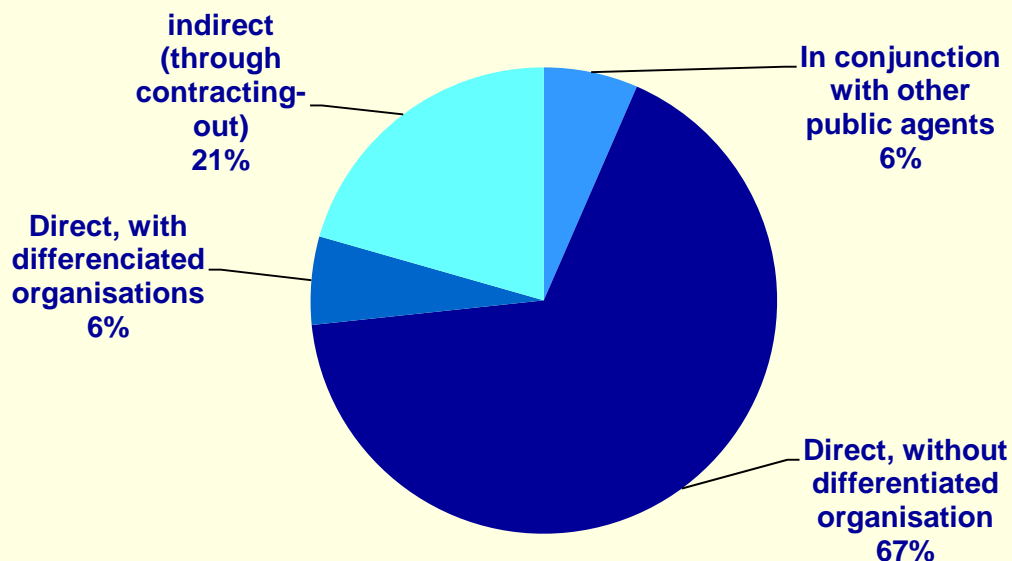
Outsourcing or  
contracting out

**Some arguments about  
outsourcing in Catalan  
Local governments**

Outsourcing as a reaction to  
public management constraints,  
usually without strategic planning

Local government capacities  
(both of professional staff to  
manage outsourcing and technical  
support to control and evaluate)

## **Mechanisms of public service provision**



Data from all Catalan municipalities up to 5.000 inhabitants (189) and based on a list of 30 local public services that combined statutory services with others that in Spain are usually provided by local governments (2009).

Source: **Fundació Pi i Sunyer d'Estudis  
Autònomic i Locals**



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**Local public  
administrations**

**Improving e-Government  
strategies**



**Generalitat  
de Catalunya**



July 2001: Institutional agreement for promoting and developing the Information Society in the Public Administrations of Catalonia and create:



**Consorti  
Administració Oberta  
de Catalunya**

**Front-office strategies**

**Back-office strategies**

## **Some arguments about e-Government**

The interoperability between all different public administration levels is an essential key enabler for e-Government to offer “smarter” services and to ensure that the single market functions smoothly for electronic public services.

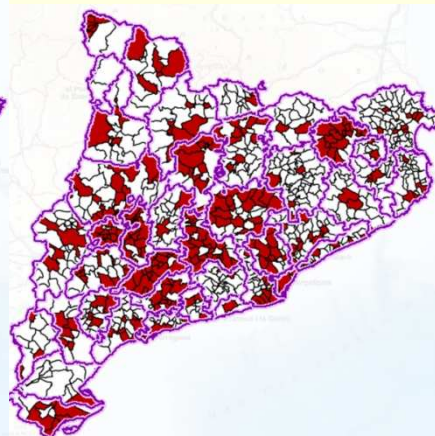
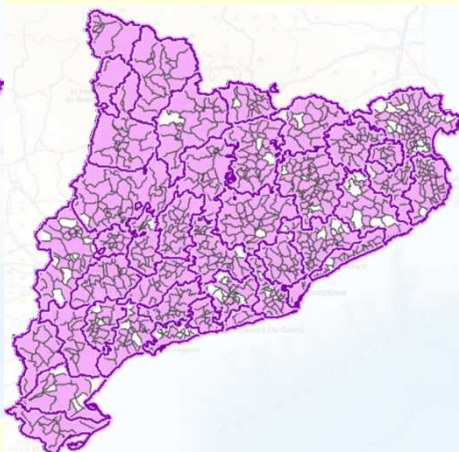
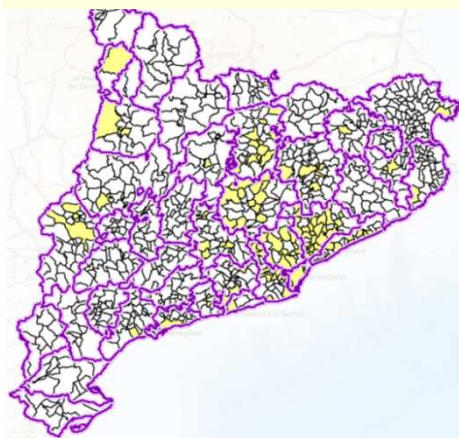
Interoperable platforms must be deployed and supported by organizations able to play a neutral role chaining eServices from different Public administrations.

**Political support** is imperative to succeed in such process.

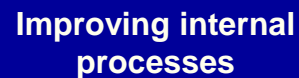
Councils with Service's catalogue

...with electronic processes

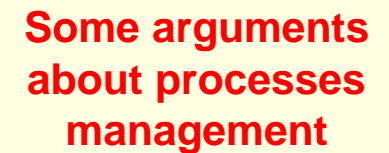
... with data interchange





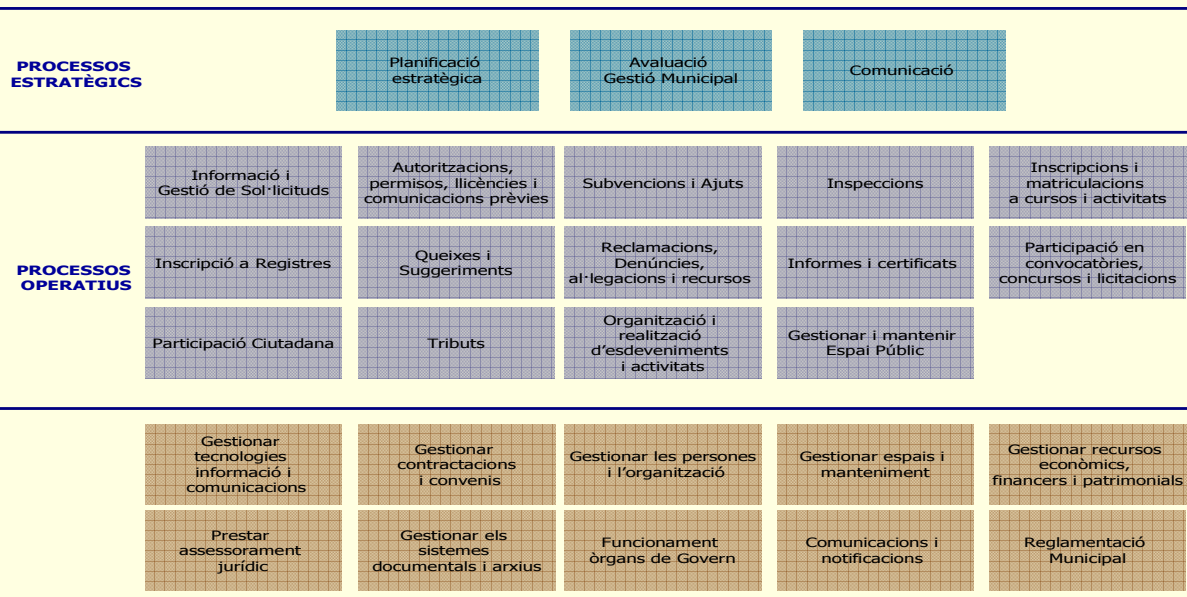


## Strategic perspective (management for processes)



Isolated initiatives of  
improve concrete  
processes (middle 90's)  
by internal units without  
high political support

Strategic approaches with a holistic vision of the whole organization, with high political support (2<sup>nd</sup> half 2000), but only in medium and big municipalities.



# Ciudadania

# Ciudadania



# ***I. The public sector in times of austerity: efficiency as improving strategy in Catalan local governments***

**Local public  
administrations**

**Improving Human  
resources management**

**Downsizing measures**

**Strategic staff planning**

**Some arguments about human  
resources management**

Personnel administration  
based on incremental trends  
(without strategic perspectives)

Lack of resources to develop  
strategic human resource  
management (even supra-local  
administrations support)

Emerging initiatives  
(competence management,  
performance evaluation) but  
without high political support

<b>2010 (total)</b>	<b>Generalitat</b>	<b>Local Gov.</b>	<b>Total</b>
Politicians' staff	54	923	977
Civil servants (perm.)	123.786	37.966	161.752
Civil servants (non perm.)	30.301	7.778	38.079
Private contract (perm.)	19.447	34.920	54.367
Private contract (non perm.)	8.415	11.899	20.314
<b>Total</b>	<b>182.003</b>	<b>93.486</b>	<b>275.489</b>

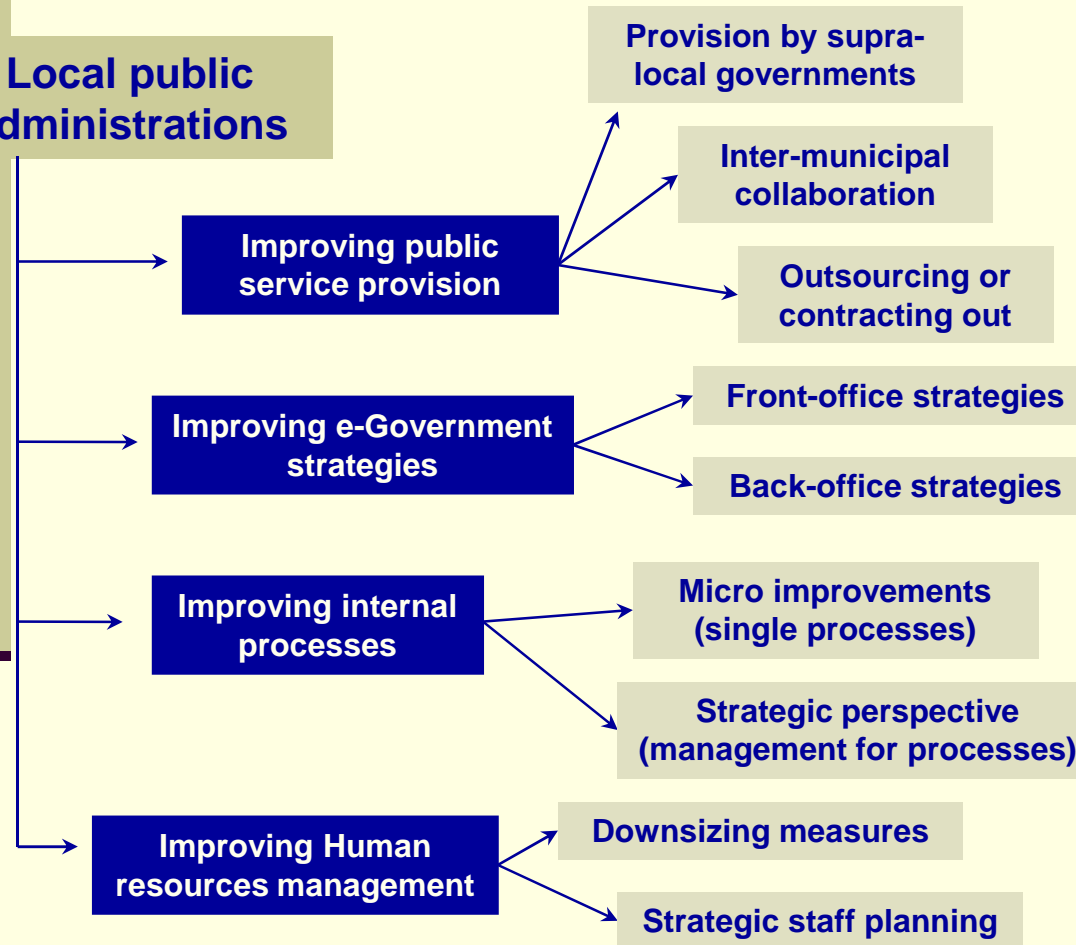
<b>2010 (%)</b>	<b>Gen.</b>	<b>Local Gov.</b>	<b>Total</b>
Politicians'	5,5	94,5	100,0
Civil servants (perm.)	<b>76,5</b>	23,5	100,0
Civil servants (non p.)	<b>79,6</b>	20,4	100,0
Private contract (perm.)	35,8	<b>64,2</b>	100,0
Private contract (non p.)	41,4	<b>58,6</b>	100,0
<b>Total</b>	<b>66,1</b>	<b>33,9</b>	100,0

Source: Banc de dades d'Ocupació  
Pública.Generalitat de Catalunya. 2011.



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## **Local public administrations**



## **Variables influencing the efficiency strategies in Catalan local government**

Inter-administrative relationships

Legal framework

Service's characteristics: specificity, measurability

Politics

Internal agents (unions, specialized professional groups)

Epistemic community connected to State appointed professionals

Epistemic community connected to New Public Management

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