

Possibilities to reform the system of municipalities in Slovenia¹

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Introduction

The need for reorganization of local government in Slovenia, is not necessary in principle to convince anyone else. However, when you get down to specific issues and solutions, our individual interests and activities to prevent any practical solution and realization.² Below we present some experiments obstacles and proposals relating to the reorganization of local government in Slovenia.

1 Territorial reform of municipalities

In accordance with the European Charter of Local Self-Government, which states that local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population is the fundamental objective of territorial reforms to achieve that each municipality Slovenian capable of satisfying the needs and interests of their people and meet the tasks in accordance with the law.

The Republic of Slovenia has 212³ municipalities, of which as many as 109 fewer than 5.000 inhabitants, as required by 13.a article of the Law on Local Self-Government (LGA)⁴. Reflection of territorial reform stems from the awareness that with relatively simple interventions in the territorial component of Slovenian local self-government, the re- unification of municipalities with municipalities, some of which

¹ All statements and views in this article is the opinion of the author and do not necessarily reflect the views of the organization in which he is employed or organizations with which it cooperates.

² We're all for it, to organize local self-government in Slovenia, but we are not for that would be reorganized our municipality.

³ The municipality of Ankaran, still does not work, but it should be based on the decision of the Constitutional Court, necessary to constitute the same time as local elections in 2014.

⁴ The Law on Local Self-Government (Official Gazette of RS, no. 94/07 - official consolidated text, 76/08, 79/09, 51/10 and 40/12 - ZUJF)

have seceded, mainly to establish the conditions for faster development of these areas. In establishing these municipalities were not given reasons which would justify a change in the area of the municipality or the creation of new municipalities, there were no data from which it is clear that the area in which they are to set up a new municipality qualifies for the municipality as well as data from which would show that the municipality whose territory is changing, still qualifies for the municipality. Political decision-making is fully prevail over professional basis , prepared before the reform and experts' warnings after the establishment of an unplanned communities without taking into account the criteria already begun.

Interference with the existing areas of municipalities is sensitive, therefore requires careful planning. In this context, the Government of the Republic of Slovenia followed the recommendation of the Council of Europe that the planning reforms of local communities should take into account a number of parameters such as size, which includes the criteria of population and size, the functions of municipalities as well as fiscal and functional autonomy. Those parameters are in mutual interdependence and should always be considered as a whole. In those municipalities are also important areas of embossed designs and related to population density. Problem is, for example, at the local level combined area of more valleys, which are delimited by mountain ranges. It is precisely such areas are therefore often exceptions to the population or area. Such exceptions can be found everywhere, from north to south Europe.

In this moment there are no meaningful comprehensive reform of Slovenian local self-government, it is estimated that the functions and powers of municipalities, municipal authorities and the system of financing municipalities do not require radical intervention. The aim is to ensure greater management capacity of municipalities with territorial changes , and thus to a less demanding way to get the beneficial effects of both the work of Slovenian municipalities as well as the macroeconomic situation in the country .

About the reform process in changing areas of territorial administrative systems, the Committee of Ministers of the Council of Europe issued a specific recommendation. The recommendation of the Committee of Ministers draws attention to the necessity of planning reform, which must also include the local level and the inhabitants of the municipality. Objectives of the reform must be clarified and necessary to strive for political consensus. The recommendation describes all phases of reforms, including

the evaluation. General reform processes taking place from top to bottom (top-down) and bottom (bottom-up). In the top-down approaches have the main role of central authorities, who planned and carried out the reform of the territorial administrative systems. Bottom-up approach is particularly time-consuming, requires a lot of coordination, discussion and compromise. In case of changes or reform it is important to respect the content of the European Charter of Local Self-Government, sixth paragraph 4 Article of the European Charter of Local Self-Government of the Member States of the Council of Europe requires the need for local authorities to the extent possible in good time and in an appropriate way in the planning and decision making on all matters that concern them directly.

1.1 The local community (local, village or quarter) as a specialty Slovenian local self-government

Centralization , which was created by the withdrawal of municipalities in distant centres are filled first local committees, and later the local community , which received approval in the Constitution of 1963 , in a clearer definition of it by the Constitution of 1974. The local community, of course, could not be a substitute for conventional municipality. Municipalities, as an integral part of the country and as a first stage, most of the tasks performed by the State, local tasks are like postponed in the local community. Their arrangement was too vague and too little defined and they did not give the system the situation on the basis of which it could successfully perform essential functions in local communities. However, you can reliably say that they are mainly rural local communities quite successful in meeting common needs of the local population and were especially effective in solving the utility - infrastructure issues, which are the typical contents of the local government. The municipality before 1994 is not realistic to carry out local affairs to meet the needs of the local population, which transparently shows the structure of the municipal government, which prevailed authorities and departments, which were basically just extensions of government ministries.

On the basis of the new constitution should get back to the classic Municipality , as we once had and have in Europe and around the world .

A fact in Slovenia before the reform and the introduction of local self-government was also 62 municipalities and 3 specific socio-political communities, 1.203 local communities and 5.955 villages.

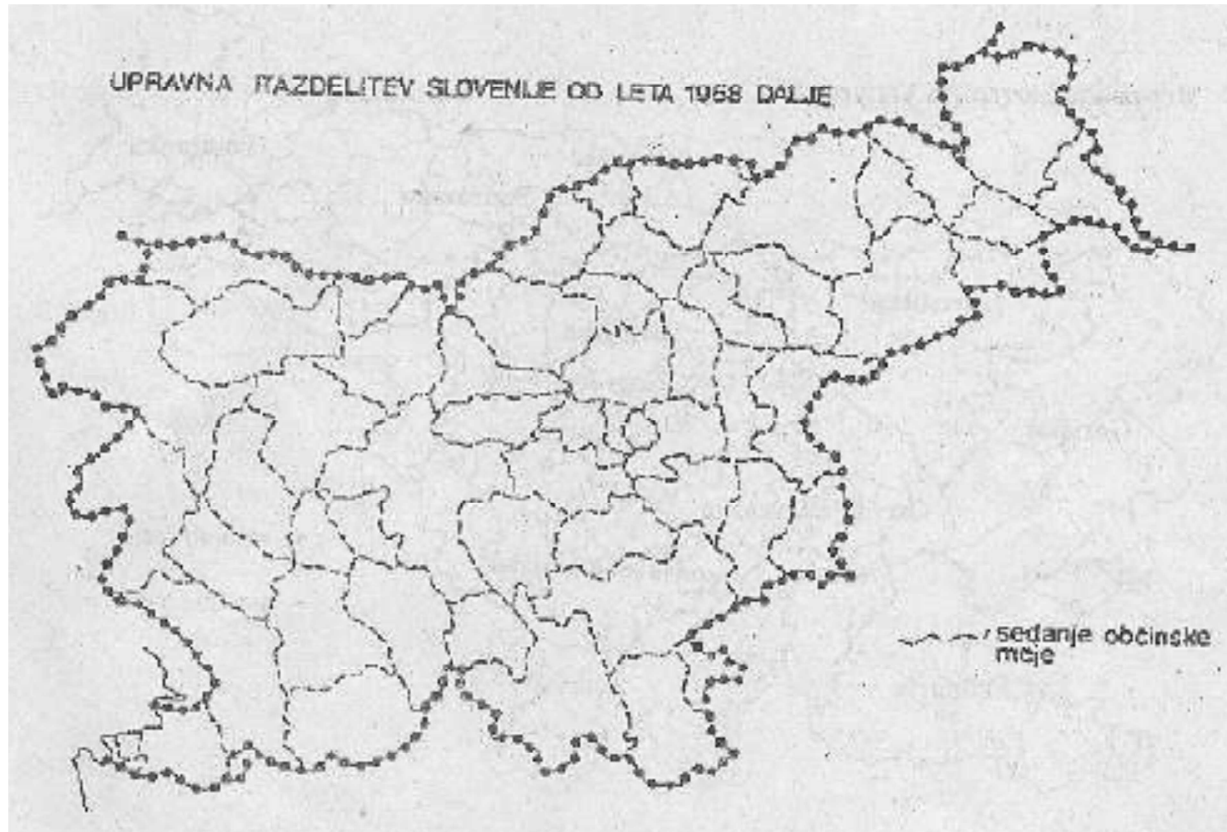


Figure 1: Administrative division of Slovenia since 1958

Source: Reporter of the National Assembly, No. 26. 16, 4. 1998

The Local Government Act in its essence is not resolved questions of local communities, their assets and competencies, but more or less left to the municipalities, but it is indicative and loosely restricted its jurisdiction. The said Act despite the many changes which did not substantially change the situation, but at the initiative of the Ministry of Finance is clearly regulate the area of asset and financial management. Also due to this situation the local community came to the initiatives for the creation of new municipalities. In fact, it is necessary to clearly answer some questions, such as:

Will the local community in the new system of local government exist at all? And if they are, or will be given to development and investment function or development

advisory function? Clear answers to questions similar in content to enable subsequent placement of local communities in the local government system, in particular, ensure transparency of financing of local authorities - municipalities. Based on the insights and different complications between the local community - the municipality, especially with regard to the financing of individual projects under the jurisdiction of municipalities and uncontrolled borrowing and burdening us confirms the fact that we propose, to the local community in terms of legal personality abolished and that the transmission of funds and assets to the local community - the municipality. The local community and from the community made , become the coordinator of the interests and opinions of a certain area, therefore community of interest (Žohar, 2002, 8).

2 Starting point for determining the size of municipalities

Given the fact that the municipalities of their duties and responsibilities carried out for the people, they rule the first criterion in determining the territorial scope of local government. Such a platform can also be found in the documents of the Council of Europe, which determine unambiguously the relationship between size and efficiency of local authorities, which refers to the four elements:

- **Efficiency** (what the extent of the public service or public services can be provided at minimum cost)
- **Democracy** (in which the size is guaranteed the most effective control of local authorities and ensure their accountability)
- **Development** (how the size and structure of the local authorities the impact on local economic development) and
- **Distribution** (which size will ensure a more equitable distribution of public funds and the tax burden within the county).

Practice in the 47 Member States of the Council of Europe and within the European Union shows the very different approaches. These are often associated with general economic situation within the Member States or regions. Thus, for the period from the second half of the last century until today we see certain trends. If after World War II territorial reform of many countries went in the direction of increasing the number of municipalities in the eighties years of the last century after the oil crisis reversed

direction and the country as a rule reduced the number of municipalities . With the fall of the Berlin Wall and the emergence of new democracies the trend has again reversed and many countries have established a relatively large number of municipalities. In the last two decades in the Republic of Slovenia held the same process. Since 1994, the number of municipalities without taking into account their respective mandates and constitutional position increased. It is interesting that the modifications related, as the Statistical Office of the Republic of Slovenia, the very broad phenomenon regarding changes in the extent of the territory of settlements has been "part of the territory eliminated," and thus the administration of migration. Interesting is that the data clearly show that the majority of these changes It took place after the population of smaller settlements. The same phenomenon has also been noted after the implementation of the latest reform of local self-government after independence.

Drafters of the territorial component of the reform of local government in the early nineties of the last century have taken the starting point for municipalities with at least 5.000 inhabitants, and this is to adjust the volume and the type of tasks and responsibilities of municipalities. Throughout the reform process, there was a marked deviation from the established evidence, which resulted in an imbalance between functional and territorial component of local government, the size of the Slovenian municipality and its tasks and responsibilities. It was therefore up to the year 2006, when it was adopted a new system of financing municipalities, unbalanced by the financial component of local government, as municipalities finance inconsistent with its duties and responsibilities, and the second point 9 Article of the European Charter of Local Self-Government, which states that the financial resources of local authorities in proportion to the functions provided by the Constitution and the law.

3 Size of Slovenian municipalities in 2013

Slovenia has 212 municipalities, 211 works by Average Slovenian municipality has 9,757 inhabitants. Minimum Municipality Hodoš with 375 inhabitants is the largest Municipality of Ljubljana with 282.994 inhabitants.



Figure 1: Municipalities with fewer than 5.000 inhabitants

Source: Own

Given the current quantitative statutory requirement that a municipality has established with 5.000 inhabitants, is now 109⁵ municipalities in Slovenia or 51,7 %, this condition is not met. These municipalities were established in accordance with the provisions of 13. a of LGA as an exception, then the applicable provisions of the LGA. For a clearer idea we are in the table below to identify municipalities by population.

⁵ Finally, do not overlook the fact that in these municipalities live 311 907 inhabitants or 15% of total population

Table1: Municipalities in individual groups of population

Municipalities by population		
number of inhabitants	total municipal	share in v %
Slovenia	211	100,0%
do 1.000	7	3,3%
1.001-3.000	51	24,2%
3.001-5.000	51	24,2%
5.001-10.000	49	23,2%
10.001-20.000	36	17,1%
20.001-50.000	13	6,2%
50.001-60.000	2	0,9%
60.001-100.000	0	0,0%
over 100.001	2	0,9%

Source: SURS data, 1.1.2013

The Republic of Slovenia has over two decades of establishment of new municipalities territorially fragmented. Already in 1994, at the launch of the first 147 municipalities decisions were largely made arbitrarily and without complying with the substantive criteria which provided the Local Government Act. Health Professionals is constantly finding that we need serious professional consider how to approach the re- integration of municipalities in terms of their effectiveness in ensuring the rights held by their inhabitants .

It should be borne in mind that, with respect to the total population of the Republic of Slovenia the average Slovenian municipality of 9.272 inhabitants, while the average in EU member states almost half the size, population 5.580. However, only this

comparison without considering the duties and responsibilities of municipalities does not have the appropriate weight. In addition, do not overlook the re-observed trend of decreasing numbers in some EU Member States (Denmark, Ireland, Greece) , as well as the Member States of the Council of Europe (Iceland, Turkey).

4 Warnings international institutions and the Court of Audit

About the irrational network of municipalities has ruled the Court of Auditors of the Republic of Slovenia, which in 2012 issued an audit report regulation of municipalities, inter alia, that the main reason for the current situation in that there was no strategy⁶, setting clear objectives in municipalities and that this is also reflected in frequent changes of legislation in the field of local government. Prior to this, several institutions found that Slovenia does not have a strategic document, which for a long period outlined the development of local self-government. Committee on Local Government and Regional Development of the National Assembly of the Republic of Slovenia in 2011 held a public hearing on the Development Strategy of Local Self-Government in the Republic of Slovenia and called for its adoption.

Congress of Local and Regional Authorities of the Council of Europe in Slovenia conducted two monitoring of the state of the local government or the realization of the European Charter of Local Self-Government (2001 and 2010). Given the number of municipalities was the first findings of the monitoring to the structure of local government are still dominated by many small municipalities. After independence and the introduction of democratic structures in Slovenia were 60 local communities and the state has decided to enact a new organization of local communities. Report to the Council of Europe in 1997 already mentioned 147 local authorities. Minimum criterion which originally set by the Law on Local Self-Government was 5.000 inhabitants, but it had during the monitoring Slovenia 95 municipalities out of a total population of 192 below that minimum. After evaluating a delegation of Congress is responsible for this development the old parliament (National Assembly), it adopted a

⁶ At which for many years also points out Dr. Stane Vlaj, a connoisseur of local self-government, which was the reform in 1994 also Deputy Director of the Department of Local Government. One of his posts in 2010 addresses the issue: For the development strategy of Slovenian local self-government, 27 September, 2010. The International Institute for Middle-East and Balkan Studies (IFIMES).

whole series of "exceptions" shortly after the adoption of the law and thereby discredits the minimum criterion. This has had implications for the jurisdiction of the Constitutional Court, which had to arbitrate in more than 60 cases of new local distribution. The Court stated that Parliament has not complied with its own criteria, nor those of the already mentioned exceptions in the law itself, and this statement of the Constitutional Court are used as a basis for "equal treatment" in cases in which Parliament has rejected the exclusion and independence, that is, the creation of new local communities. Similar findings also contain other monitoring in 2010.

The consequences of a large number of small municipalities also recalls the Organisation for Economic Co-operation and Development (OECD) in his study in 2011, whereby he proposes to facilitate the aggregation of municipalities and develop new forms of inter-municipal cooperation and provide additional financial incentives for new forms of cooperation of municipalities. It notes in particular the difficulties in implementing regional policy and harmonious development of all areas in Slovenia.

5 The ability of municipalities to meet the needs of its people

Territorial interventions in the two decades Slovenian local self-government so crushed, that it affects their development capacity. Therefore, the alignment of 109 Slovenian municipalities contributed significantly to the strengthening of development potential. Combining human, organizational and financial resources will be a new development opportunity for dispersed areas:

– **Combining human resources.** In the functioning of the smallest municipalities Staff deficit evident, often in those areas designated personnel did not in the labour market (ei., architects, civil engineers, economists, lawyers, etc.). But if you already have a job is in municipal administration non-stimulating. The country is co-financed by joint municipal administrations since 2005 failed to encourage municipalities to lack of inter-municipal cooperation, but the scope and content of the cooperation confined to a few areas. For a development breakthrough should be more radical interventions, the expansion content inter-municipal cooperation and provide additional financial incentives for inter-municipal cooperation and integration, which is found and proposed by the OECD in the said territorial review of Slovenia in 2011.

– **Combining organizational resources.** Experience territorial reforms of the Member States of the Council of Europe, among other things based on the demarcation of the border, which tells where the size will ensure a more equitable distribution of public funds and the tax burden within the county Combining organizational resources means primarily reunification of public enterprises and public institutions or other entities performed for the residents of public services , under a single founder. Due to the territorial dispersion of municipalities on the one hand and the nature of the public service for optimal and affordable implement these services on the other hand require a larger number of people , we have witnessed many complex organizational structures, resulting fellow founder several municipalities and inadequate legal solutions. In practice, it is also certain strategic as well as operational solutions should be coordinated and take on more municipal councils, which is a significant time lag and wasteful spending hours of civil servants in finding optimal solutions. Due to economies of scale, providing quality service at an affordable price, this measure could mean long-term development priority. The extent of the public service or public service should be provided at the lowest possible cost.

– **Combining financial resources.** On the third hand, the kinds of 109 Slovenian municipalities with the current statutory requirements mean an increase in budgets, thereby increasing the fiscal capacity of the newly established municipalities. Size and structure of the local authorities the impact on local economic development. Number and the size of investment in infrastructure increase, or increase its effects because of the impact a greater number of people.

6 Greater economic efficiency and effectiveness of municipalities

Objectively, the ability to ensure the realization of the needs and interests of the local community and the enforcement of the statutory functions of the original municipalities related to the number of residents who municipality provide adequate resources to perform its functions, so you can condition 5.000 inhabitants at the same time be regarded as an objective basis for assessing the municipalities with less population are not capable of performing their duties in accordance with the principles of functional and financial autonomy , unless linking the implementation of certain tasks to inter-municipal level . So should be a priority of integration and co-

operation from that point of view, especially for municipalities whose population is under 5.000. Functional ability of local communities requires that local government units by size and position, depending on the type and levels comparable as possible and to maximize the economic and financial autonomy. When designing the local community as the basis for local self-government should be to strike a balance between the rational aspirations for greater local communities, based on their economic financial viability of the increasingly demanding and costly provision of local public services and local government , and the tendency towards the creation of small local communities which can provide a direct impact on the population of decision-making and ensuring the attainment of their common needs and interests. On the basis of the analysis is based score that municipalities with 5.000 inhabitants in the current arrangements and the provision of financing municipal tasks successfully, the same as the larger municipalities meet the needs and interests of their people and ensure fulfilment of other tasks in accordance with the law. Financing of public affairs is inextricably linked with the powers defined by law powers or the rights and obligations of public authorities. 142 article of the constitution also provides that a municipality is financed from its own sources. The State of municipalities that the economic under development cannot fully provide for the performance of their duties, in accordance with the statutory principles and criteria provide additional resources. Financing of municipalities must be consistent with the principle of proportionality means of the powers or duties. The financial system must therefore ensure the effectiveness of the provision of municipal tasks, which must provide enough variety and content of the own tax and non-tax sources. Weaker municipalities the system should provide additional funding to equalize differences in income, because they depend on the economic development of the county. The financial system must also ensure that the municipality of the assets which are income of its budget, decide autonomously, irrespective of whether the income from own sources or means of financial compensation from the state budget. Analysis of the system of financing municipalities after the legalisation of Law on Financing of Municipalities (LFM – 1) indicate that the expenditure of municipalities for the operation of local government per capita (funds intended for local self-government bodies municipalities, municipal financing activities, the narrower parts of the municipalities and the activities of the municipal administration) in the municipalities with fewer than 2.000 inhabitants, the largest. Account for almost 25%

of all expenditure allocated to mandatory tasks. In municipalities with more than 2.000 inhabitants, the cost of local self-government, on average, 17 % of the total expenditure. It is evident that the population of small municipalities stand out in the areas of local government and social security. In municipalities up to 2.000 inhabitants empirical analysis confirms the expectation that the average cost of significantly higher in those areas, as it is the cost of organizing and carrying out the tasks of the municipal administration. At the same time the increased expenditure on social protection, which are the demographic trends and the aging of the population and geographical characteristics of the areas where these municipalities are understandable.

Municipal debt is all of the reform of local self-government in Slovenia in 1994 and the following years continued and constant theme treatment. The first period was marked with great caution as a result of the effects of municipal bonds issued by municipalities in Slovenia (Laško, Trbovlje, Zagorje ob Savi) and the resulting problems. It is also the creation and design of public finances in Slovenia, especially large role devoted stability, so it was considered a restrictive municipal debt. Thus, until 2001, no large indebtedness of municipalities. After this period, the two sequences after two years (2002-2003 and 2004-2005) observed rise in the first year and fall in debt next year. From 2006 onwards, it is a gradual and constant increase. The liquidity problems are just a few of those municipalities that have borrowed in conflict with the provisions of ZFO -1. Indebtedness of municipalities in Slovenia in total debt, or a percentage of the revenues of municipalities is not great. Also, the indebtedness of municipalities per capita inappropriate smaller than government debt per capita . Of course, it is necessary to stress once more that a group of about 20 municipalities responsible for more than five years by reference to the statutory regulation. The main types of municipalities borrowed and over-indebted for the construction of infrastructure and public facilities (water supply, gym , school, kindergartens, guarantees, etc.).

7 Ensuring adequate human resources and functional capacity of municipalities

The current network of municipalities is all the more problematic because the tasks of municipalities qualitatively the same , they differ only quantitatively , with the financial

and human resources are less able to municipalities not exercise or do not meet the same standards of service to its citizens. Number of employees in municipal administration ranges from two employees up to over five hundred employees. Since many municipalities do not have sufficient human resources for effective implementation of independent administrative and development tasks, it is therefore also necessary with additional funds from the state budget to promote the joint implementation of these tasks. A large number of municipalities cannot provide funding their duties. All municipalities do not have sufficient and diverse enough own sources of financing, so it was necessary to regulate the system of financing that these resources are reallocated between the financial resources of the richer and poorer municipalities. Small size and economic dependence of communities most affected by the ability of the implementation of development programs (investments in local public infrastructure), the provision of local public services and organizing relevant personnel of the municipal administration . In spite of the same regulation, the Slovenian municipalities also differ greatly in their functional abilities. Key reasons for the reform of the territorial component of local government are:

- Improve functional management capacity of municipalities and their financial autonomy of local government and
- Ensure the autonomy of local government as a subsystem of public administration.

Organization of local communities is determined by law, the same municipal authorities, roles and responsibilities of municipalities. Since the law concerning the performance of tasks and responsibilities does not distinguish between the size of municipalities (tasks and responsibilities are the same for all municipalities regardless of their size), is organizing an effective municipal government in the municipalities, especially those with a population under 5.000 extremely challenging and in many cases not can provide all the tasks prescribed by law. As a note some Slovenian study the size of the municipality in terms of population and its management capability connected. In smaller communities (under 5.000 inhabitants) is what 90% of their managerial ability is low or intermediate. The smaller municipalities, the lower the probability that their municipal administration able to work smoothly and were able to provide to meet the needs of citizens and local implementation of public policies. When measuring satisfaction with public services regardless of the size of municipalities have very small municipalities relatively low levels of satisfaction with

local services is also a cause or mainly in the establishment deficit municipal administrations and the limited amount of financial resources .

The level of political participation is as a rule higher in smaller municipalities, most in medium-sized municipalities (between 5.000 and 10.000 inhabitants) and lower in larger municipalities. Greater participation means more active citizen and more feedback to local authorities, which can provide higher quality public services. It follows that the size of the municipality in terms of population cannot be the only criteria when assessing the management capacity of municipalities, but it is certainly one of the fundamental. The critical aspect in terms of both satisfaction with public services represent municipalities with fewer than 5.000 inhabitants, while in medium-sized municipalities with over 5.000 inhabitants aspect of political participation, active participation of citizens and satisfaction with the impact of the implementation of local policies tall and such municipalities can successfully carry out their duties . At the same time they are in most cases able to provide adequate staffing in municipal administrations.

In view of the identified negative effects of fragmentation of municipalities , the Republic of Slovenia in 2005 with the amendment of the Law on Financing of Municipalities provide additional funding for joint municipal authorities, which reduces the risks identified. Participation of municipalities with neighbouring municipalities in the region in various fields is crucial, but an indicator of Interest cooperation, which is already operating at the same time an indicator of good opportunities to expand cooperation. Municipal administrations, which have different sizes and different qualifications can provide mutual support in performing the tasks of the municipal administration of the municipal administration other (or more) of municipalities in areas where one municipality in the capacity of staff after the pods are sufficient, while other municipalities such qualified personnel shortage. These links operating successfully are certainly indicative of the potential of territorial integration resulting from the terrain.

The primary purpose of decentralization, the organization of the system of local government is to achieve higher economic value, because by creating a more level closer to the actual needs of the environment. Fiscal federalism also means one property at a higher level.



Figure 2: Municipalities by territorial reform

Source: Own

Foundation for achieving this goal is the correct vertical tax structure, decentralized units enables a sufficient degree of autonomy. But it also has its limitations, fiscal decentralization, which in fragmentation units below a certain level causes the opposite to the desired effect.

In the distribution of local public goods at lower marginal costs and the same quality relevant services in major organizational units (municipalities) so costs are lower due to economies of size and diversity of product as a result of significantly better quality of human resources that are available to the central government and larger municipalities, but not necessarily each municipality. In such a case, therefore, the decentralization of funding not only unnecessary but also harmful as it increases the national economic costs. Simplified rules of fiscal decentralization is that local (regional) government services funded through tax and non-tax instruments that residents who benefit from these local (regional) public services. Compliance expenditures and financial instruments is also one of the key theoretical arguments

(in addition to tax competition and tax fragmentation) for the argument that the optimal fiscal decentralization reduces the size of the country.

The Republic of Slovenia as well as the rest of Europe is in a long-term economic crisis. At the same time the decline in economic activity is detectable strong impact on decline in government revenues and the need for social transfers. National authorities in all areas looking for ways to reduce expenditure from the public purse. Therefore, in such a vast and complex project, which is associated with radical reform processes are also critical reflection on the rational network of Slovenian municipalities. In public, strengthens the already long present belief that the number of municipalities in Slovenia too high and therefore the national economic point of view irrational.

Critical economic and fiscal circumstances require verification of all outflows from public funds, both state and local government. Short-term financial savings harmonization sizes of Slovenian municipalities with the current statutory requirements do not constitute a dramatic leap. In the long term we can expect synergy effects that would contribute to reducing the operating costs of the municipalities in the same or even higher quality of service for residents. The objective of such harmonization is necessary to ensure the most equitable distribution of public funds and the tax burden within the county.

8 Territorial changes - municipalities with at least 5.000 inhabitants

In preparing the proposal for the integration of municipalities with less than 5.000 inhabitants could combine areas neighbouring municipalities within the administrative unit. This ensures the continuity of the territorial jurisdiction of administrative units and current involvement of affected communities. In most cases in these areas is also inter-municipal cooperation and were set up joint municipal administration.

Assumptions on the smallest municipalities:

- The powers of municipalities, municipal authorities and the method of financing shall not be altered.
- Area of new municipalities would be treated as a new municipality, for each municipality, which would bring together, would be determined referendum area.

- Depending on the nature of association of municipalities, which applies to most municipalities in Slovenia, the government of presentations and activities reforms included all municipalities concerned by the reform, but also includes municipal associations, representatives of local interests in the National Assembly of the Republic of Slovenia and professionals.

Table 2: Municipalities by number of inhabitants after the territorial reform

Municipalities by population		
number of inhabitants	total municipal	share in %
Slovenia	122	100%
do 1.000	/	/
1.001-3.000	/	/
3.001-5.000	/	/
5.001-10.000	53	43,4%
10.001-20.000	47	38,5%
20.001-50.000	17	13,9%
50.001-60.000	3	2,5%
60.001-100.000	0	0,0%
over 100.001	2	1,6%

Source: SURS data, 1.1.2013

Or for that, or any other proposal can be realized in the short term, it is difficult to answer, certainly the government and most of the designers of previous reforms of local government stands in the position that reform is possible only and only from the top down, that is top-down. Although the population, some mayors in informal talks agree that it is necessary to start with the territorial reform of local self-government, but in their majority, if not almost absolute opinion to be municipalities or areas

together from the bottom up, and not necessarily in a short time throughout the entire territory of Slovenia. It could be that the process of integration began, and now they are not even start, but even moving away somewhere in an unknown and uncertain future⁷.

9 Strengthening of inter-municipal cooperation and integration

Institute of joint municipal administration has defined the Local Government Act in 1993 (LGA) (Official Gazette of RS, no. 72/93), but was later amended several times: in 1998 with the provisions of the act of organization and systematization of jobs (LGA - J) (Official Gazette of RS, no. 74/98) , the 2002 provisions on the administration and management of the joint authority of the municipal administration and mode of establishment (LGA - L) (Official Gazette of RS, no. 51 / 02) in 2005 provisions on providing resources for the functioning of the administration and the manner of its financial operations (LGA - M) (Official Gazette of RS, no. 72 / 05) and finally with a substantive change 49 b. Article (LGA -N) (Official Gazette of RS, no. 60 / 07).

A key measure that is fundamentally changed the views of Slovenian municipalities on joint management bodies, was the change of the Law on Financing of Municipalities Act of 2005 (LFMA - B) (Official Gazette of RS, no. 90 / 05). The content of the new 26 b article provides that municipalities, in accordance with the law organizing joint performance of individual tasks of the municipal administration in the current year provides additional grant from the state budget in the amount of 50 % over the past year of the expenditure municipal budgets to fund shared tasks . The second feature is the fact that, despite a bit complicated model remained the core competencies in the domain of each municipality and the mayor. In this way there was a very different connectivity between municipalities.

⁷ Often it as an argument for the status quo applies the view that once formed the landscape will be a problem smallness of Slovenian municipalities somehow disappeared, which is not true. At the same time, however, it uses pressure on the formation of several small provinces that were closer to the municipalities.

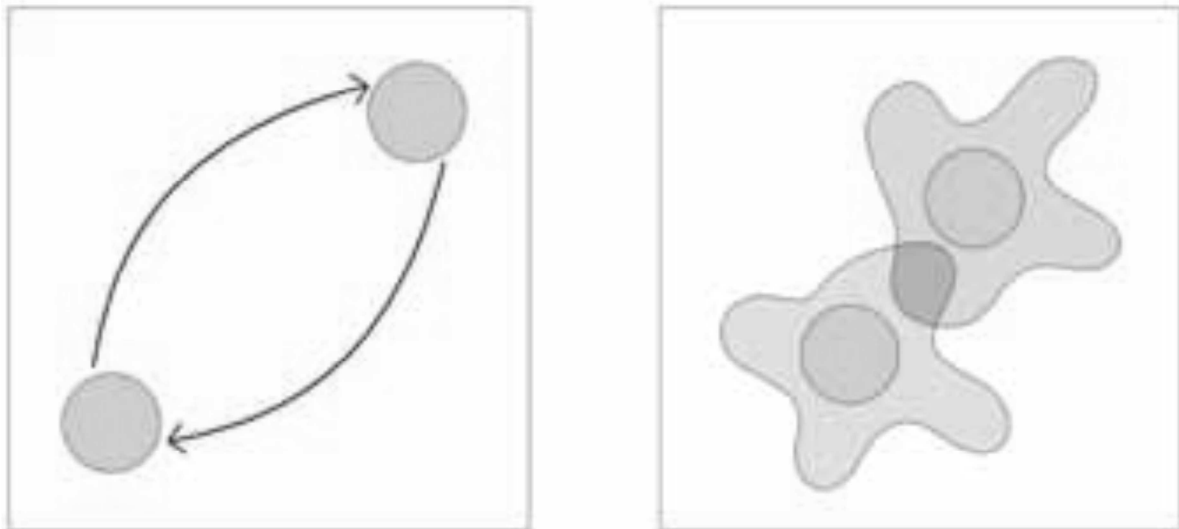


Figure 3: Principle of interconnections between municipalities

Source: Adapted from ESPON 2004.

Could identify some patterns of inter-municipal cooperation and integration in Slovenia:

- 1 Integration of smaller municipalities together.
- 2 Connecting small communities and municipalities with larger urban centres.
- 3 Connecting communities with no municipalities with larger urban centres.
- 4 Subsequent connection to the county already associated municipalities.
- 5 Subsequent to connect the municipalities with larger urban centres already connected to the municipalities.
- 6 Withdrawal of individual municipalities.
- 7 The dissolution of the joint municipal administration.
- 8 The re-establishment of a joint municipal administration.

Inter-municipal cooperation and integration is a dynamic process based on the integration of bottom-up down -up. As shown above comes to connecting smaller communities with each other, especially when individual tasks (eg., financial and accounting services) , while others link in greater overall administration , which has a

municipality with a larger administrative centres like Ptuj, Maribor, Celje, Slovenj Gradec, Dravograd, Celje, Velenje, Kranj, Jesenice, Krško, Postojna in Nova Gorica.

Subsequent connections to the related municipalities are normal, but not frequent. Subsequent to connect the municipalities with larger urban centres already connected to the municipalities is rare (Trebnje with 1.1 . 2014) . In the meantime, from certain joint municipal administration withdrew the Municipality and the Municipality of Sveti Jurij ob Ščavnici . They left the two joint municipal administration and one is in the same territory set up recently. Two common municipal government are in part functions merged into one larger, individual tasks but remain separate (Ptuj and Ormož).

The purpose of the establishment of joint municipal authorities (JMA) of municipalities is quite clear:

- 1 Increase the professionalism in performing their duties with professional teams.
- 2 Achieve the full employment of personnel.
- 3 Obtain funds for JMA.
- 4 Reduce the cost of administration.

In the years from 2006 to 2013, it was realized co-financing from the state (see Table 3) and thus materialized legally recorded content co-financing joint municipal authorities, which is a positive way to organize and encourage the further establishment of new joint municipal authorities. In the first half of 2013, we also organized 48 joint municipal authorities and included them 195 municipalities, 51 municipalities involved in two joint administration and two municipalities in three common administrations. The following table shows the number of total municipal administrations and participating in the programs of individual municipalities by year and state budget funds intended for financing.

Table 3: Use of state funds

Year (t)	Number of total municipal administrations	Number of municipalities involved	% municipalities involved	Funds from the budget in (t+1) in 000 €
2005	12	60	28,44	466
2006	15	76	36,02	793
2007	24	133	63,03	855
2008	29	158	74,88	1.667
2009	40	176	83,41	1.668
2010	46	186	88,15	1.409
2011	48	186	88,15	2.552
2012	48	192	91,00	4.853
2013	48	193	91,47	6.476
2014*	48	195	92,42	4.851

Source: SVLR, Ministry of the Interior, Service for Local Government

In 2014 it is predicted that consumption will increase due to the increased number of total municipal administrations and the increasing number of tasks to be carried out. In addition to increasing the numbers of joint municipal authorities of municipalities and the number of them have also expanded the activities in which they engage. In the years 2015 to 2017 is estimated to be finalized all joint municipal administration and its activities cover most of the territory of Slovenia.



Figure 4: The involvement of municipalities in Slovenia in the joint municipal administration in early 2013

Source: Michael, FONDA and Franci, ŽOHAR. Presentation cards participation in joint municipal boards in specific areas of tasks. In : Zohar Franci (ed.) . Operation of joint municipal administrations in Slovenia: VI. Consultation, Škofja Loka , March 2013. New York: Association of Municipalities of Slovenia, Ljubljana: Ministry of Interior and Public Administration: Association of Municipalities of Slovenia, 2013, page 179.

At the same time, it is estimated that we can expect the spread tasks in the greater part of the total municipal administrations, especially taking complex technical, developmental and promotional functions, which had in prior periods primarily functions of the Joint Inspection and warden.

Thus, in the following years with appropriate government incentives, legal and financial, we expect the expansion of the scope of tasks of economic and non-economic public services. In the area of utilities already have the first trusses in the field of non-commercial services, but opens up the spectrum of social, welfare, educational services. Also, tourism development and local entrepreneurship. This means in addition to the substantial expansion, an increase in personnel and increasing material costs. Tasks that are most engaged in joint municipal

administration can be divided into a few main groups, which we present the following table.

Table 4: Tasks that are most engaged in joint municipal administration

Sec. num.	Task	Joint municipal administration	Municipalities
1.	Inspection	35	183
2.	Constabulary	30	151
3.	Planning	7	48
4.	Internal audit	7	26
5.	Waste control	4	16
6.	The provision and implementation of public services	3	23
7.	Protecting the environment	2	5
8.	Financial and accounting department	2	5
9.	Civil protection and fire safety	2	8
10.	Preparation of projects in the areas of public utilities and to stand for European funds	1	5

Source: Own

Inter-municipal cooperation and integration is also a territorial rather complicated and the implementation of certain tasks overlap occurs between the territories. Basically, you can see a dominant pattern, which is most commonly associate municipalities

within one or more administrative units, and further to a wider regional or sub-regional area, such as, Spodnje Podravje, Mariborsko območje, Koroška, Posavje, Bela Krajina, Velenje in Zgornja Savinjska dolina, Zasavje and anyone else. Even so, it is in this area is extremely important and interdependent with the administrative reorganization . Show that model is quickly seen from the following picture, which shows the municipal integration and participation in the tasks of inspection, as the most common tasks.

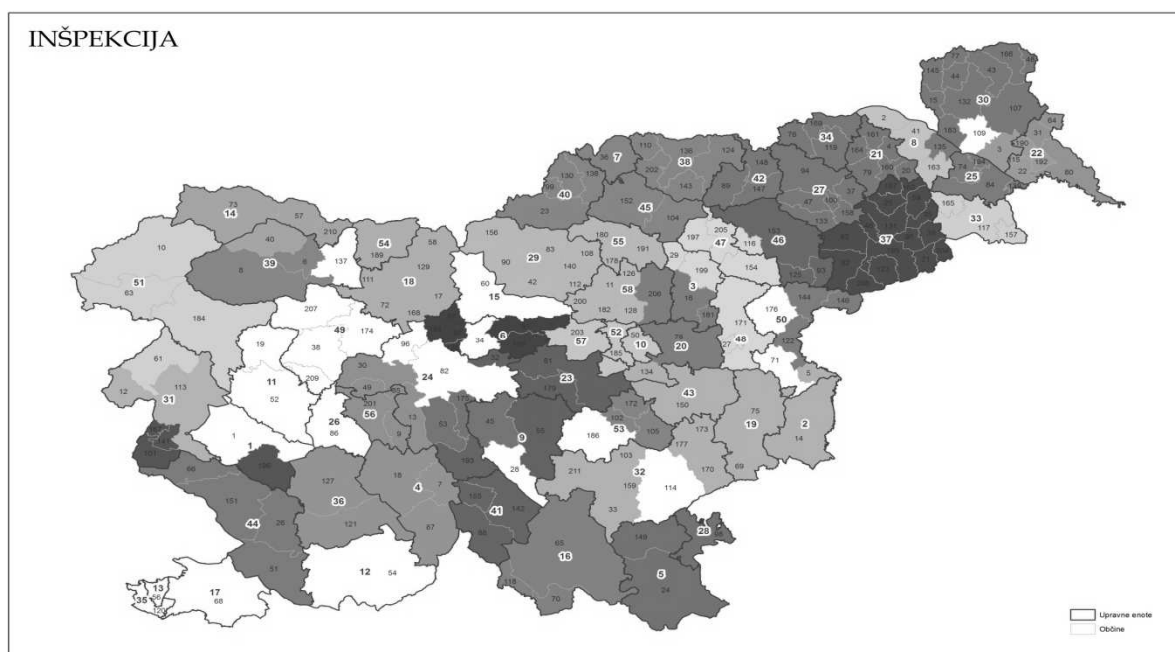


Figure 5: A model of inter-municipal cooperation and integration in Slovenia

Source: Michael, FONDA and Franci, ŽOHAR. Presentation cards participation in joint municipal boards in specific areas of tasks. In: Žohar Franci (ed.) . Operation of joint municipal administrations in Slovenia: VI. Consultation, Škofja Loka, March 2013. New York: Association of Municipalities of Slovenia, Ljubljana: Ministry of Interior and Public Administration: Association of Municipalities of Slovenia, 2013, page 185.

At the proliferation of tasks and further active intermunicipal cooperation and integration can be expected to design major joint municipal authorities, which could have the role of individual sub-regions.

Conclusion

The reform of local self-government in Slovenia is definitely needed, as well as the need for the realization of second level of local government and the establishment of regions. It has to be appropriate to reorganize the local community, or at least stopped them legal personality.

However, in our opinion, this is not the idea of individual initiative and individual minister who is looking for a financial impact and cost savings for the state. In our opinion, such an ad hoc campaigns reinforce attitudes and beliefs that really do not change anything and improved. In addition, the county pushed into the role of opponents, rather than co-workers and designers the necessary changes. We believe that long-term orientation, strategy development of local self-government that would be adopted by the National Assembly by a two-thirds majority can be a basis for change in the structure and functioning of local self-government in Slovenia.

This reinforces our success inter-municipal co-operation in Slovenia, since the 48 joint municipal administrations involved 195 individual municipalities or 92.4 % of all municipalities. However, it should be noted that the inter-municipal intensive process integration and collaboration began in 2005, nearly 10 years of intense and daily work. Maybe this is not a recipe, but it is an important experience.

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