

# Challenges and Problems of Local Governance and Democracy in Germany

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## **Lecture I “Challenges and Problems of Local Governance in Germany”**

1. Traditions
2. Characteristics
3. Challenges for local governance
4. Framework Conditions
5. Changing Role of Local Government in Germany
6. Summing up

## **Lecture II “Challenges and Problems of Local Democracy in Germany”**

1. Representative Democracy at Local Level
2. Direct Democracy at Local Level
3. Cooperative Democracy at Local Level
4. Conclusions
5. Summing up

**What knowledge do you still have about local self-government in general and about Germany in particular?**

**Are there any questions about local German local self-governments that you are particularly interested in?**

## Different views on Municipalities resp. local authorities in social science

- **Constitutional law:** Municipalities as a local authority (self-governing administrative unit responsible for a specific area)
- **Political Science:** space for political decision-making and local planning; Own and delegated sphere of activity
- **Sociology:** Space for identity and "we-feeling" of the population

It's always good to keep all these aspects in mind

My view is from a public administration science position



Seven dimensions of local autonomy:

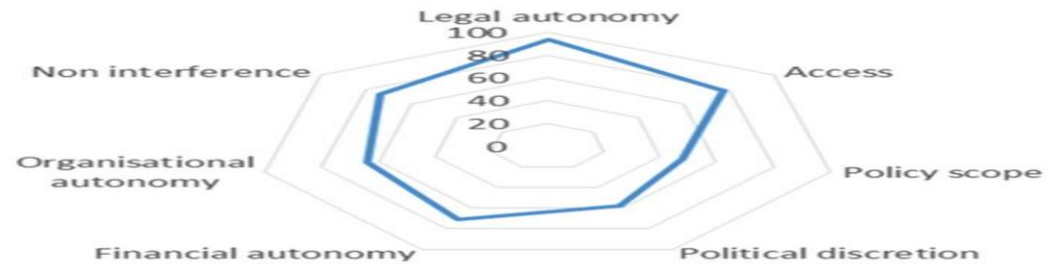
- (1) Legal autonomy describes position given to LGs within the state;
- (2) Access measures extent to which LG able to influence political decisions on higher levels;
- (3) Policy scope represents range of functions or tasks where LGs effectively involved in delivery of services by their own financial resources and/or through own staff;
- (4) Political discretion describes range of tasks over which LGs effectively has a say and whether it enjoys a general competence clause;
- (5) Financial autonomy combines variables related to financial resources of LGs giving them the possibility to influence their own budget;
- (6) Organizational autonomy measures the extent to which LGs able to decide aspects of their political system and their own administration;
- (7) Non-interference describes extent to which LGs controlled by higher levels of the state.

Source: Ladner et al. 2023: Local autonomy around the world: the updated and extended Local Autonomy Index (LAI 2.0)

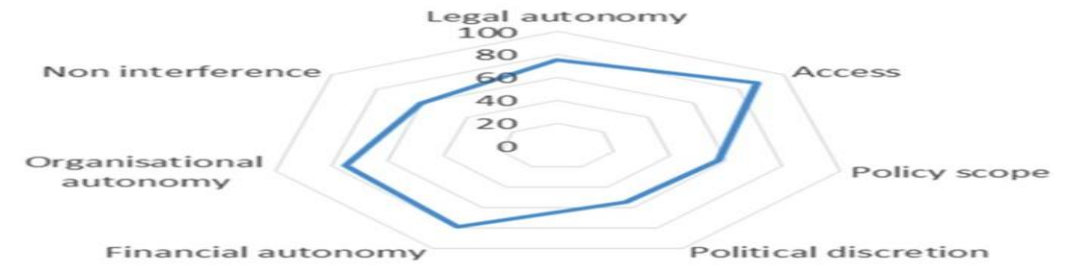
# Scientific Approaches on Local Government



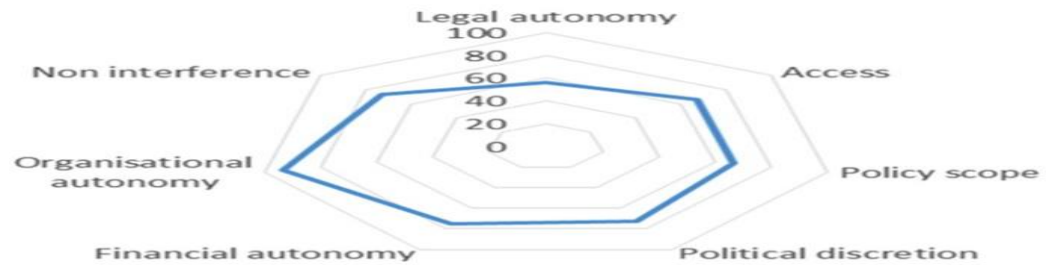
## Continental European Napoleonic



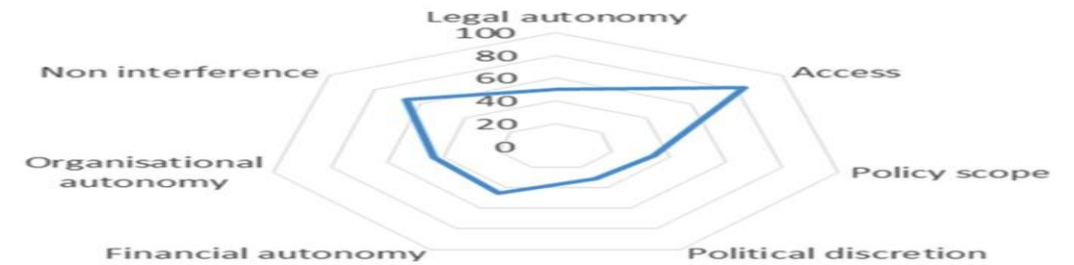
## Continental European Federal



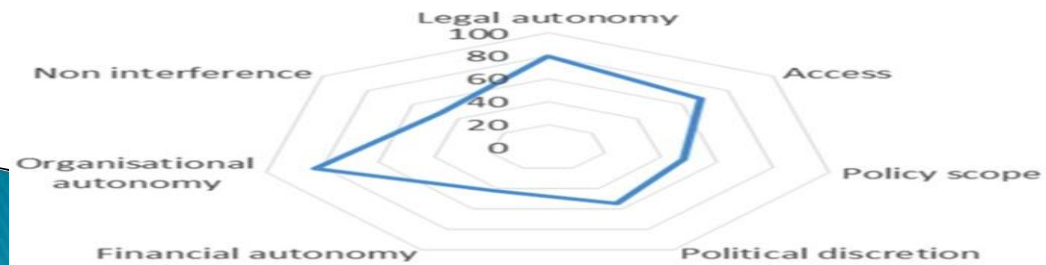
## Nordic



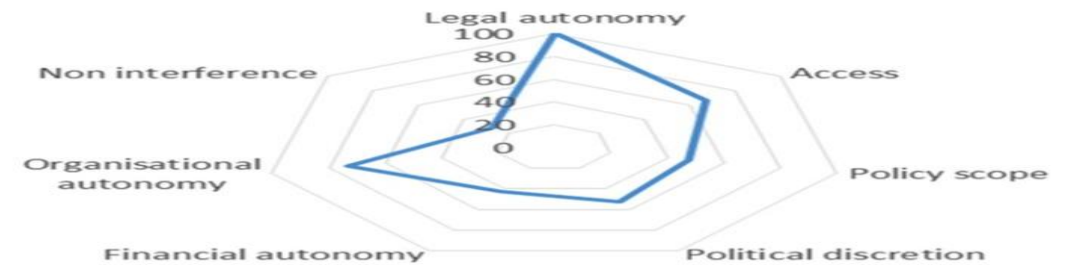
## Anglo saxon



## Central Eastern European



## South Eastern European



## Lecture I “Challenges and Problems of Local Governance in Germany”

Functionally strong and autonomous municipalities in a **multi purpose model of local self-government (in European Comparison)**

- **Strong local self-administration traditions** (since 1808 Prussia, 1816 Bavaria, other German states following), one of few democratic German traditions (since 1919 democratic local elections)
- **Germany as federal state:** two political levels, three administrative levels (Municipalities/Counties (*Kommunen*) no independent political level, constitutional part of federal states (*Länder*), integrated in their administrative structure, depending financially; largely structured along uniform lines within an integrative legal system and standardized public services, weak role in interlocking politics, national federations of municipalities or counties with limited influence

- Strong role of municipalities in German **welfare state** (Principle of subsidiarity), tradition of local self-production (*Stadtwerke*); delivery of most public services decentralised (except some social services, labour administration); 30 % of all civil servants in local authorities.
- **Strong role in modern democratic state** ("School of Democracy", opportunities for participation)
- **Dual function model** combining self-government and 'delegated' tasks, by international comparison unusually broad catalogue of administrative functions and responsibilities, danger of "state agent syndrome" if municipalities only fulfilling delegate tasks
- **Long lasting trend to amalgamation of municipalities** - from 45.475 German municipalities (1900 in the today borders), 39.417 (1949), 16.193 (1990) to 10.753 (January 2024).



8 German *Länder* Administration with three-tiers-structure, 5 with two-tiers, 3 city states

- **Tier I:** Supreme *Land* authorities (*Land* governments and the *Land* ministries) (in all *Länder*) – difference between 13 Flächenländern with Huge territory (Bavaria biggest, Saarland smallest) and three city states.
- **Tier II:** Intermediate *Land* authorities (called differently Regierungsbezirke or Bezirksregierungen or Landesverwaltungsamt); one form of regional government in Germany (in eight *Länder*)
- **Tier III:** Lowest *Land* authorities integrated in county administration and county free towns (at the same time local self governing authorities) ; all other are municipalities

## Upper local level Germany

Type	Counties	County-free Municipalities
Political Status	Both local self-government institution and lower state administrative authority	A self-governing authority, additionally exercising responsibilities and powers of a county
Administration	Head of county (Landrat) is steering the administration	Steered Controlled by mayor
Relation to County	---	County-Free
Mostly established	All over Germany (not in three city federal states) <b>294</b>	In Urban Areas <b>106</b>

## Lower Local Level Germany

Type	Municipalities as Parts of Associations	(Unitary) Municipalities
Political Status	Different self-governing authorities with own municipal councils and (part-time) mayors	A self-governing authority with a municipal council and a (full-time) mayor
Administration	Joint administration of all member municipalities, controlled by an administrative head	Controlled by mayor
Relation to County	Part of a county	Part of a county
Mostly established <b>10.753</b> municipalities	In Rural or peripheral areas <b>7.593</b> in 1.367 associations (average 5 per association)	In Suburbia <b>3.160</b>

## Municipal Sovereignties

- **Personnel sovereignty:** right to select, engage, promote and dismiss staff (Civil servants and employees)
- **Organizational sovereignty:** right to organize the administration themselves
- **Planning sovereignty:** Power to organize and shape municipality territory under their own responsibility by drawing up urban development plans (very important: land use and building plans)
- **Legislative sovereignty:** right to pass municipality bylaws
- **Financial sovereignty:** Responsible for managing their income and expenditure
- **Tax sovereignty:** Right to raise taxes (provided that this right has not been revoked by higher law)

= limited because municipalities (weak) part of system of **policy integration** in Germany

= Danger of making **local governments more and more to state agents**

## Municipalities' own sphere of responsibility

- **Voluntary self-government** tasks left to discretion of municipality in question whether it wants to perform a voluntary self-government task (e. g. operation of theatres, museums, sports field or municipality hall), Land can't directly intervene in these matters.
- **Mandatory self-government tasks** include such local government matters that have to be performed by municipalities (based on Federal or *Land* laws), Example: Within the framework of self-government the municipality obliged to guarantee energy and water supply for citizens, municipality can define way of fulfilling this task (own waterworks, choose another private provider, inter-municipal cooperation), State control by legal and expert supervision.

## Transferred sphere of activity

- **Transferred public tasks** (Examples), General security, Passport affairs, Commercial affairs, Health care, Veterinary affairs, Road traffic, Registration of vehicles and vehicle taxation, Water legislation and land cultivation, Federal and *Land* parliamentary elections (implementation), Social affairs, Youth care, Protection and maintenance of historical monuments, Forestry and fisheries

## **I. Administration dominance in local decision process**

- ▶ Increasing difference between **part-time politicians (Ehrenamt)** and **full-time administrative staff (Hauptamt)**
- ▶ Most of council's decisions based of initiative of senior local management
- ▶ Control by municipal council weak, majority with little interest

## **II. Role of Councils and Councilors in crisis**

- Role as ultimate local decision-making body weakened (strengthening Mayors and Citizens), most important local decision-making body, especially in budget matters
- Dual Dependence: Council can't impose any major policy goal without senior local management, the latter can't reach any aim without significant support by council
- Too much intertwining: blocking of decisions, feeling, enforcement of group interests, corruption, Too less intertwining: culture of distrust, un-gouvernability.

### III. Trend To Homogenization of Institutional arrangements

- Institutional arrangements traditionally differs between German federal states
- Homogenization of institutional arrangements in municipal constitutions and practice by strengthening mayors and citizens participation in local politics
- Different regional-local political culture

### IV. Influence of Size on local politics and democracy

- = **Competitive Democracy** mainly in major cities, Political parties as key actors, City Council acting like a Parliament, partly ideological issues discussed, Competitive orientated
- = **Consensual Democracy** especially in small and medium cities, important associations (e. g. Fire Brigades, sports clubs, churches), local organizations and individuals, political parties hardly present, council issue-and consensus orientated
- = Diversity of local political culture and sometimes in power structure

New regulation method beyond state/market dichotomies, changing local decision process

To address growing societal problems **local authorities increasingly depend on co-operation with other actors** (European institutions, national governments, regional government and other local authorities, local business, civil society and individual citizens)

- + “**interactive arrangements** in which public as well as private actors participate aimed at solving societal problems or creating societal opportunities” (Kooiman 1999)
- + “independent, **self-organizing interorganizational networks** characterized by interdependence, resource exchange, rules of the game and significant autonomy from the state” (Rhodes 1997)
- + Governance as **new public management, good governance and self-organizing networks** (according to Rhodes 1997)

**Key Elements:** Participation, legitimacy, transparency, accountability, competence, sustainability

**Essential:** Broader interaction of different public and private social actors, Changing roles of participating actors



### Macro Level Trends (changes “from above”)

- ▶ **Crisis of legitimization and governability** of nation-state institutions as well as self-governing institutions (Traditional hierarchical administrative steering from above and by command becomes more difficult – especially at local level)
- ▶ **Development of wicked problems** within society and administration, high levels of complexity, uncertainty and ambiguity of social developments, cross-departmental administrative action, challenges for problem-solving capacity of local authorities
- ▶ **Proliferation of risks**, limited resources and knowledge deficiencies of civil servants and politicians at local level

### Micro Level Trends (changes “from below”)

- ▶ **Value shift** with increasing alternate behaviour (Pluralisation of “life-worlds”), diversification of interests
- ▶ More **critical attitudes** toward state among citizens (including higher expectations towards policy outcomes)
- ▶ **New segmentation** in society due to societal split, unemployment, demographic changes, new poor, excluded minorities (increased by several crisis)
- ▶ Demand for more **political participation** (especially in decisions), especially in middle class

## Europeanization

- ▶ As EU-member Germany subject to **Europeanization** by adaption its political-administrative regime “to a European political centre and European-wide norms.” (Olsen 2002: 921)
- ▶ Influence of **European law and EU-regulations** on performance of public tasks and services in Germany increasing
- ▶ For local authorities - **centralizing effects and bureaucratization effects** dominating, growing burden for local policy implementation, especially EU-liberalization policies danger for traditionally protected local markets in Germany (e.g. *Stadtwerke*); positive effect additional budgets because of additional funding.

## Demographic change

- **Shrinking population** (in parts of Germany up to half the population until 2030)
- **Ageing population** (proportion of people between 20 and 65 falling from 62 % now to 55 %)
- **Population losses** with fiscal and organizational consequences for German municipalities
- Only municipalities with over 10.000 inhabitants expected to be able to cope with population decline – **pressure for amalgamation or more extensive inter-communal cooperation**
- **Low-cost urban renewal strategies** needed (economically sustainable urban redevelopment)

Dimension	Trends towards Strengthening	Trends towards Weakening
<b>Functional</b>	De-centralization, transfer of state tasks, upgrading of local authorities functional profile	Over-burdening and losses in autonomy of local authorities due to excessive devolution of state tasks; hollowing out through (NPM/EU-triggered) privatization, consequences of financial crisis
<b>Political</b>	Introduction of participatory elements, direct democracy, citizen involvement in local decisions, consultations	Strengthening local executives (direct election) to disfavour of the council; additional weakening of the council due to contracting-out/privatization

Dimension	Trends towards Strengthening	Trends towards Weakening
<b>Territorial</b>	Territorial consolidation by amalgamation, more inter-municipal cooperation	Problems of establishing unitary municipalities in rural areas; High transaction costs of territorial reforms
<b>Administrative</b>	Customer-oriented administrative procedures; performance improvements, competition / benchmarking (NPM), new budgeting systems	Negative effects of NPM (steering deficits and loss of control by council, fragmentation of local politics, decreasing staff motivation)

## Summing up



**First lecture** about traditions, characteristics, challenges, framework conditions of local governance in Germany.

- Brief introduction in current problems of local governance in Germany
- High influence of traditions and legacies, different institutional arrangements in federal states
- Pressure from Europeanization, financial crisis and demographic change
- Increasing differentiation between municipalities (financial situation, employment, demographical situation)

Summing up



**Any Questions or Remarks?**

**What is striking when you compare the German system of local self-government with the one in the Czech Republic?**

**Thank you very much. Questions and Remarks are welcome**

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