Challenges and Problems of Local Governance and Democracy in Germany

Prof. em. Dr. habil. Jochen Franzke (University Potsdam)

Lecture Institute of Political Studies, Charles University Prague

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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 local authorities (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 specifically from a public administration science position

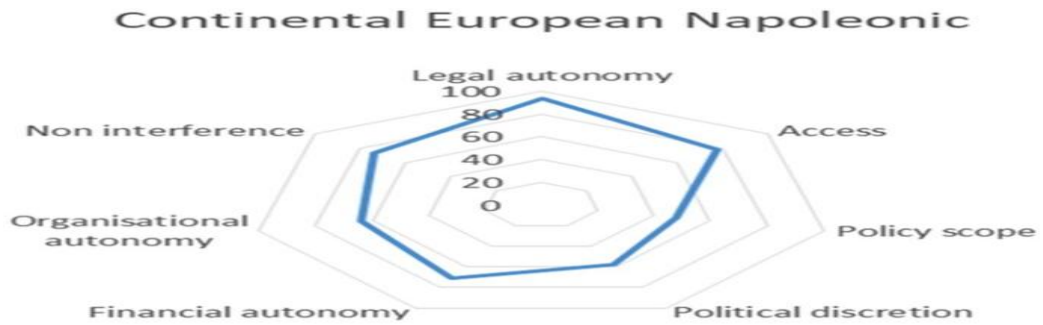
Measuring Autonomy in Local Government

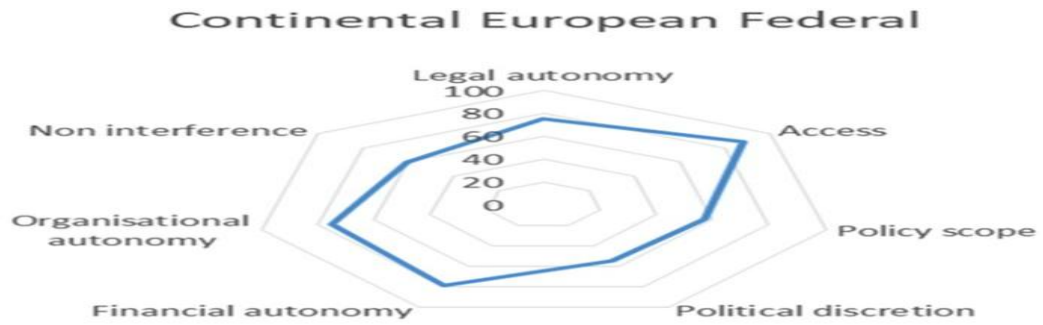
Source: Ladner et al. 2023: Local autonomy around the world: the updated and extended Local Autonomy Index (LAI 2.0)

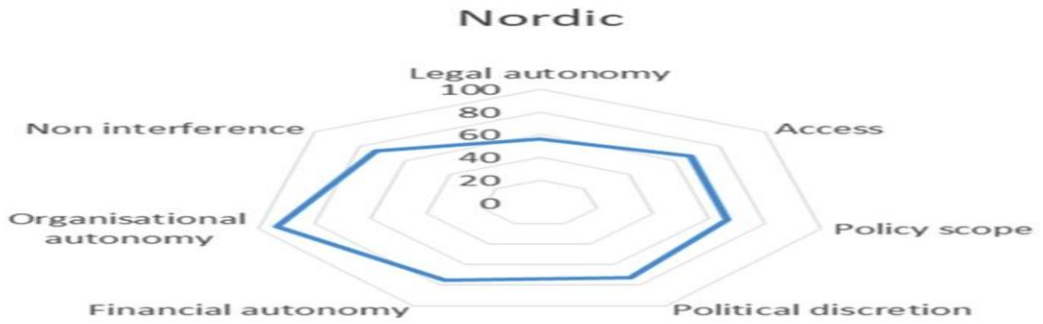
Seven dimensions of local autonomy (LAI):

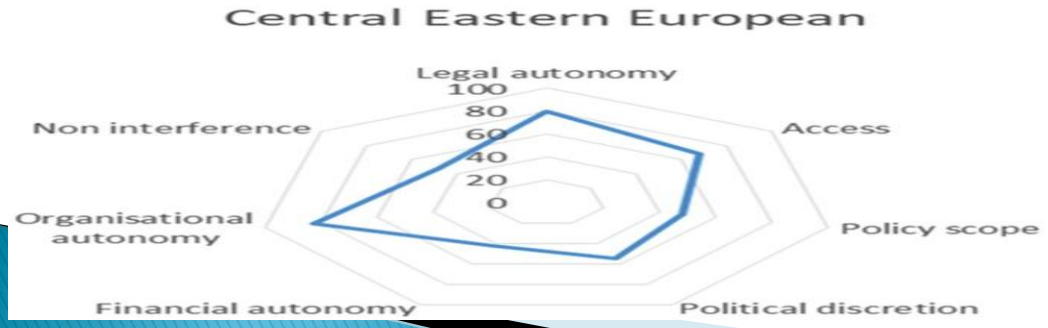
(1) Legal autonomy describes position given to LGs within the state;
(2) Access measures extent to which LG able to influence political decisions on higher levels;
(3) Policy scope represents range of functions or tasks where LGs effectively involved in delivery of services by their own financial resources 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.

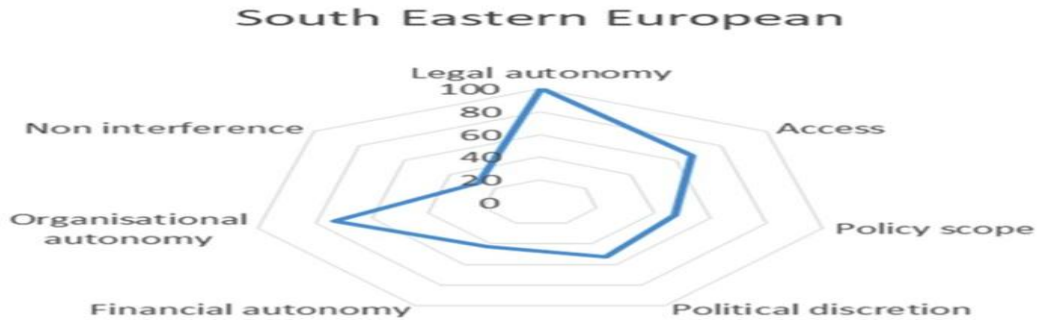
Different Autonomy in different Models of Local Government in Europe











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

Traditions

- 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, manly labour administration); 35 % of all civil servants in local authorities (1,8 Mio.)
- **Strong role in modern democratic state** ("School of Democracy", opportunities for participation, direct contact politicians and citizens)
- **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 10.747 (January 2026). Since 2017 no further territorial reforms (except in Thuringia)

Traditions

8 German *Länder* (states) 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 hugh territory (Bavaria biggest, Saarland smallest) and three city states.
- Tier II: Intermediate *Land* authorities (called differently Regierungs-bezirke 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) **294**	In Urban Areas **106**

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, control-ed by an administrative head	Controlled by mayor
Relation to County	Part of a county	Part of a county
Mostly established **10.753** municipalities	In Rural or peripheral areas **7.593** in 1.367 associations (average 5 per association)	In Suburbia **3.160**

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 and expertise

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 Dependance: 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 dangerous: blocking of decisions, felting, enforce-ment of group interests, corruption,
- Too less intertwining: culture of distrust, ungouvernability.

III. Trend To Homogenization of Institutional arrangements

- Institutional arrangements traditionally differs between German federal states, but since 1990s Homogenization of institutional arrangements in municipal constitutions and practice by strengthening mayors and citizens participation in local politics
- Still different regional-local political culture, main split between urban and rural areas

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

Challenges for local governance

New regulation method beyond state/market dichotomies, changing local decisi 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), information and networks gaining importance

+ "**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 inter-dependence, 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

Challenges for local governance

Long-term Macro Level Trends (changes "from above") Selection

- **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), since 2000 significant escalation due to pandemic, polycrisis, and geopolitics
- **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

Long-term Micro Level Trends (changes "from below") Selection

- **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 crises)
- Demand for more **political participation** (especially in decisions), especially in the middle class

Europeanization

- As EU-member Germany subject to **Europeanization** by adaption its political-aministative 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, 60 % of all municipal activities affected
- 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

- Persistent decline in births, in 2025 lowest level since 1946 (1.4 children per woman)
- Shrinking population (partly up to 25% of population until 2045, especially in the East)
- Increasing life expectancy, 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 (Assignments are made according to population)
- 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)

Trends towards Local Governance in Germany

Dimension	Trends towards Strengthening	Trends towards Weakening
Functional	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 and austerity policy
Political	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
Territorial	**Territorial consolidation by amalgamation, more inter-municide-pal cooperation**	**Problems of establishing unitary municipalities in rural areas; High transaction costs of territorial reforms**
Administrative	Costumer-oriented administrative procedures; performance improve-mints, 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

Prof. em. Dr. habil. Jochen Franzke, Senior Lecturer University of Potsdam, Co-editor “Palgrave Studies in Sub-National Governance”; Board-Member Institute of Local Government Studies, Member of Accreditation Committee of International Commission on Accreditation of Public Administration education and training (ICAPA), International Association of Schools and Institutes of Administration (IASIA) (since 2021), Corresponding-Member of IGU-Commission “Geography of Governance”.

Contact: University of Potsdam, Institute of Local Government Studies, Campus Griebnitzsee, Haus 7. August-Bebel-Str. 89, D 14482 Potsdam,

E-Mail: franzke@uni-potsdam.de;

Internet: https://www.uni-potsdam.de/de/ls-kuhlmann/lehrstuhl/prof-habil-dr-jochen-franzke.