



Summary of results of the
Research and Development project
"Consultations between
state and municipalities – rooting,
obligations and reciprocity"

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The Norwegian Association of Local and regional Authorities (KS) wishes to develop the institution of yearly consultations with the state and make the consultations more binding. In this connection they have asked for suggestions for measures and strategies to create a stronger rooting of the consultations among their members, mainly the Norwegian municipalities. Danish Institute of Governmental Research (AKF) and Norwegian Institute for Urban and Regional Research (NIBR) have researched into the experiences and attitudes of Norwegian and Danish municipal leaders as regards consultations and agreements with the state. On this basis, challenges and possible strategies in the development of more binding consultations have been analysed. The point of departure for the analysis is that KS has to act on two arenas; an external arena in relation to the state and an internal arena in relation to its members. The strength and credibility of the organisation on each arena depends on the results it can achieve on the other arena. A more reciprocal relation to the state makes it easier to root the consultations among the members, and stronger rooting in the municipalities strengthens KS’ positions vis-à-vis the state. Thus it seems relevant to discuss possible strategies to achieve more reciprocity in relation to the state as well as measures to improve the rooting among the members. In the following, the results of the research project are summed up, structured according to its main questions.

Do the members want more binding consultations?

KS has support from its members to continue its work to develop the institution of consultations and make it more binding, although the members don’t seem to give the subject very high priority, given that only 38 % have answered the survey. Most of the spokesmen who answered the survey feel obligated by the consultations and a small majority think that municipalities should feel bound to comply with eventual agreements with the state. There is also support for measures to improve the involvement of the members in the consultation process and the follow-up on agreements. Especially measures aimed at improved dialogue between KS and its members about the consultations and agreements are popular among the members.

However, the level of knowledge about the consultations and the agreements seems to be low in the municipalities, and as there is no strong preference for one particular measure to follow up on agreements, it seems advisable to proceed gradually with the implementation of new initiatives.

How can KS achieve a stronger “mandate” to consult?

Most of the respondents are satisfied with KS’ sensitivity to the wishes and demands of its members, and most have participated in discussions of the consultation strategy at the regional “strategy conferences”. However, there is also some critique that these

discussions start with questions which are too broad and vague and there is little occasion to prepare for the discussions in the municipalities. There is thus room to improve the involvement of the members and strengthen KS' "mandate" to consult with the state. This could be based on the following measures:

Interviews with spokesmen and chief administrators

This measure is inspired by the Danish interviews with mayors. The idea is to gather small groups of municipal leaders for a structured conversation about the themes which are on the agenda for the consultations of the year – preferably based on a prepared interview guide. This kind of meeting has the advantages that everybody is allowed to speak, it doesn't require too much of the local leaders' time and the discussion is delimited and steered. The main disadvantage is probably that it is resource-demanding for KS.

Improved involvement of KS' regional organisations

This measure is inspired by the former "contact council" of the association of local governments, Local Government Denmark (KL). This council primarily consisted of representatives of the regional organisations and it was an advisory body for KL's governing board when it decided on its negotiating strategy with the state and measures to follow up on the agreements. We recommend discussing KS' consultation strategy in a forum consisting of representatives of KS' regional organisations. Such a forum could bring forward the members' viewpoints discussed at the strategy conferences and improve the legitimacy of the consultations at the regional level.

Improvement of the strategy conferences

The strategy conferences are the forum where most members bring inputs for the consultations. It thus seems relevant to improve these conferences. One way would be to improve the debate folders which are used to prepare the conference. If the themes were more delimited and specific, it would be easier for local leaders to formulate their own positions. It should be avoided that the questions are framed to start a party-political discussion rather than a discussion of the common interests of the municipalities.

Improved involvement of the Central Governing Board

Most of the respondents are positive towards a stronger involvement of the Central Governing Board in the formulation of KS' position in the consultations. This corresponds to Danish conditions, where KL's governing board formulates the negotiating strategy and approves the final agreement. Judging from Danish experiences, a negotiating delegation of 6 people from different parties is too large to enter into binding negotiations. It should thus be considered to consider a combination of stronger involvement of the Central Governing Board and reduction of the negotiating delegation. This presupposes that the Central Governing Board is able to keep an arms-length relationship with the national party political agenda and act in consensus.

Measures to follow up on consultation results

Most of the members feel obligated by the consultations and more than half think that the municipalities should be politically obligated to follow up on agreements. However, the amount of knowledge of existing agreements is small and it is seldom experienced that KS does something special to ensure that the municipalities follow up on the agreements. There thus seems to be a need to heighten the level of information and consider how members can be motivated to follow up on agreements. We have met some scepticism as to whether agreements with the state are a new form of detailed central control, so there is also reason to consider in how far KS wants to take a position of authority vis-à-vis its members, although the survey shows limited support for the statement that consultations risk making KS into a tool for the state. We recommend that KS considers the following measures for improved follow-up:

Information and guidance regarding bilateral agreements

There seems to be a need to strengthen the level of knowledge of the bilateral agreements with sector ministries. It should be possible for KS to learn from Denmark, where the specialised committees of KL inform the municipalities about sector-specific agreements and also help the municipalities to keep the agreements by disseminating guidance, organisational tools, ‘best practice’ advice etc. However, this is a field where KS must find a balance regarding how much it wants to act as an ‘authority’ towards its members.

Documentation and transparency

We think that KS could strengthen its position by improving its knowledge of how municipalities solve the tasks they are given by the state – and not least how they comply with collective agreements. This includes knowledge about the problems municipalities meet in complying with agreements and the solution models which exist at the local level. KS should thus consider conducting systematic investigations of municipalities’ compliance with collective agreements. Such documentation could be used as a resource in negotiations with the state and in KS’ internal work to improve compliance. Improved transparency – e.g. based on dissemination of “key figures” - could motivate individual municipalities to do more to comply with collective agreements. This is however also an area, where KS must consider its balance between the role of interest representative and cooperation partner with the state.

Decentred dialogue

According to the survey conducted by NIBR the most popular measure to improve the follow-up on agreements is strengthening the dialogue among the members at the local level. KS’ regional organisations could be a forum for this dialogue. In combination with improved transparency, we regard this as a workable measure for improved implementation of consultation results.

Strategies to make the consultations more reciprocal

Stronger involvement of the members and stronger implementation capacities will probably strengthen KS’ position vis-à-vis the state. At the same time, a more equal

relationship with the state will make it easier to give the consultations a content which is interesting to the members. They prefer if the consultations focus on: 1) harmonising data and the description of the economic reality in the municipalities 2) full financing of new tasks 3) a framework agreement concerning municipal finances 4) bilateral agreements with sector ministries. It would thus be advantageous if KS could persuade the state to consult on full financing and a broad framework agreement as a condition for the bilateral agreements. In the following, we consider strategies to achieve this:

Finding alliance partners for a framework agreement

The municipal leaders wish a broad framework agreement which can give them more predictability and make it easier to make crosscutting prioritisations in their budgeting, something which is also a central content in the Danish tradition of negotiating economic agreements between the state and the municipalities. In the Norwegian state there is at present not support for a cross-cutting agreement. This probably reflects that sector interests are strong in the Norwegian state, compared to Denmark where the economic agreements institutionalise an alliance between actors who wish to strengthen crosscutting prioritisation capacities at state and municipal levels. An interesting question is whether KS can learn something from the Danish situation? Can the idea of a broad framework agreement be “sold” by arguing that it will enable Norwegian municipalities to take more responsibility for a stable growth of public expenditures? Are there actors responsible for crosscutting priorities in the Norwegian state, which would support this?

The strategy is difficult, because KS have little possibility to change the power balance in the Norwegian state. It is also not given that KS has broad support among its members to focus on economic guidelines and municipal compliance with these.

Improving implementation capacities regarding bilateral agreements

Another strategy to improve the reciprocity could be to try to improve KS’ value as a partner for the state by developing the capacities wanted by the state. This means increasing the efforts to root and follow up on bilateral agreements with sector ministries. The strategy also necessitates more documentation of the municipalities’ achievements. The municipalities’ attention to the bilateral agreements could probably be sharpened if these were more explicitly connected with economic compensations.

This strategy also has risks, however. First, it entails a risk that KS will be seen as the prolonged arm of the state by its members. This is especially problematic when KS is dominated by the same party-political majority as the national government. Secondly, a stronger focus on bilateral agreements entails a risk that the ‘fragmented state’ dominated by sector interests is also institutionalised in the consultation institution. This could make it difficult to move from sector specific bilateral agreements to a broad framework agreement.