

INTER-MUNICIPAL COOPERATION: CHALLENGES IN EUROPE AND IN SLOVENIA

Iztok RAKAR
Bojan TIČAR
Maja KLUN

Abstract

The financial crisis has once again brought up the question of the 'perfect size' of local governments and revealed a new dimension of the eternal question of financing self-governing local communities. The paper presents a comparative overview of efforts to determine the 'perfect size' of municipalities and recent reforms in different countries aimed at enabling municipalities to ensure both local-level democracy and identity, and economic efficiency in the delivery of public services. One of the most popular ways for achieving this goal is to promote various forms of inter-municipal cooperation.

Some forms of inter-municipal cooperation already exist in Slovenia; a considerable breakthrough in this regard occurred in 2007, but such an approach would have been possible much earlier. Analyses show that this change is due to changes in the rules regarding co-financing. Despite the fact that neither literature nor politics in Slovenia sees inter-municipal cooperation as an alternative to merging municipalities, experiences show that practice will proceed in this direction.

Keywords: merging of municipalities, inter-municipal cooperation, joint municipal administration body, Slovenia.

Iztok RAKAR

Assistant professor, Department of Administrative Law, Faculty of Administration, University of Ljubljana, Ljubljana, Slovenia
Tel.: 0038-615-805.571
E-mail: iztok.rakar@fu.uni-lj.si

Bojan TIČAR

Professor, Department of Law, Faculty of Criminal Justice and Security, University of Maribor, Maribor, Slovenia
Tel.: 0038-612-561.455
E-mail: bojan.ticar@fvv.uni-mb.si

Maja KLUN

Associate professor, Department of Economics and Management of Public Sector, Faculty of Administration, University of Ljubljana, Ljubljana, Slovenia
Tel.: 0038-615-805.400
E-mail: maja.klun@fu.uni-lj.si

1. Introduction

The financial crisis has put additional pressure on local self-government to reconsider the question of the effectiveness of local spending and service delivery. Financing municipalities and the ideal size of municipalities have been the central questions in various research projects. Most of these projects have focused on degrees of fiscal decentralization or adequacy of financing (Finžgar and Oplotnik, 2013; Bolívar *et al.*, 2014) and on efficient use in respect to municipality size (Dahlby, 2011; Pevcin, 2013).

Analyses of recent reforms in different parts of the world show that all of the abovementioned problems were monitored during reform processes (Paulikas, 2013; Cogež and Rabaey, 2013; Razin and Hazan, 2013; Wollmann, 2012; Cole, 2012; Swianiewicz and Mielczarek, 2010; Kuhlmann, 2010; Blom-Hansen, 2010). Meneguzzo *et al.* (2013) conclude their presentation of reforms in Italy, Germany, France and Portugal by noting that reform processes have led to increased centralization. In his comparison of reform processes in India, Brazil and South Africa, Do Vale (2013) pointed out that tradition and the political environment are important elements in the success of reforms, and works on reforms in Macedonia (Kreci and Ymeri, 2010), Turkey (Yilmaz and Guner, 2013), Latvia (King *et al.*, 2004), and Germany and France (Kuhlmann, 2008) reached similar conclusions.

Challenges in financing are interrelated with challenges in democratic governance – at the core is the tendency towards territorial changes of municipalities (the merging of municipalities) and the creation of forms of inter-municipal cooperation (hereinafter: IMC) through which the decision-making function is at least partially transferred from local representatives elected directly by local residents to other institutions (inter-municipal structures). The main purpose of this paper is to present the challenges different countries are facing in IMC and municipal finances. We tried to present IMC as an alternative to the merging of municipalities. Data on IMC are presented for Slovenia. All the findings serve as a starting point for designing solutions that could be applied to local self-government in Slovenia.

2. Overview of organization and the degree of financial decentralization in selected EU member states

Local and regional authorities play a very important role in the EU – more than 91,000 authorities implement 70% of all EU legislation and represent 16% of the GDP, 56% of public employment, 33% of public spending, and 66% of all public investment expenditure in the EU (Kuhlmann and Wollmann, 2014, p. 22; Committee of the Regions, undated). Principles of territorial organization vary greatly across the EU, both at the state and sub-national levels. In the EU, the municipality is considered the base unit of territorial organization. In 2011, the average municipality in the EU had 5,630 residents across a surface area of 49 km². At the same time, substantial disparities exist from country to country: in France, the Czech Republic and Slovakia municipali-

ties on average have fewer than 2,000 residents¹, while municipalities in Great Britain have over 100,000 residents. The enormous range of municipality sizes in the EU is best demonstrated by data showing a ratio of 1 to 85 in terms of number of residents, and 1 to 310 in terms of area. In 2011, nearly 80% of all municipalities at the level of EU were in just five states, with two states – France (41%) and Germany (13%) – accounting for over half of all municipalities (Council of European Municipalities and Regions, 2008, pp. 4-5; Dexia and Council of European Municipalities and Regions, 2011, p. 6)².

As with territorial organization, large differences can also be observed in the degree of financial (de)centralization of municipalities (Milunovič, 2012). The degree of centralization of local levels is usually measured using public expenditure and revenues collected at the local level as shares of the GDP. The two metrics generally match up, as differences only occur in the level of indebtedness on the local level. The share of local public expenditure and revenues in 2013 varied across EU: from 0.8% of GDP in Malta to 37.5% of GDP in Denmark. The countries noted above as having a large number of municipalities (France, Italy, Spain, Germany and Czech Republic) show revenues as a share of GDP near the EU average, with shares ranging from 6.4% in Spain to 15% in Italy; the EU average was 11.6% (Eurostat, 2014). Comparing these shares with those of the states, one finds the highest degree of autonomy in Italy (that is, relatively large local revenues as a share of GDP indicate the largest degree of decentralization among the selected countries). In Slovenia in 2013, public revenues on the local level reached 9.5% of the GDP, which amounts to around one fifth of all public revenues. A similar degree of autonomy can be found in France, where local revenues have a similar share among total public revenues. As noted above, Italy has a higher share, followed by the Czech Republic. Germany and Spain have a lower share (around 7% of all public revenues).

Besides these differences, at the level of EU differences also appear in the position of local self-government within the state administrative systems and in the tasks of municipalities (Kuhlmann and Wollmann, 2014, pp. 14-28). In this respect, local self-government in the EU presents a very diverse picture wherein differences are more easily identifiable than similarities (Hulst and van Montfort, 2007, p. 1).

3. Inter-municipal cooperation

3.1. Introduction

Regardless of the differences between EU member states, they all have something in common: the search for the ‘perfect size’ of municipalities, which would facilitate both democracy and identity on the local level as well as economic efficiency in the

1 This is considerably less than in Slovenia, where there are around 10,000 residents per municipality.

2 Data are valid for EU-27.

provision of public services (Council of European Municipalities and Regions, 2008, pp. 5, 85; Blom-Hansen, 2010; Pevcin, 2013). One of the most popular tools for achieving this goal is the merging of municipalities³. This is not exactly a new trend, as reductions in the number of municipalities have been underway for decades, beginning in Austria and Sweden in the 1950s, and reaching a peak in the 1960s and 1970s (Wollmann, 2004; Dollery *et al.*, 2007). However, some states have experienced the reverse trend – a greater number of municipalities; this is particularly true of the former socialist states, including Slovenia, and is often a reaction to earlier territorial consolidations introduced by the communist government in an undemocratic manner (Swianiewicz, 2010, p. 1).

There are other ways for achieving ideal municipality size, the most popular of which involve various forms of IMC (Hertzog, 2010, p. 286)⁴. Such cooperation serves to preserve smaller municipalities and, in doing so, to avoid conflicts with the residents of these areas; at the same time, it enhances the economic efficiency of the delivery of certain public tasks and services (Painter *et al.*, 2003; Kuhlmann, 2008)⁵. Accordingly, the number of forms of IMC, seen from a comparative perspective, is also very large. These forms can be divided into four groups: 1) informal, 2) weakly formalized, 3) IMC in functional ‘enterprises’, and 4) IMC as a model of integrated territorial cooperation (Local Government and Public Service Reform Initiative *et al.*, 2010, pp. 13-14; Hulst and van Montfort, 2012).

Although the process of merging municipalities is picking up speed in most European countries, powerful resistance is still present (Dexia and Council of European Municipalities and Regions, 2011, p. 7). Most authors specialized in comparative European studies agree that the process of merging municipalities is not easy and in many cases does not succeed (France and Italy) (Dexia and Council of European Municipalities and Regions, 2011, p. 7). At the opposite end of the spectrum one finds cases of successful merger processes, for example the Danish reforms of 2007, the Latvian reforms of 2009 and the latest reforms in the Austrian state of Styria, which were introduced from 2010 to 2014⁶. However, mergers bring up questions about the distance separating the residents of these areas and decision-making processes on matters affecting them – this is the so-called economic-political dichotomy of munic-

3 The terms ‘amalgamation’, ‘fusion’ and ‘up-scaling’ are also used.

4 In literature the term ‘intermunicipal/interauthority partnership’ is also used (Denters and Rose, 2005).

5 In France, for example, 93% of all municipalities and 87% of the population fall under one or more of the country’s 2,588 territorial inter-municipal structures (communities), and more than 15,000 functional cooperation entities (single and multipurpose unions) exist (Council of European Municipalities and Regions, 2008, p. 6; Hertzog, 2010, pp. 287-293).

6 The number of municipalities changed from 542 to 287 and the average number of inhabitants went from 1,747 to 3,293 (Das Land Steiermark, 2015).

ipal mergers (Swianiewicz, 2010, p. 17)⁷. Limiting the discussion to the abovementioned successful merger processes in Denmark and Latvia, the share of local public expenditure in the GDP in Denmark was reduced by a percentage point in 2007, but then increased considerably after 2009 (from 32.4% in 2007 to 37.7% in 2012). The increase was the result of a new distribution of tasks between the central and local levels whereby local budgets assumed the financing of health care. As the roles of assigning tasks on the state/local community levels changed, so too did financing, in order to accommodate the new arrangements. Although reforms have brought about greater decentralization, the intermediary level has nonetheless lost a degree of autonomy, as provinces no longer have the ability to introduce taxes. At the same time, the collection of taxes has been centralized (Blöchliger and Vammalle, 2012). A different post-reform trend can be noted in Latvia, where the share of local government spending in the GDP decreased from 12.8% of the GDP in 2009 to 9.9% in 2012, but increased again in 2013 to 10.3% (Eurostat, 2014).

Regardless of the forms territorial reforms take, the authors agree with the view expressed by professor Wollmann that in analyzing pros and cons, it is prudent to divide states into two groups: 1) Western European, and 2) Central and Eastern European states. The motives and logic underpinning local self-government reforms, including territorial reforms, differ in each case; in states that fall into the former category, processes are centered on existing local self-government units, while in states in the latter category they are part of a general, extensive reconstruction of local self-government and as such are more complex. Of the states in the latter group, some are following a so-called Northern European reform pattern (e.g. Bulgaria), and others are following the so-called Southern European reform pattern (e.g. Slovenia) (Wollmann, 2008, p. 84; Kuhlmann and Wohlmann, 2014, pp. 151-152).

3.2. A comparative overview

An alternative or supplement to the so-called Northern European reform pattern is presented by the so-called Southern Europe reform pattern (Norton, 1994; Page and Goldsmith, 1987), which is characterized by the preservation of smaller municipalities and the establishment of new types of groupings that bring together existing municipalities (so-called 'trans-scaling' strategies) (Kuhlmann and Wollmann, 2014, pp. 150-152; Hertzog, 2010, p. 286; European Committee on Local and Regional Democracy, 2007). France is a typical example. There, the legal bases for this process had already taken shape by 1890. Single-purpose inter-communal bodies (*syndicats á vo-*

⁷ In Denmark, a report ordered by the government found that territorial consolidation would not have negative consequences for the state of local democracy in the country (Swianiewicz, 2010, p. 18). Welling Hansen (2013) has however found that, for example, changes in municipal size in Denmark negatively affect local political trust. At the same time, some of researchers and experts suggest that in some cases, amalgamation could also have a positive impact on local democracy (Houlberg, 2010).

cation unique) first appeared, followed after 1959 by multi-purpose bodies (*syndicats á vocation multiple*) (Wollmann, 2008, p. 87). In 2010 there were 10,473 single-purpose and 1,358 multi-purpose inter-communal bodies in France. Besides these types, there are also mixed inter-communal bodies (*syndicats mixtes*) linking municipalities with other subjects of public law (departments, regions, chambers of commerce, etc.). In 1966, so-called urban communities (*communautés urbaines*) also appeared. The purpose of these organizations is to link suburban municipalities with urban ones through a urban agglomeration process (Vlaj, 2013; Moreno, 2012; Cole, 2012; Hertzog, 2010, p. 288).

Reforms followed a similar path in Germany. Some states retained smaller municipalities and at the same time created a new level of local bodies known as 'offices' or 'administrative unions' (Burgi, 2012). The main purpose of these bodies is to strengthen the administrative and operational capacity of municipalities while providing an institutional framework for IMC. Inclusion took place in two phases, with a voluntary membership phase followed by a mandatory phase. In Germany, 77% of all municipalities are linked in this way. Besides this form of cooperation, municipalities are also free to connect and commence cooperation voluntarily, for example in the form of informal working groups or interest associations (Wollmann, 2008; Moreno, 2012; Burgi, 2012).

Plans in Italy foresee those municipalities with fewer than 5,000 inhabitants sharing resources through joint procurement and the establishment of inter-municipal structures, which is expected to lead to a reduction in the number of municipal councilors; in England, the government is proposing that districts sign agreements on the joint provision of certain public services (shared service agreements). Even Denmark, a country that is often cited in Slovenia as a role model for the successful reduction of the number of municipalities, carried out a parallel process of inter-municipal grouping – as Vlaj (2013) notes, small municipalities on the islands were allowed to remain independent, but were expected to join neighboring municipalities in inter-municipal structures. The state then transferred the management of certain tasks to these organizations (Blom-Hansen, 2010).

In general, it is possible to conclude that IMC in Europe is a widespread phenomenon. In some states cooperation has a long history (e.g. France), while in others it is a relatively new phenomenon (e.g. Slovenia); nowhere is it completely absent. IMC can assume a wide range of forms and take place in very different institutional configurations (Žohar, 2011). Regarding the latter, differences can be noted in how closely linked the networks of local communities (policy networks) are on the one hand, and in how the independent organizations that perform tasks previously performed by individual local communities are designed on the other; formal agreements on service provision or policy design represent an intermediary level of institutionalization (Hulst and van Montfort, 2007).

4. The case of Slovenia

4.1. Legislation

Slovenian legislation foresees the following forms of IMC: the creation of (1) public agencies, public funds, public institutes, public companies and institutions, (2) joint municipal administrative bodies that carry out individual tasks pertaining to municipal administration, (3) joint bodies for exercising the rights of municipalities to found joint public institutes or public companies, (4) joint bodies for legal defense for municipalities and legal persons founded by municipalities appearing before the courts or other state bodies, (5) interest groups for the joint management and execution of individual administrative tasks and for carrying out joint developmental and investment programs, and (6) organizations to represent and exercise local self-government and to coordinate and provide for common interests⁸.

4.2. Empirical analysis

Of all the forms of IMC found in Slovenia, the creation of joint municipal administration (JMA) bodies was revealed to be the most widespread. Although the option for founding bodies of this kind was foreseen for smaller municipalities in the Local Self-Government Act of 1993, it was not until 1999 that the first such organization was founded. The reason was a shortcoming of a provision in the law: it did not regulate the question of founding a joint body of this kind, and as such could not be put into practice⁹. Although this shortcoming was addressed in 1997, and the option for founding bodies of this kind was no longer limited to smaller municipalities, this did not have a noticeable impact on the number of JMA bodies. As can be seen in Table 1, a breakthrough occurred in 2007. Since then, the number of JMA bodies has rapidly grown, as has the share of municipalities included in one of more of these bodies: at present, over 90% of Slovenian municipalities belong to a JMA body.

Empirical research has shown that the growth in the number of JMA bodies was the result of a change in the law¹⁰ governing the financing of municipalities which enabled co-financing from the state for the operations of these bodies in the amount of 50% of the expenses incurred in the previous year by an individual municipality for the operation of such a body (Rakar and Grmek, 2011; Mele and Žohar, 2011, p. 105).

8 See Local Self-government Act. For a detailed discussion see Rakar and Grmek, 2011, pp. 131-152.

9 The Constitutional Court of the Republic of Slovenia reached the same conclusion in decision no. U-I-98/95 of 11.7.1996.

10 The Act Amending the Financing Municipalities Act, which was supposed to take effect on January 1, 2006 and which foresaw allocations of funds from the state budget, was not practicable, as adequate delegated legislation was not issued. It was not until the adoption of a new law on municipal financing, complete with adequate delegated legislation, that the first real steps in this direction were taken. The new law took effect on July 25, 2007.

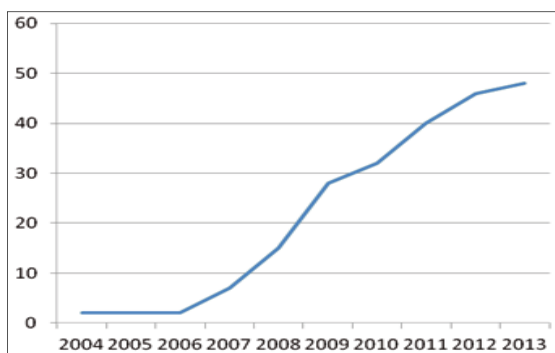


Figure 1: Number of JMA bodies founded by year

Source: Ministry of Interior of the Republic of Slovenia (2014)

Although the law was amended in 2007, Table 1 and Figure 1 reveal that larger numbers of JMA bodies began to be founded in 2009. This lag can be attributed to the fact that certain municipalities were slow in adapting to the new legislative framework. The co-financing from the state was a key factor in the founding of new JMA bodies, and it can be seen in the fact that the number of newly founded bodies already began to dip in 2010. It is therefore possible to conclude that those bodies founded largely because of financial stimulus from the state were mostly founded between 2007 and 2009. Table 2 shows the growth of funding from the state for the operations of JMA bodies.

Table 2: Amount of funds allotted by the state for co-financing JMA bodies

Year (t)	Funds from budget in (t+1), in 1,000 €
2005	466
2006	793
2007	855
2008	1,667
2009	1,668
2010	1,409
2011	2,552
2012	4,853
2013	6,476

Source: Ministry of Interior of the Republic of Slovenia (2014)

The empirical data shows that a large majority of municipalities were included in just one JMA body (Table 3).

Table 3: Intensity of municipality involvement in JMA bodies

Number of JMA bodies in which a municipality is included	Number of municipalities
0	16
1	142
2	51
3	2

Source: Ministry of Interior of the Republic of Slovenia (2014); Authors' own calculations.

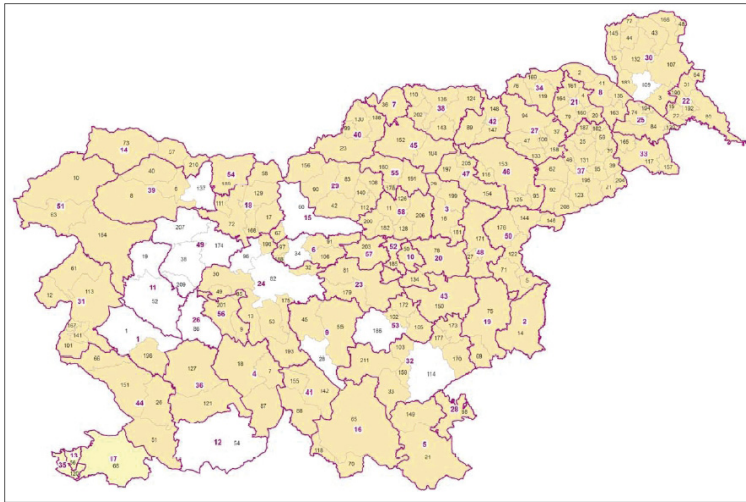


Figure 2: Inclusion of municipalities in JMA bodies

Source: Fonda and Žohar (2013, p. 179)

An analysis of the tasks of JMA bodies shows that most of these bodies (58%) are active in the field of administrative tasks (inspection and local police activities, Figure 3).

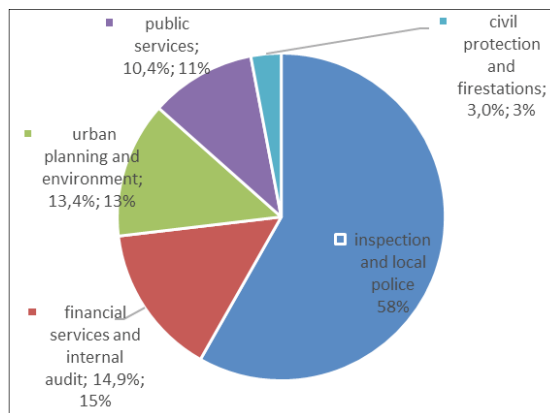


Figure 3: Share of JMA body tasks

Source: Ministry of Interior of the Republic of Slovenia (2014); Authors' own calculations.

The reasons for the predominance of these types of tasks are of a 1) legal and 2) practical nature: 1) the Financing of Municipalities Act stipulates that the state will co-finance inspection, local police, financial services, internal audit, spatial planning and public services; 2a) through these bodies, these types of tasks can be handled in a more unbiased and objective manner, and 2b) the collected fines represent revenue in the municipal budget.

Figure 2 shows that most Slovenian municipalities are included in one or more JMA bodies. Fonda and Žohar (2013, p. 173) conclude that from a developmental

standpoint, most enrolments began within individual administrative units¹¹, and then proceeded to include municipalities in areas covered by multiple administrative units; they then focused on narrower or broader sub-regional territories. This can be linked to the fact that the areas covered by administrative units overlap, to a large degree, with the territories of former municipalities¹².

The founding of JMA bodies could indicate those areas where municipal merger and the establishment of a second level of local self-government could occur, as common needs and interests clearly exist between municipalities joined in a JMA body. At the same time, the political and financial dimensions of both processes need to be taken into account along with the administrative-organizational dimension¹³. The Court of Audit of the Republic of Slovenia (2012) feels that the option for founding JMA bodies, together with co-financing for the operations of these bodies as well as the entire system of financing municipalities, in fact has the opposite effect: in its opinion, these factors are responsible for a lack of interest in mergers among smaller municipalities.

On the basis of experiences so far we can conclude that the founding of JMA bodies in Slovenia presents the following strengths, weaknesses, opportunities and threats (Table 4):

Table 4: SWOT analysis of the founding of new JMA bodies

<p>Strengths:</p> <ul style="list-style-type: none"> - cost efficiency - transparency and quality - sharing best practices - better lawmaking - professional specialization 	<p>Weaknesses:</p> <ul style="list-style-type: none"> - frequent changes to state legislation and late issuance of secondary legislation - HRM (motivation, training) - project coordination - distrust between municipalities - lack of interest in tasks that are not co-financed by the state - periodical work overload
<p>Opportunities:</p> <ul style="list-style-type: none"> - orientation towards highest and newest standards of quality in policy-implementation - regional planning - effective raising of EU-funds - expansion to other tasks 	<p>Threats:</p> <ul style="list-style-type: none"> - misunderstanding of state and local legislation - political, economic and other pressures on civil servants - lobbying - delays and unresponsiveness from bodies of state - possible rise in costs

Source: Adapted from Bezjak and Korpar (2014)

4.3. Inter-municipal cooperation as an alternative to merging municipalities?

In recent years the merging of municipalities in Slovenia has become a subject of intensive debate. Vljaj (2011) pointed out that there are numerous reasons for merging municipalities, e.g. many of the 212 municipalities are not able to perform tasks

11 Administrative units as territorially organised state administrative bodies were established on January 1, 1995.

12 An exception is the area of the Slovenian capital, Ljubljana.

13 Despite the existence of a constitutional basis since 1991, to date no regions have been founded.

set by the constitution and legislation (internal reason), the Congress of Local and Regional Authorities of Europe (2011) has recommended that Slovenia encourage the merging of local communities where needed. In 2013, the minister in charge of local self-government upset representatives of municipalities with his statement that in Slovenia we could get along with about one hundred municipalities. After that, in October 2013, the government prepared so-called 'Points of departure' for the preparation of a strategy for the development of local self-government of the Republic of Slovenia, in which IMC and a voluntary approach to merging municipalities were highlighted, and the ministry was obligated to prepare a proposal for the territorial reform of local self-government and a framework for merging municipalities (Vlada Republike Slovenije, 2013). To date, nothing has been adopted or prepared, and the government under which these developments occurred resigned in 2014¹⁴. The new coalition has stressed in the coalition treaty for the 2014-2018 period: 1) IMC, 2) merging of municipalities, 3) the parallel implementation of reforms of state administration and local self-government, and 4) interest associations of municipalities as a form of IMC¹⁵.

As we can see, IMC is not seen as an alternative to merging municipalities. Nevertheless, experiences to date indicate that this could happen in practice. In this respect, future discussions should be more open towards in-depth considerations of the potential of hitherto unused or underused forms of IMC. Namely, Slovenian municipalities are already confronted by certain challenges, e.g. their developmental role and capacity, quality of governance (Vlaj, 2011; Rakar and Benčina, 2014). If the strengthening of existing forms of and the creation of new approaches to IMC is to take place, we will have to tread with caution, and take into account the negative experiences of other countries.

Some of the negative features of reforms of this kind, especially in cases where legally independent organizations with decision-making powers are created to perform the tasks previously performed by individual local communities, refer to: the absence of direct democratic legitimacy for inter-municipal bodies, a decline in the degree of inclusion of the local population in shaping decisions, conflicts of interest between members of these bodies, overlapping responsibilities and institutional overcrowding in public administration (Vlaj, 2013; Burgi, 2012, p. 297; Wollmann, 2008, pp. 88-90; Bekkers *et al.*, 2007, pp. 203-207; Hulst and van Montfort, 2007, pp. 218-222). IMC also provides a small space for the development of social dialogue at the local level, as municipalities are an organic setting for the development of civil-society institutions, e.g. social partners (Vodovnik, 2013).

¹⁴ See also Association of Municipalities and Towns of Slovenia (2014).

¹⁵ A draft of reforms of public administration for the period 2015-2020 is in public consideration until January 26, 2015. In the literature interest associations of municipalities (slov. zveza občin) are seen as an important opportunity for IMC (Juvan Gotovac, 2014).

According to data from the proposers of reforms, the merger of municipalities would cut costs by some 200 million euros. It would also reduce municipal indebtedness, although the data show that the trend of indebtedness among smaller municipalities only appeared with the financial crisis, and that the highest levels of indebtedness are to be found in the large municipalities; data from 2012 even show that total local public finances are no longer posting a deficit.

5. Conclusion

There is no magic formula for determining the optimal size of local self-governing communities. States follow different reform patterns in order to balance economic efficiency of the provision of public services and democratic legitimacy of governance. In Slovenia the so-called South European reform pattern is being followed, and this is resulting in enhanced use of forms of IMC. Current legislation has led to the expansion of one particular form of IMC, joint municipal administration bodies.

Despite the fact that political actors and literature recommend the merging of municipalities, experience and previous developments indicate that other forms of IMC, particularly interest associations of municipalities, will take its place. In line with financial restrictions, this will lead to additional efforts for the development of IMC. It seems that good practices from different IMC bodies result in the establishment of new bodies in the other parts of Slovenia. IMC can therefore potentially become a way to overcome the causes underlying merger tendencies.

References:

1. Association of Municipalities and Towns of Slovenia, 'Resolucija Skupnosti občin Slovenije ob posegih v področje lokalne samouprave', 2014, [Online] available at http://www.skupnostobcin.si/fileadmin/sos/datoteke/Skupscina_2013/skupscina_2014/Resolucija_Skupnosti_obcin_Slovenije_ob_posegih_v_podrocje_lokalne_samouprave-18.4.2014.pdf, accessed on February 13, 2015.
2. Bekkers, V., Dijkstra, G., Edwards, A. and Fenger, M. (eds.), *Governance and the Democratic Deficit: Assessing the Democratic Legitimacy of Governance Practices*, Aldershot: Ashgate Publishing, 2007.
3. Bezjak, A. and Korpar, A., 'Skupna občinska uprava občin v spodnjem Podravju – primer medobčinskega povezovanja', in Aristovnik, A. (ed.), *Priložnosti in izzivi slovenskega javnega sektorja: programski okvir EU 2014-2020*, Proceedings of the Conference 'Zbornik referatov/XXI. Dnevi slovenske uprave', Ljubljana, September 25-26, 2014.
4. Blom-Hansen, J.J., 'Municipal Amalgamations and Common Pool Problems: The Danish Local Government Reform in 2007', 2010, *Scandinavian Political Studies*, vol. 33, no. 1, pp. 51-73.
5. Blöchliger, H. and Vammalle, C., 'Denmark: The Local Government Reform', 2012, [Online] available at http://www.oecd-ilibrary.org/taxation/reforming-fiscal-federalism-and-local-government_9789264119970-en, accessed on February 13, 2015.

6. Bolívar, R.M.P., Navarro Galera, A., Alcaide Muñoz, L. and López Subirés, M.D., 'Factors Influencing Local Government Financial Sustainability: An Empirical Study', 2014, *Lex Localis*, vol. 12, no. 1, pp. 31-54.
7. Burgi, M., *Kommunalrecht (4. Auflage)*, München: Verlag C.H. Beck, 2012.
8. Cogež, J.P. and Rabaey, O.O., "'Procedure 276", A Yardstick for New Local Government Reform', 2013, *Revue Francaise D'administration Publique*, vol. 1, no. 145, pp. 189-202.
9. Cole, A., 'The French State and Its Territorial Challenges', 2012, *Public Administration*, vol. 90, no. 2, pp. 335-350.
10. Committee of the Regions, 'A New Treaty: A New Role for Regions and Local Authorities', undated, [Online] available at <http://cor.europa.eu/en/documentation/brochures/Documents/84fa6e84-0373-42a2-a801-c8ea83a24a72.pdf>, accessed on February 13, 2015.
11. Congress of Local and Regional Authorities of Europe, 'Lokalna in regionalna demokracija v Sloveniji', 2011, [Online] available at <http://www.mju.gov.si>, accessed on February 13, 2015.
12. Constitutional Court of the Republic of Slovenia, Decision no. U-I-98/95 of 11.7.1996, published in Official Gazette of the Republic of Slovenia, no. 44/1996.
13. Council of European Municipalities and Regions, 'Balancing Democracy, Identity and Efficiency – Changes in Local and Regional Structures in Europe', 2008, [Online] available at http://www.ccre.org/docs/changes_in_local_and_regional_structures_web_EN.pdf, accessed on May 7, 2014.
14. Court of Audit of the Republic of Slovenia, 'Revizijsko poročilo: Ureditev področja občin', 2012, [Online] available at <http://www.rs-rs.si/rsrs/rsrs.nsf/I/KC73BA090AA4B8946C12579B9001E4E89>, accessed on July 2, 2014.
15. Dahlby, B., 'Too Many Municipalities?', 2011, *Revista Brasileira de Economia*, vol. 65, no. 1, pp. 23-32.
16. Das Land Steiermark, 2015, [Online] available at <http://www.gemeindestrukturreform.steiermark.at/>, accessed on January 21, 2015.
17. Denters, B. and Rose, L.E. (eds.), *Comparing Local Governance: Trends and Developments*, New York: Palgrave Macmillan, 2005.
18. Dexia and Council of European Municipalities and Regions, 'Subnational Public Finance in the European Union', 2011, [Online] available at http://www.dexia.com/EN/news/in_short/Documents/NDCE_july_2011_EN.pdf, accessed on May 7, 2014.
19. Dollery, B., Byrnes, J. and Crase, L., 'Is Bigger Better? Local Government Amalgamation and the South Australian Rising to the Challenge Inquiry', 2007, *Economic Analysis and Policy*, vol. 37, no. 1, pp. 1-14.
20. Do Vale, H., 'Local Government Reforms in Federal Brazil, India and South Africa: A Comparative Overview', 2013, *Lex Localis – Journal of Local Self-Government*, vol. 11, no. 3, pp. 453-470.
21. European Committee on Local and Regional Democracy, 'Good Practices in Intermunicipal Co-operation in Europe (Report of the European Committee on Local and Regional Democracy)', 2007, [Online] available at <http://www.comunis.eu/downloads/methodology/Good%20practices%20in%20intermunicipal%20co-operation%20in%20Europe.pdf/view>, accessed on May 7, 2014.

22. Eurostat, 'Government Statistics', 2014, [Online] available at http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_a_main&lang=en, accessed on September 5, 2014.
23. Financing of Municipalities Act published in Official Gazette of Republic of Slovenia, no. 123/06 and amendments.
24. Finžgar, M. and Oplotnik, Ž.J., 'Comparison of Fiscal Decentralization Systems in EU-27 according to Selected Criteria', 2013, *Lex Localis – Journal of Local Self-Government*, vol. 11, no. 3, pp. 651-672.
25. Fonda, M. and Žohar, F., 'Predstavitev kart sodelovanja v skupnih občinskih upravah po posameznih področjih nalog', in Žohar, F. (ed.), Proceedings of the Conference "Posveta Delovanje skupnih občinskih uprav v Sloveniji", Škofja Loka, March 2013, [Online] available at http://www.mnz.gov.si/fileadmin/mnz.gov.si/pageuploads/JAVNA_UPRAVA/svlsrcp.gov.si/pageuploads/lok-sam05/obcine/sou/zbornik-SOU-marec-2011.zip, accessed on July 2, 2014.
26. Hertzog, R., 'Intermunicipal Cooperation: A Viable Alternative to Territorial Amalgamation?', in Swianiewicz, P. (ed.), *Territorial Consolidation Reforms In Europe*, Budapest: Open Society Institute, 2010, pp. 285-308.
27. Houlberg, K., 'Municipal Size, Economy, and Democracy', in Swianiewicz, P. (ed.), *Territorial Consolidation Reforms In Europe*, Budapest: Open Society Institute, 2010, pp. 309-332.
28. Hulst, R. and van Montfort, A. (eds.), *Inter-Municipal Cooperation in Europe*, Dordrecht: Springer, 2007.
29. Hulst, R. and van Montfort, A., 'Institutional Features of Inter-municipal Cooperation: Cooperative Arrangements and Their National Contexts', 2012, *Public Policy and Administration*, vol. 27, no. 2, pp. 121-144.
30. Juvan Gotovac, V., 'Predvidene novosti normativne ureditve medobčinskega sodelovanja', in Žohar, F. (ed.), Proceedings of the Conference "Delovanje skupnih občinskih uprav v Sloveniji", Dubrovnik, 2014, pp. 124-132, [Online] available at http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/svlsrcp.gov.si/pageuploads/lok-sam-2015/splosno-ls-ls/medob-sodel/sou/zbornik/zbornik-SOU-Do brovnik-2032014.pdf, accessed on February 12, 2015.
31. King, G., Vanags, E., Vilka, I. and McNabb, D., 'Local Government Reforms in Latvia, 1990-2003: Transition to a Democratic Society', 2004, *Public Administration*, vol. 82, no. 4, pp. 931-950.
32. Kreci, V. and Ymeri, B., 'The Impact of Territorial Re-organisational Policy Interventions in the Republic of Macedonia', 2010, *Local Government Studies*, vol. 36, no. 2, pp. 271-290.
33. Kuhlmann, S., 'Between the State and the Market: Assessing Impacts of Local Government Reforms in Western Europe', 2010, *Lex Localis – Journal of Local Self-Government*, vol. 8, no. 1, pp. 1-21.
34. Kuhlmann, S., 'Reforming Local Public Services – Trends and Effects in Germany and France', 2008, *Public Management Review*, vol. 10, no. 5, pp. 573-596.
35. Kuhlmann, S. and Wollmann, H., *Introduction to Comparative Public Administration*, Northampton: Edward Elgar, 2014.
36. Local Government and Public Service Reform Initiative, UNDP and Council of Europe, 'Inter-Municipal Cooperation: Toolkit Manual', 2010, [Online] available at <http://>

- www.municipal-cooperation.org/images/4/4c/IMC_Toolkit_Manual.pdf, accessed on May 7, 2014.
37. Local Self-Government Act published in Official Gazette of Republic of Slovenia, no. 72/1993 and amendments.
 38. Mele, B. and Žohar, F., 'Pregled skupnih občinskih uprav v Sloveniji konec leta 2010', in Žohar, F. (ed.), Proceedings of the Conference "Posvet Delovanje skupnih občinskih uprav v Sloveniji", Dobrepolje, 2011, pp. 104-146, [Online] available at http://www.mnz.gov.si/fileadmin/mnz.gov.si/pageuploads/JAVNA_UPRAVA/svlsrp.gov.si/pageuploads/lok-sam05/obcine/sou/zbornik-SOU-marec-2011.zip, accessed on July 2, 2014.
 39. Meneguzzo, M., Sancino, A., Guenon, M. and Fiorani, G., 'New Development: The Crisis and European Local Government Reforms', 2013, *Public Money and Management*, vol. 33, no. 6, pp. 459-462.
 40. Milunovič, V., 'Sistemi financiranja subnacionalnih ravni oblasti', in Bačlija, I. (ed.), *Lokalna demokracija. Aktualni problemi slovenske lokalne samouprave*, Maribor: Inštitut za lokalno samoupravo in javna naročila, 2012, pp. 105-130.
 41. Ministry of Interior of the Republic of Slovenia, Skupne občinske uprave (MS Excel file), 2014.
 42. Moreno, A.M. (ed.), *Local Government in the Member States of the European Union: A Comparative Legal Perspective*, Madrid: National Institute of Public Administration, 2012.
 43. Norton, A., *International Handbook of Local and Regional Government*, Aldershot: Edward Elgar, 1994.
 44. Page, E.C. and Goldsmith, M.J. (eds.), *Central and Local Government Relations: A Comparative Analysis of West European Unitary States*, London: Sage Publications, 1987.
 45. Painter, C., Isaac-Henry, K. and McAnulla, S., 'Modernising Local Government: Micro-Organisational Reform and Changing Local Structural Configurations', 2003, *Local Government Studies*, vol. 29, no. 4, pp. 31-53.
 46. Paulikas, V., 'Local Self-government Reforms in Lithuania and Other Countries', 2013, *Public Policy and Administration*, vol. 12, no. 2, pp. 197-211.
 47. Pevcin, P., 'Costs and Efficiency of Municipalities in Slovenia', 2013, *Lex Localis – Journal of Local Self-Government*, vol. 11, no. 3, pp. 531-543.
 48. Rakar, I. and Benčina, J., 'Good Governance at Local Level – Case of Slovenia', 2014, [Online] available at <http://www.nispa.org/files/conferences/2014/papers/201406101135320.Rakar%20Bencina.pdf>, accessed on February 13, 2015.
 49. Rakar, I. and Grmek, M., 'Racionalnost na lokalni ravni – primer organov skupnih občinskih uprav', 2011, *Javna uprava*, vol. 47, no. 3/4, pp. 131-152.
 50. Razin, E.E. and Hazan, A.A., 'Attitudes of European Local Councillors towards Local Governance Reforms: A North-South Divide?', 2013, *Local Government Studies*, vol. 40, no. 2, pp. 264-291.
 51. Swianiewicz, P. (ed.), *Territorial Consolidation Reforms in Europe*, Budapest: Open Society Institute, 2010.
 52. Swianiewicz, P.P. and Mielczarek, A.A., 'Georgian Local Government Reform: State Leviathan Redraws Boundaries?', 2010, *Local Government Studies*, vol. 36, no. 2, pp. 291-311.
 53. Vlada Republike Slovenije, 'Izhodišča za pripravo strategije razvoja lokalne samouprave v Republiki Sloveniji', 2013, [Online] available at <http://www.mnz.gov.si>.

- si/fileadmin/mnz.gov.si/pageuploads/JAVNA_UPRAVA/svlsrcp.gov.si/pageuploads/lok-sam05/obcine/strategija/Izhodisca-priprava-strategije.doc, accessed on April 23, 2014.
54. Vlaj, S., 'Ali je združevanje naših občin potrebno?', 2011, [Online] available at <http://www.ifimes.org/si/raziskave/ali-je-zdruzevanje-nasih-obcin-potrebno-2013-01-24/>, accessed on April 10, 2014.
 55. Vlaj, S., 'Prav majhne občine okrepile državni centralizem', 2013, [Online] available at <http://www.rtvlo.si/slovenija/stane-vlaj-prav-majhne-obcine-okrepile-drzavni-centralizem/310772>, accessed on September 13, 2013.
 56. Vodovnik, Z., 'Employment Relationships in the Public Sector – A Balance between the State, Local and Autonomous Regulations', 2013, *Lex localis – Journal of Local Self-Government*, vol. 11, no. 3, pp. 497-512.
 57. Welling Hansen, S., 'Polity Size and Local Political Trust: A Quasi-experiment Using Municipal Mergers in Denmark', 2013, *Scandinavian Political Studies*, vol. 36, no. 1, pp. 43-66.
 58. Wollmann, H., 'Local Government Reforms in (Seven) European Countries: Between Convergent and Divergent, Conflicting and Complementary Developments', 2012, *Local Government Studies*, vol. 38, no. 1, pp. 41-70.
 59. Wollmann, H., 'Local Democracy and Operational Efficiency – Some Comparative Observations and Conclusions in the European Context', in Council of European Municipalities and Regions, 'Balancing Democracy, Identity and Efficiency – Changes in Local and Regional Structures in Europe', 2008, pp. 82-91, [Online] available at http://www.ccre.org/docs/changes_in_local_and_regional_structures_web_EN.pdf, accessed on February 13, 2015.
 60. Wollmann, H., 'Local Government Reforms in Great Britain, Sweden, Germany and France: Between Multi-function and Single-purpose Organisations', 2004, *Local Government Studies*, vol. 30, no. 4, pp. 639-665.
 61. Yilmaz, S. and Guner, A., 'Local Government Discretion and Accountability in Turkey', 2013, *Public Administration and Development*, vol. 33, no. 2, pp. 125-142.
 62. Žohar, F., 'Medobčinsko sodelovanje v nordijskih državah in na Nizozemskem', in Žohar, F. (ed.), Proceedings to the Conference "Posvet Delovanje skupnih občinskih uprav v Sloveniji", Dobropolje, 2011, pp. 94-103, [Online] available at http://www.mnz.gov.si/fileadmin/mnz.gov.si/pageuploads/JAVNA_UPRAVA/svlsrcp.gov.si/pageuploads/lok-sam05/obcine/sou/zbornik-SOU-marec-2011.zip, accessed on February 26, 2014.