



## Towards a new Municipality?

*on the Status and Role of the Municipality in the Danish System of Governance*

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**TOWARDS A NEW MUNICIPALITY?  
ON THE STATUS AND ROLE OF THE  
MUNICIPALITY IN THE DANISH  
SYSTEM OF GOVERNANCE**

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**Abstract:**

The Danish municipalities are in a period of transition. A "new municipality" is emerging. How is the emerging new role of the municipalities to be comprehended? Focussing at the local government reforms of the 1970s and the municipal reorganizing since the beginning of the 1980s, the article argues for and tries to contribute to a reconceptualization of the municipalities and their constitutional status and role in the overall system of governance.



## INTRODUCTION: A Renewed Conceptualization of the Status and Role of the Municipality in the System of Governance.

In general - and in comparison with most other European countries - the Danish municipality system is viewed as an example of a highly decentral and municipalized system of governance, based on strong traditions and municipal institutions of local self-government.

Also within and compared to the other Scandinavian countries, Denmark is widely held as a particularly decentralized and self-governmental variant of a more or less specific Scandinavian municipality model.

This is the case in, for instance, Francesco Kjellbergs comparative analysis of the Scandinavian local government reforms of the post war period (Kjellberg, 1985; 1988). Here the Danish municipal development is characterized as a "deviant case", dominated by a municipal "autonomy model" of liberal orientation, stressing decentralization and municipalization of the public sphere. Whereas the Norwegian and Swedish local government reforms are being characterized as dominated by a social democratic, welfare state oriented "integration model", stressing the municipalities as integrated parts of the public welfare sector and the functional division of tasks between state and local government level.

No doubt that the Danish local government reforms of the 1970s led to a higher degree of municipalization of the public sector than was the case in Norway and Sweden. What is doubtful, however, is whether the specificity of the Danish local government reforms and the resulting municipalization of the public sector can be comprehended from a liberal "autonomy" or local self-government perspective. - As regards the impact of the "autonomy" vs. the "integration" perspective on the Danish local government reforms, my conclusion will be almost the opposite of Kjellbergs. Even though an autonomy perspective was present as element of the local government reforms, a welfare state oriented integration perspective was the dominant one, attributing to the municipalities a status and role of important implementation agencies for the welfare state.

Neither does the autonomy perspective fit for the kind of "liberation" of the municipalities and their role in the system of governance which have been taking place as a result of the efforts to reorganize and "modernize" the public and municipal sector since the beginning of the 1980s.

As regards the municipalities, the reorganizing efforts towards the public sector of the 1980s are normally viewed as lying in continuation of and completing the trend of decentralization put into notion by the local government reforms a decade earlier. However, in my view one cannot speak of any continuous trend towards decentralization and even though the municipal reorganizings of the 1980s might look like a strengthening of the local self-government role of the municipalities, I will argue that the municipalities are not moving "back" to any liberal oriented autonomous or self-governmental role and position in the national system of governance. Rather, a "new municipality" and municipal role is emerging. The municipalities

are obtaining a historically new status and role as local political institutions and units of governance in a restructured, more multilevelled and multicentered, system of governance.

This new or emerging governance role of the municipalities cannot be comprehended within the framework of the constitutional dual role of local self-government and local state-administration, historically attributed to the municipalities. Both the welfare state implementation role the 1970s and the new governance role of the 1980s go beyond and transgress this historical-constitutional dual role. Neither are the simple dichotomies of "decentralization" vs. "centralization" or "autonomy" vs. "integration" of much help in grasping the complexes of the emerging "new municipality".

In order to grasp the "constitutional" changes taking place in local government, we need new municipal conceptualizations and theorizing. I shall try to contribute to such a conceptualization, focussing on the Danish local government reforms of the 1970s and the municipal reorganizings of the 1980s.

Far from being a particular liberal and self-governmental oriented variant of the Scandinavian municipal development, the Danish development can be said to be at the "forefront" of the Scandinavian municipal development - being an exponent of a more "radical" and wide-ranging type of reorganization of the municipality and its role in the overall system of governance. - Maybe the Danish case is not so much a "deviant" as a specific telling one, illustrating an - ongoing - restructuring of political governance from the traditional national and stateorganized centre of governance to more local and municipalized forms, coexisting and cooperating with other units and centres of governance at the national as well as at the transnational, European levels. If this is the specificity of the Danish case, the development of the Danish municipalities and a contribution to conceptualize the emerging "new municipality" may be of relevance over and beyond a Danish context.

#### THE VANISHING "JANUS FACE" OF THE MUNICIPALITY: A Mixture and Transgression of the Municipal Dual Roles of Local Self-government and Local State-administration.

Historically and constitutionally the municipalities have been endowed with what has been termed a "Janus face" (Danielsen, 1987), e.g. a dual role as a unit of local self-government and as a unit of local state-administration.

This dual role goes back to the formation of the modern liberal nation-state in the 19th century, not only in Denmark but in the Scandinavian and the European countries at large. The constitutional dual role can be seen as an institutional expression of a political compromise between the two dominant classical ideologies of local government, the liberal and the conservative. Whereas the liberal municipal ideology argued in favour of the idea of local autonomy and self-government vs. central state government, the conservative-etatist ideology stressed the municipalities as integrated parts of the national state and as entities subordinated

to the administrative system of the state (Norton, 1994; Dahlkvist and Strandberg, 1994). The general compromise between these two ideologies of and perspectives on the municipalities covers, however, a variety of country-specific compromises and institutional arrangements as to the dual status and role of the municipalities in the national systems of governance (Norton, 1994).

In Denmark, as in Norway and Sweden, the constitutional right of local self-government has the character of a negatively delimited "general competence". The municipalities can freely assume tasks other than those mandated to them by legislation as long as these tasks have not been lawfully allocated to other organs or authorities<sup>1</sup> and on the condition that in their "free domain" the municipalities do not violate general legislative and administrative rules and principles.

Apart from their "own" local affairs which the municipalities can freely decide upon according to local political processes and preferences, the municipalities manage state-mandated, legislative tasks. Here the municipalities have the status of local administrative agencies in relation to national and state organized decision-making processes which, in the form of municipal "special legislation" (*kommunal særlovgivning*), mandate the municipalities to take on and administer specific tasks and programs. As local administrative agencies, the municipalities do not find themselves in any direct or general subordination to the central state authorities (Espersen, 1976). - The municipal management of those tasks decided and regulated by the central state is organized by the politically elected and responsible municipal council that can be held accountable to the citizens. This municipal political responsibility and accountability is, however, limited and administrative in character, the municipalities being bound by the nationally organized processes of political will-formation and choice expressed in the municipal special legislation.<sup>2</sup>

Historically the constitutional compromise between the municipal autonomy or self-government perspective and the integration or state-administrative perspective, established in the Danish and Scandinavian municipality systems, has not been without continuing political

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<sup>1</sup> In this regard the Danish and Scandinavian municipality system differs from the English system being characterized by a "positive" municipal competence. e.g. the municipalities can only assume tasks mandated to them by legislation. In practice this difference has been of minor importance, however. By the way of different forms of "private bills", the English municipalities have assumed tasks others than those positively mandated to them (Battrup, 92b:34; Stewart, 95).

<sup>2</sup> The limited political responsibility of the municipalities as local administrative units is "recapitulated" in the organizing principles valid for the municipalities internally. Thus, no distinction is made between politics and administration at the municipal level. The politically elected councils are granted supreme authority for all municipal affairs, having political as well as administrative and executive competence. In addition, the municipal council is elected for a fixed period, without any possibility to resign or be replaced by a vote of "no confidence". Nor do we find the same organization into "government" and "opposition" as exists at the central level. The composition of the committees through which the municipal council executes its competence do not take place according to majority-minority principles but proportionally with extensive attention paid to political minority groupings (Espersen, 1976:16f; Bentzon, 1981:149ff.).

disagreements and controversies regarding the proper role of the municipality and the degree of local self-government. Although a basic political consensus regarding the municipalities as integrated and subordinated parts of the national state system emerged since the beginning of the 20th century (Dahlkvist and Strandberg, 1994:68; Norton, 1994:10), this consensus has continued to allow for varying interpretations as to the role of the municipalities in the overall system of governance.

Taking the constitutional dual role as a point of departure, the municipal development up through the 20th century can be roughly described as having led to a displacement between the local self-government role and the local state-administrative role - the first increasingly given way to the second.

In conjunction with the growth of state regulation and interventions into social reproduction, there has been an increase in the extent and intensity of the municipal special legislation which assigns the municipalities to take on more or less specified tasks in certain areas. This process began to accelerate in the 1930s and in the period after the Second World War. Parallel with the growth in the state-mandated municipal tasks, there has been a reduction in the municipal "free sector" where the municipalities can initiate activities on their own as units of local self-government (Ingvarsen 1991, Schou 1994). To an increasing degree, the municipalities evolved into "state servants", becoming the "extended arm" of the state in the local area (Baldersheim 1987).

From a pure local self-government perspective, these developments could be interpreted as a movement towards centralization. Seen from a state-administrative perspective, however, there is increased decentralization insofar as the municipalities have been allocated more tasks as decentral agencies of state administration. Thus, the constitutional dual role of the municipalities make it rather difficult to operate with the concepts of decentralization and centralization often employed to describe the development and character of the local-central government relationship. The dichotomy of decentralization-centralization is too simplistic to grasp the duality of the municipalities and the municipal development. Besides, the historical development of the Danish municipalities has not just comprised a simple displacement between the two municipal roles. A blending or mixture of the roles has occurred and new roles which transgress the constitutional dual roles have been attributed to the municipalities. The two distinct "profiles" of the municipal "Janus face" have gradually been dissolved and a new, more complex municipal "face" has begun to take shape.

Such a mixture of the constitutional dual role and "Janus face" of the municipalities characterize the municipalization of the welfare state sector which took place on the background of the local government reforms of the 1970s.

### The Local Government Reforms of the 1970s: Municipalization of the Welfare State.

The Danish local government reform comprised a series of amalgamative, task-allocative, control and financial reform elements, and it has been characterized as the most comprehensive political administrative reform since the constitution of 1849 (Bogason, 1992:95). The reform is sometimes depicted as a decentralization reform, which positioned the municipalities and local self-government as an important element in the total governmental system. Other interpretations see the reform as a step towards centralization, subordinating municipalities and local self government to the control of the central government. The two interpretations are often coupled together: decentralization at the formal, intentional and proclamatory level, centralization at the level of practice and as the ultimate result.

Just as it is difficult to describe the general relationship between local and central government in terms of decentralization/centralization, it is equally difficult to apply these two terms in the comprehending of the specificity of the local government reform and the new relation between local and central level which the reform gave rise to. Neither the "either/or" statements nor those of the "both/and" type can adequately describe the changes in and composite nature of the status and role provided to the municipalities by the local government reform.

In his comparative analyses of the post war local government reforms in Scandinavia, F. Kjellberg describes the Danish reform as a "deviant case" (Kjellberg, 1988:85), due to the emphasis on the autonomy vs. the integration perspective.

"The most conspicuous aspect, compared with Norway and Sweden is the exiguity of the integration perspective and the predominance of the autonomous model. The need for decentralization and a clearer demarcation of local activity - what was termed the communalization of the public sphere - was taken far more in earnest." [Kjellberg, 1988:65].

I do agree that the Danish local government reform led to a higher degree of "communalization" of the public sector than in Norway and Sweden. However, what is open to argumentation is whether the Danish reform can be characterized as a reform dominated by a liberal autonomy or self-government model, emphasizing the relative independence of the municipalities and their demarcation from the state.

In order to address this question, the Danish local government reform and Kjellberg's characterization of it as an autonomous or self-government-oriented "deviant case" shall be subjected to closer and critical investigation.

#### *A New Territorial Structure.*

Among the entire series of reform elements which comprised the local government reform the territorial-structural or amalgamation reform has been highlighted as the "grand" and decisive reform. This is also the case in Kjellberg's analysis, pointing to the restructuring of the territorial

division as the "cornerstone" of the Danish local government reform and as the basis of its reorganization of the municipalities (Kjellberg, 1988:56).

The 1970 amalgamation reform was the first, the most prolonged and in many ways the most complicated and radical reform of the entire complex of local government reforms. Nevertheless, the ensemble of local government reforms cannot be characterized and evaluated solely on the basis of the amalgamation reform and the question of the influence of the "autonomy" vs. "integration" perspectives differ when the other reform elements are taken into consideration. Thus the territorial element in the reform complex was the one most highly affected by ideas of local self-government with respect to interpretation and justification.

Even though the amalgamation reform was executed as a comprehensive and quite radical operation in 1970, with more than 1000 municipalities reduced to 275 and 25 counties to 14, it did not generate the same political controversies as in Sweden, instituting its "commune-block" reform (*kommuneblokreform*) in the 1960s and early 1970s.<sup>3</sup>

Despite its radical nature, the Danish territorial reorganization was executed under conditions of broad political consensus and with the municipalities as active, largely voluntary partners.<sup>4</sup>

According to Kjellberg, this political consensus was due to the fact that the Danish municipal amalgamations took place in and was primarily justified by the general context of industrialization and urbanization. Only secondarily it was connected, as in Norway and in Sweden, with the expansion and implementation complexities of the welfare state (Kjellberg, 1988:58). By implication, the Danish territorial reorganization was to a larger degree launched from a liberal "autonomy" perspective - as a reform intended to strengthen the municipalities as units of local self-government. The integration perspective, stressing the municipalities as integrated parts of the public sector of the welfare state, was virtually absent in Denmark, according to Kjellberg.

The urbanization trend, distorting the territorial structure of the existing municipalities, did constitute an important element of the Danish amalgamation reform - and certainly a larger one than in Norway. However, the integration perspective was not that absent.

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<sup>3</sup> The Swedish amalgamation reform gave rise to a sharp confrontation between the governing Social Democratic Party and the conservative and liberal parties. On the basis of an interventionist welfare state strategy, the Social Democrats sought to merge the existing municipalities into larger blocs, so that the resulting economies of scale could be used to increase the municipal level and share of the public welfare sector. The conservative and liberal opposition argued against this municipal restructuring on the grounds that it would undermine local self-government and democracy (Kjellberg, 1988; Gidlund, 1983).

<sup>4</sup> The work with the amalgamation reform started back in 1958 with the setting up of a preparatory municipal law commission and it was completed by the local government reform commission set up in 1967. On the basis of parliamentary adopted principles this commission worked out the final recommendation as to the territorial restructuring of the municipalities. In Parliament only the Socialists (SF) marked disagreement, arguing for a more radical reduction in the total number of municipalities (Ingvarsen og Mikkelsen, 91:32).

Firstly, the active contribution of the municipalities in the Danish reform process and in the "enlargement" of the existing municipal boundaries derived to a large degree from municipal desire to maintain their share of the increasing amount of public tasks (Battrup, 1992a). With the interwar and postwar growth of municipal special legislation in social services, education and health, and with the growth of state reimbursement systems linked to this legislation, the municipalities had been increasingly woven into and integrated as a decentral executive level in public administration (Battrup, 1992a; Schou, 1994). If the municipalities were to maintain this position and have a share in the growing public tasks of these sectors, it was necessary to reorganize the existing municipal structure in order to make the municipalities economically and administratively more capable of managing the growing number of public welfare tasks.

The fact that the welfare state and integrationist perspective constituted a significant factor in the Danish amalgamation reform can, secondly, be illustrated by the new law on public schools (*Folkeskoleloven*) from 1958. The public school reform, replacing the old village schools and the divided town school with a new system of uniform public schools, started the debate about the need to enlarge the municipalities and marked the beginning of several voluntary initiatives for municipal cooperation and municipal amalgamations up through the 1960s (Ingvarsten, 1991:52). Furthermore, one of the guiding principles behind the municipal amalgamation reform was that each municipality should be large enough to support a fully equipped public school (Battrup, 1992a:179; Ingvarsten, 1991:25f; Schou, 1994).

Apart from this explicit link between the school reform and the amalgamation reform, the territorial reorganization reflected a "general expectation of growth in the public tasks and a clear feeling of a need to bring the structure of the public sector into better accord with this growth and thereby make the municipalities and counties better suited for managing the altered public tasks" (Rold Andersen et al., 1980:31, my translation).

The issue of closer links between the new municipal structure and the future allocation of tasks and responsibilities within the public sector was not included in the mandate given to the commission which prepared the amalgamation reform. Hence, the principles for the territorial structure were set out without any further clarification of the future allocation of tasks and functions. In its 1966 "white paper", the Commission expressed a principled attitude to the issue, clearly articulating viewpoints on behalf of local self-government.<sup>5</sup> There is no doubt that such views were widespread in connection with the amalgamation reform. However, these self-government ideas did not exclude the simultaneous existence of more integrationist viewpoints regarding the role of the municipalities. Larger municipalities could be viewed as an advantage

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<sup>5</sup> According to the Commission it was "of utmost importance that the distribution of tasks and responsibilities between the state and the municipalities and among the municipalities themselves will be organized with such a flexibility that the possibilities for a local initiative can be promoted." (quoted from Ingvarsten, 1991:75, my translation). The Commission saw the municipal amalgamation reform as well-suited - not only for local administration in accordance with central government legislation - but also as the foundation for a strengthened system of local self-government.

from both an integration and an autonomy perspective.<sup>6</sup> Moreover, such local self-government ideas, emphasizing the municipalities as independent and locally initiating units, never were nor did become dominant ideas when the issue of allocation of public tasks and responsibilities, were taken up for further discussion and clarification.

#### *Changes in Allocation and Control of Tasks.*

The ministerial committee under the Center-Right coalition government 1968-71, mandated to establish main directions for the future structure of tasks and financial responsibilities, operated with two models for the future reallocation of public tasks. In the "municipal model", functions and competences were to be delegated to the counties and the municipalities. In the mixed "state-municipal model", a state-appointed county-governor was to operate as state supervisory and control organ in relation to the municipalities. In principle, the government supported the municipal model. However, there was neither clarity nor agreement about what this model entailed in more concrete terms. The government was prepared to delegate the largest possible degree of tasks and functions to the newly constituted counties and municipalities. However, it did not see such a delegation of tasks as synonymous with abandoning the possibility of state regulation and control of the municipalities and their management. The question of central state control thus occupied a key position in the efforts to establish main guidelines for delegating functions among state, counties and municipalities. In this regard opinions were divided: they included ideas about issuing detailed state regulations and prescriptions fixing the necessary framework for ensuring the desired uniformity of municipal policy implementation and management, ideas about introduction of various types of comprehensive planning control and ideas which emphasized a larger transfer of competence and autonomy to the municipal level.

Decisive for resolving the issue of main guidelines for a new allocation of tasks and the associated problem of central state control was the draft for a new social reform which emerged from the Social Reform Commission, established in 1964. Although the work on the local government reform and on the social reform had begun independent of each other, the social reform became "one of the building blocks which was to fill up a new municipal system." (Ingvarsen, 1991:94, my translation).

The Social Reform Commission's proposal for restructuring social policy contained a wide-ranging decentralization of the social service functions which entailed a break with the traditional legal-bureaucratic, rule-oriented principles of public administration. The various social policy measures and programs were to be coordinated into a unified goal and result-oriented effort, placing the total needs of the individual citizen and family at the center of attention. In order to realize this intention, the administration of the social security system and the delivery of the social services were to be decentralized and coordinated into an integrated, unified system

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<sup>6</sup> Kjellberg points to this fact in relation to the early Norwegian and Swedish amalgamations of the 1950s. These amalgamations, concerning only the small, rural municipalities, were to some degree justified from a local self-government perspective (Kjellberg, 88:49).

managed by the municipalities. The counties were to perform primarily support and supervision functions in regard to the municipalities, and the central administration and its departments were to be relieved of the many ongoing cases and detailed matters, concentrating on more important support and control functions and on overall planning activities.

The Social Reform Commission won broad political support for its innovative principles of social policy implementation and administration. These principles did not only lay the groundwork for a reorganization of social policy. They also cleared the way towards the general reorganizing of allocation and task control between state and municipal levels.

Rather than a local self-government principle, it was a new principle of implementation and public administration which was the operating principle in the Commission's recommendations of the municipality as the unit responsible for coordinating and managing tasks and service delivery in the domain of social policy. According to the Commission, the policy ambitions of the welfare state and the objectives of social equality and security for all citizens via public, interventionist social policy measures might be better achieved by these new implementation principles than by the existing bureaucratic and rule-oriented administrative principles. The welfare objectives demanded an implementation and management of tasks which was close to the individual citizens. Proximity and "neighbourhood" had to be strengthened in public administration and task implementation had to be flexible and adapted to locally varied and changing needs. State regulation and detailed control had to be replaced by government by objectives and planning, and the rule-bound treatment of individual cases had to yield to goal-oriented assessments and evaluation of consequences.

It was these new "welfare state" implementation principles which came to form the basis of the local government reforms dealing with allocation of tasks, competence and control.

From both conservative-liberal as well as social democratic circles came support for a thorough delegation of tasks to the decentral levels. The municipalities were to assume primary responsibility for the implementation and management of those tasks which directly affected the individual citizen. The counties were to take on the tasks and functions which were either too large to be assumed by the municipalities, or which demanded cooperation across municipal borders (Rold Andersen, 1980:31).<sup>7</sup>

This delegation of tasks was connected with a simultaneous delegation of increased discretionary competences to the municipal level. The traditional rule-bound and detailed state regulation and control had to be abolished or limited so that the municipalities could adapt their implementation activities to local conditions and variety of needs. Delegation of competence, however, was never a matter of allowing the municipalities more "freedom" to decide for

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<sup>7</sup> The labour market area was exempted from this general allocation principle. The unemployment insurance, the employment services and the vocational educations remained state managed tasks. A delegation of these tasks and services to the municipal levels was resisted by the labour market organizations fearing that a municipalization would limit their influence on the formulation and implementation of labour market policy and undermine the corporative negotiation system which was under construction and institutionalization (Jørgensen, 85/86; Ingvarsen, 91:129).

themselves in accord with the idea of local self-government. What was operating was a new principle of administrative implementation, stressing proximity and discretionary assessment, not any principle of local self-government.

The realization of these principles of implementation and public administration demanded new forms of state regulation and control. Apart from government by objectives and frameworks, planning became the new instrument which was to replace the traditional state control by detailed rules and regulations, making it possible to control the municipalities and their implementation activities. Hence, the 1970s saw the build-up of systems of sector planning in the various areas where the municipalities were in charge of the public tasks and services - in the areas of social services, health, education, and infrastructure (Villadsen, 1987; Bogason and Zacchariassen, 1984; Bogason, 1984; Arnfred et al., 1980).

The sector planning systems got a decentral, municipal basis, but they were linked to state sector planning via a formalized set of information and registration procedures which gave the state an overview of the municipalities, including a possibility to intervene if the municipalities failed to live up to the policy goals of central government or if the management of individual municipalities deviated too much from other municipalities. In some cases the municipal sector plans had to be directly approved by the state, but even without such approval procedures the sector planning system helped facilitate central supervision and control of municipal activities in the various sectors via issuance of "advisory" guidelines and prescriptions.

Along with the sector planning system, a comprehensive system of physical planning was established. The primary field of this planning system was regulation of land use, but it "was first and foremost also conceived as a new means of the state for managing municipal policy" (Ingvarsten, 1991:239, my translation). Physical planning comprised a system of national, regional and municipal planning where the national planning directives established the general goals and frameworks which were to be respected by the lower-ranking regional and municipal planning authorities. From the outset, the physical planning system was conceived as a superordinate and comprehensive planning system for coordinating and harmonizing sector planning with economic planning.<sup>8</sup> Regional planning and, hence, the counties were allocated the major role in this coordination and harmonization process.

The municipalities were strongly dissatisfied with this new planning system. They argued against the hierachical, "top down" structure of national and regional planning, calling instead for a planning system whose point of departure was "from below" (Ingvarsten, 1991:244). Here the municipalities ran into opposition from the counties, however, and the municipal viewpoints made little impact on the political parties in parliament. The parliamentary parties were in general agreement as to the necessity for strong national and regional planning, under which sector planning was subordinated and which set the conditions for municipal planning. Even though the

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<sup>8</sup> In reality the physical planning system never obtained this superordinate role. Instead, the system of financial budget planning, which was constructed during the late 1970s, became the actual superordinate and comprehensive planning system (Arnfred m.fl., 80).

Social Democratic Party, which became the governing party in 1971, advocated stronger control over the municipalities than the liberal-conservative parties, it was the liberal-conservative opposition and former government parties which had begun the work of establishing physical planning, and they too were spokesmen for a strong state planning control of the municipalities.

"In reality, in the opinion of the parties a control system had been prepared which cleared the way for an economic, cultural and social homogenization policy where an increasing welfare could benefit all parts of the country." (Ingvarsen, 1991:251, my translation).

On this goal there was room for agreement between the Liberals, who primarily sought to promote development in the countryside, and the Social Democrats, who desired equality among the municipalities with respect to level and character of municipal efforts in the various welfare policy areas. Similarly, they could agree on the common belief in planning as the new means of ensuring the goal of an equal and uniform development in and of the municipalities.

Far from a strengthening of local self-government, the agenda of the actual reforms concerning allocation and control of tasks came to be dominated by the problems and difficulties connected to an efficient, result-oriented implementation of the welfare state policies and objectives. The municipal autonomy viewpoints, advanced primarily by the municipalities and directed against the new systems of planning and control, failed to become dominant.

This is also the case of the final set of local government reforms, e.g. the reform of financial responsibilities. This reform was significantly affected by the attempt to integrate the municipalities into the public welfare sector and system of administration.

#### *Reorganization of Financial Responsibilities.*

The financial responsibility reform was handled by the same ministerial committee, dealing with the reform in task allocation. Together with a delegation of tasks from state to municipalities and counties, the intention was to gradually replace the state subsidy system of automatic reimbursements with general block grants distributed according to "objective" criteria (Ingvarsen, 1991:80).

The system of reimbursements had evolved together with the interwar and postwar growth of municipal special legislation in the social, health and educational sectors. Via high rates of subsidies, central government had attempted to stimulate the many small municipalities to increase the level of public services in those areas where such increases could not be directly prescribed (Rold Andersen, 1980:34). With the general growth in public services, including services delivered by the municipalities, there was no longer the same need for this kind of incentive. In addition, the state reimbursement system was beginning to pose a threat to the possibilities for economic policy-making and control over the total public spending. To control municipal expenditures was thus one of the main messages of the "Planning Perspective Statement" ("PPI") on the public sector from 1971. Controlling public expenditures was also a key ambition for the Center-Right government, who saw the delegation of tasks to the municipalities as accentuating the need for financial planning and control (Ingvarsen, 1991:126).

Apart from creating better possibilities for macroeconomic and financial planning<sup>9</sup>, a reorganization of state reimbursements into a general block grant furthered a more efficient linking of competence and responsibility at the municipal level. Connecting competences in task management with financial responsibilities was thus a second important goal of the financial responsibility reform (Rold Andersen et al., 1980:33). This linkage between municipal competence and responsibility was generally seen as synonymous with a strengthening of the municipalities and local self-government, inasmuch as the municipalities hereby obtained possibilities to set priorities in their task management.

Both integrationist and autonomous perspectives on the municipalities were thus present in connection with the reform in financial relations and in contrast to the other reform elements the financial reform led to a certain degree of confrontation between the two perspectives. During the parliamentary debate, the Socialists (SF) and the Social Democrats expressed misgivings about reductions in state reimbursement programs. The two parties feared that such a reduction would lead to increased differentiation and inequality among the municipalities. The Social Democrats sought to ameliorate the problems of inequality by expanding the general block grants to the municipalities and via subsidy criteria which took into account the municipalities' differing financial needs. Ultimately, they succeeded in reaching agreement with the center-right parties (Mikkelsen, 1991:162).<sup>10</sup> - Despite the closer linkage between municipal competence and responsibility, the reform did not intend to allow the municipalities to use their new possibilities of priority setting to develop in different directions on the basis of local political desires and preferences. An equal development of the municipalities and a uniform treatment of citizens regardless of where they lived, was a key goal to the financial reform (Rold Andersen et al., 1980:35; Mikkelsen, 1991:212).

In his analysis Kjellberg acknowledges that the restructuring of financial responsibilities was dominated largely by integrationist viewpoints (Kjellberg 1988:64). But despite this - one - "admission" of integrationism in the Danish local government reforms his - summary - conclusion is that "the most significant aspect of the Danish reorganization is the impact of the autonomous model" (1988:64).

As regards the impact of integrationist vs. autonomous perspectives on the municipalities and their role in the political administrative system my - summary - conclusion on the Danish local government reforms is virtually the opposite of Kjellberg's: the autonomy perspective was present, but the most significant aspect was the integrationist perspective. Compared to the integrationist viewpoints, the autonomy perspective, advanced primarily by the municipalities, "lost the battle". - In any case, it never became the dominant perspective.

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<sup>9</sup> The financial reform thus laid the foundation stone for the public budget and spending control system, build up through and in the late 1970s.

<sup>10</sup> Apart from a financial adjustment between the municipalities via the state block grant system, an inter-municipal adjustment arrangement was introduced.

Undoubtedly Kjellberg's conclusion is based on the analytical weight he attaches to the reform of the territorial structure, largely sidestepping the not less important reforms in allocation and control of public welfare tasks. The territorial-structural reform was to a large degree affected by local self-government viewpoints, even though integrationist ideas were also at work here. As for the other reform elements, however, the self-government viewpoints were, if not wholly absent, then certainly without any decisive impact. Hence, a different and more integrationist picture emerges when these other elements of the local government reform are taken into consideration.

*Concluding: Municipalization of the Welfare State - a role mixture.*

In regard to the question of the municipalities' role in the entire system of governance, the decisive elements of the local government reform were the reforms in allocation of tasks and responsibilities and the associated reforms in planning and control.

The decentralization of public tasks, which was inherent in these reforms, was not a case of strengthening local self-government but, rather, to strengthen the municipalities as implementation agencies for the welfare state. The municipalities were to receive more discretionary competence in order to adapt the implementation and management of the public welfare tasks to locally specific needs and problems. The intention was not to give them increased freedom to decide for themselves and to manage their "own" local affairs.

In the general political debate, the decentralization of tasks and competence to the municipal level has often been interpreted as synonymous to a strengthening of local self-government. And in the scholarly literature as well, the local government reform has been depicted as a reform which, if not actually then at least intentionally, was to strengthen local self-government (Mouritzen, 1984:187; Grønnegård Christensen, 1991:126). Hence, Kjellberg is far from alone in his description of the Danish local government reform as primarily implemented on the basis of an ideology of local self-government.

There is no doubt that the local government reform led to a wide-ranging decentralization or municipalization of the public welfare sector. And more so in Denmark than in Norway and Sweden. In this respect, one can speak of a specific "Danish model" (Villadsen 1987, 1992). Yet, this municipalization was not an effort to effectuate a liberal model of municipal autonomy and rather than "decentralization" the delegation of tasks and competence might be perceived as a "deconcentration" of the implementation and concrete management of welfare state tasks and services. The municipalities were integrated into the welfare state and subordinated to a welfare state control system which certainly gave the municipalities increased competence but no authority to embark on their "own" and differentiated paths in task management and service delivery. Here the new planning systems and mechanisms were meant to keep the municipalities under close central supervision.

The fact that the planning system did not always function as it was meant to and that some municipalities actually utilized their increased discretionary competence to take their own

and different paths is another story. It was not such a self-governmental municipal behavior which was on the agenda and searched for via the local government reform. And even though it may be some of an overstatement to describe the consequences of the reform as a development of "275 identical welfare societies" (Ingvarsen, 1991:325), it was nevertheless the welfare-state oriented integration model which - also in practice - came to mark the municipal development as a consequence of the local government reforms.

Regarding the constitutional dual role of the municipalities, the local government reform resulted in a peculiar mixture between the local self-government and the local administrative role.

The status of the municipalities as decisive implementation agencies in and for the welfare state can neither be characterized as a strengthening of the self-government role nor as a strengthening of the local administrative role. In this connection, the local government reform broke with previous and especially post-war municipal developments. Here it was a case of a certain displacement between the two municipal roles, the local self-government role giving way to the local administration role. With the local government reform, however, a mixing of the two roles occurs. The municipalities are strengthened as local administrative and implementation agencies for the welfare state, while at the same time obtaining increased competence to organize and manage tasks and services on the basis of locally different problems and needs. The self-government role is so to speak made into an integral part or dimension of the administrative role, obtaining the character and form of an increased municipal competence in the implementation and management of the welfare state tasks and services. In this, peculiar, sense the local government reform can be viewed as a reform which strengthened the municipalities. The municipalities were granted an enhanced role in the political administrative system crosscutting and transcending the traditional, constitutional dual role as units of local self-government and units of local administration.

The new competence of the municipalities was closely connected with the expansion of the welfare state and the public welfare services. The connection to the welfare state indicates at the same time the limitations of the new municipal competence. The welfare state sought to provide better and equal opportunities to all regardless of differences in private economic capacity, position on the labor market, and residence. As implementation agencies of the welfare state the municipalities became involved into and subordinated to these welfare policy efforts, placing distinct limits on how the increased competence could be utilized by the municipalities.

In this respect the municipal reorganization of the 1970s differs from the kind of reorganizings which have been taking place since the beginning of the 1980s. The "modernization" agenda of the 1980s has contained other perspectives on the municipalities and their role in the system of governance than those which belonged to the epoch of the welfare state; and the "modernizational" reorganizings have contributed to quite another municipal status and role than the welfare state implementation role attributed to the municipalities during the 1970s.

"Liberation" of the Municipalities During the 1980s: Municipalization of Political Governance.

"Decentralization" and introduction of "self-regulating steering mechanisms" have been some of the pervasive catchwords for the "modernization" of the public sector launched by the center-right governments of the 1980s.<sup>11</sup> The project of "modernization" was not specifically directed towards the municipalities but towards the public sector in general, and especially towards the public welfare sector. - Reforming local government was not a distinct part of the modernization programme. However, by virtue of their role as decisive implementation agencies for the welfare state, the municipalities became object of many of the reorganizing efforts towards the public welfare sector thus undergoing a "silent local government reform" executed in fragments and with far less attention and discussion than was the case with the local government reforms of the 1970s. The municipal reorganizings of the 1980s have, however, been quite as significant for the municipalities as the reforms a decade earlier.

Frequently a more or less straight line is drawn from the local government reforms enacted in the 1970s to the modernization-oriented decentralizations taking place in the 1980s. Some have gone so far as to draw a direct parallel between the ideas of the local government reform and the modernization proposals of the Center-Right government following its assumption of power in 1982 (Ingvarsen, 1991:323).

Rather than any single, prolonged movement towards decentralization, we are in fact dealing with two quite different developmental processes which cannot be interpreted in terms of the same "decentralization" formula. The modernization of the public sector which came to dominate the political agenda of the 1980s brought off - municipally seen - something different than the municipalization of the welfare state, resulting from the local government reform of the 1970s.

Especially the modernization efforts to simplify state regulations and to transform the systems of public planning have, together with the "free commune" experiment and other more sector-specific experiments and legislations, brought changes in the status and role of the municipalities.

*Simplification of Regulation.*

As one of the first steps on the path towards restructuring the public sector and its organizational forms of management, the newly formed Center-Right government, began its "regulation

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<sup>11</sup> The "modernization" project represented a marked political new thinking. Less because of the "blue-toned", neoliberal visions connected to the project as because of the project's institutional-organizational profile. Instead of direct, substantial renewals of the welfare state policies the modernization project aimed at political administrative, institutional and organizational, restructurings. "Administration"-policy became a new, important and independent, type of policy. - "Administration"-policy may be a bit misleading designation as far as this new policy type also contains a range of more fundamental constitutional aspects concerning the existing form of political governance. "Constitution"-policy may in some respect be a more adequate designation (Beck-Jørgensen, 94; Olsen, 92).

simplification campaign" in 1982 (Grønnegård Christensen, 1991; Andersen and Rolighed, 1984).

Trade organizations and municipal associations as well as individual municipalities were asked to present proposals for simplifying state regulations in their respective task areas.

The traditional rule based and detailed regulations of the municipalities, which according to the local government reform of the 1970s was to be replaced by a more general and goal-oriented regulation and planning control, had not ceased to exist. The new type of municipal goal and framework legislation had cleared the way for a follow-up by administrative rules and regulations. Besides, the municipalities had themselves contributed actively to a continued detailed regulation of their activities. As service and interest organizations for the municipalities the National Association of Local Authorities (*Kommunernes Landsforening*) had begun to take part in steadily more comprehensive guidance activities vis-a-vis the municipalities (Christensen, 1984). And many of the municipalities, having difficulties in managing their increased implementation competence, had themselves requested additional directives as to how they were to deal with their tasks (Rold Andersen et al., 1980:65). - Thus, despite the introduction of goal and framework legislation, detailed municipal regulations and prescriptions were still flourishing.

The campaign's message of greater "municipal freedom" via simplification of regulations was greeted by many municipalities and by the municipal associations (Mouritzen, 1984; Grønnegård Christensen, 1991), and the greater part of the proposals presented during the campaign came from the municipalities and their associations.<sup>12</sup> Both as concerns the number of proposals and in terms of their execution, the largest proportion of the regulatory simplifications concerned the municipal public sector.

Despite the immediate success in the municipal sector, there was, however, some discrepancy between the message of "municipal freedom", launched by the government, and the actual content of the regulatory simplifications. Those simplifications which were implemented remained more in the realm of procedural guidelines rather than changing the regulations of the content and management of the municipal tasks.

The modernization efforts towards the municipal sector went further than that, however. This becomes clear from the other modernization measures directed at or affecting the municipalities.

#### *Transformation and Decline of Planning Control.*

Along with the campaign to simplify regulations, but without corresponding attention, measures were taken to transform the systems of central planning control, instituted during the 1970s as the new means to replace the traditional forms of control by rules and detailed regulation. This

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<sup>12</sup> The regulation simplification campaign ebbed gradually away after 1985. However, the issue of simplification of regulations was still on the agenda of the center-right government, but without the same campaign-attention which marked the efforts during the first couple of years.

break with the planning systems was launched with the 1983 planning "white paper" titled "All That Planning - Why and How?" (Planredegørelse 3, 1983).

The white paper was a final rejection of the ambitions to develop a comprehensive planning system for the entire public sector which had characterized the political-administrative agenda during the 1970s. The already constructed state-municipal planning systems were to "undergo a marked transformation" and to be cleansed "of that which belongs to the growth, expansion and bureaucracy tendencies of the 1970s" (Planredegørelse 3, 1983:12, my translation). The planning systems were to be transformed into "useful tools" for restructuring and modernizing the public sector.

In order to reach this aim, the municipal planning in the various sectors and service areas had to be freed from formalized state-set frameworks and "straitjackets". Provisions on state approval was to be abolished, information and registration procedures and demands for fixed, ongoing planning procedures should be abolished. Sector planning was to have character of a "pilot light" planning combined with more ad hoc and thematic planning efforts.

Besides, political processes and policy-making at the local level had to have more scope in the organization and content of planning. According to the white paper, the restructuring of the public sector demanded:

"- - a policy renewal and variation according to local conditions. This means that to a great extent it is the individual local authorities themselves who formulate their possible solutions and in all cases they themselves determine what kinds of solutions will be chosen [ibid:46, my translation].

Instead of being an instrument for central control of the municipalities and their management of tasks and services, the planning systems were to contribute to a renewal and variation in public tasks from below, e.g. on the basis of locally varied preferences and policy-making processes.

The 1983 white paper led to a noticeable change of course and development in planning, obtaining somewhat greater "success" and effect than did the regulatory simplification campaign. "Planning" largely disappeared as a concept from the political-administrative vocabulary, and the existing planning systems were gradually and quietly dismantled. Sector planning was reduced to a non-committal instrument for local government.<sup>13</sup> The physical planning system had its sector coordinating functions removed and lost its hierarchical character with the superior status of national and regional planning in relation to municipal planning. According to a national planning white paper from 1989 "time had run out" on the goal of an equitable and uniform development of all the municipalities predominant through the 1970s. Instead of "equality", "variety" had become the leitmotif for national planning policy, giving the counties and municipalities "the main responsibility for the developmental possibilities found in the individual

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<sup>13</sup> This was, however, not the case in regard to the environmental planning of the counties. This planning was still to be approved by the central state level - an approval which had binding effects on the counties (Ingvarsen, 91:208).

areas of the country" (Landsplanredegørelse 1989, quoted from Ingvarsen, 1991:273, my translation).

Increased political competence and freedom to choose their own and various paths in task managements according to local political preferences was also the central element in the "free commune" experiment, begun in 1985. - In contrast to the other generally formulated modernization measures this experimental programme was directed specifically at the municipalities.

*"Free Communes" and Experimental Arrangements.*

The experiments with "free communes" (*frikommuner*) grew out of the campaign for regulation simplification. Because of the fail of the campaign to produce any unequivocal break with state regulation and control over local government, the liberal Minister of the Interior and her officials in the Ministry decided "to begin for themselves" (Grønnegård Christensen, 1991:46), and following the Swedish model, formulated the idea of experimenting with "free communes."<sup>14</sup>

Based on an experimental status as "free commune" the individual municipality would be able to liberate itself from some of the legislative or other state restrictions on the municipalities and their activities. The initiative was to come from below via municipal applications to become a "free commune" and proposals for activities which were to be kept free of central state regulation and control. Apart from better service to the citizens and a better utilization of resources, the articulated goal of the free commune experiment was to "increase local self-government" and "achieve better adaptation of the local government to local conditions" (Schou, 1986:223).

The "free commune" legislation, approved with broad political support from the various parties in parliament<sup>15</sup>, authorized the various ministries to make exceptions from existing legislation and regulations in a wide range of specified areas concerning both the internal political administrative structure of the municipalities as well as their organization and management of tasks and services. Approval of the concrete experimental proposals and projects from the municipalities was also delegated to the respective ministries, but the Ministry of the Interior entered into the approval procedure as a representative of and support for the municipal "free" interests. In cases of disagreement between a sector ministry and the Ministry of the Interior, the issue was to be decided upon at the government level by the Government's "Modernization Committee."

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<sup>14</sup> It was, however, more in regard to form than substance that the Swedish free-commune experiment was made a model. The Swedish free-commune experiment did not have the same "sting" towards the public welfaresector and it was to a larger degree directed towards the question of local democracy (Mellbourn, 86:71ff.; Montin, 93:32ff.)

<sup>15</sup> The free-commune legislation, enacted in may 1985, was later changed and extended several times in order to be in touch with the experimental ideas of the municipalities (Byrge Sørensen, 89). The number of free-communes was also extended, just as the experiment period which ran out with the end of 1993 (Rose, 89; Schou 93).

Even though the free communes were not quite as "frisky" in their various experimental proposals as the Minister of the Interior had hoped (Madsen and Schou, 1986:57), the free commune legislation led to the beginning of a long series of experiments concerning both municipal organizational structures as well as municipal management of tasks and services especially in the educational and social sectors.<sup>16</sup>

The free commune experiment has been characterized as "a refined tool for restructuring state-municipality relations vis-a-vis strong organizational and sector interests." (Schou, 1988:47, my translation). Besides "clipping the wings" of opposition against a reorganization of political authority and competence between central and local government, the free commune experiment might stimulate developmental learning processes in the municipalities, gradually giving them more "courage" and desire towards a "freer" life. - As such an arrangement, the results of which are making themselves felt in the longer term, the free commune reorganization of the relationship between central and local government can be difficult to tally up. However, as regards the existing municipal tasks and services, there can be little doubt that the free commune experiment worked to strengthen municipal authority and policy-making competence at the cost of central state government - not just in the individual "free communes", but in the municipalities in general.

Experiments as a "clever" reorganization strategy were utilized not only in relation to the municipalities. In several state policy areas experimental arrangements were initiated in order to open up and test various ways of organizing and managing public tasks. This was especially the case for key welfare state sectors such as education and social services (Schou, 1987; Hegland, 1990, 1994). Even though these experimental arrangements and programmes were not directed at the municipalities, they were of importance to the municipalities insofar as they opened up new forms and ways of managing those tasks for which the municipalities were granted responsibility. With the possibilities for obtaining dispensation from and with the experimental opening of the sectoral legislation these sector-specific experiments supported the more general "free commune" experimental arrangement.

Apart from and partly based on the free commune and the sectorial experiments, changes were made in some sectorial legislation, delegating political decision-making competence to the local municipality level. Thus, the legislation on public schools was altered in 1989, delegating increased authority to the municipalities. In order to obtain greater variation and multiplicity in the school system, both between the individual municipalities and across individual schools, management by objectives and frameworks was to become the sustaining principle both at the central as well as at the municipal level (Cranil, 1994:5). On the part of the government and the Minister of Education the plan was to delegate as many competences as possible to the individual

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<sup>16</sup> The free commune experiment was not intended to alter the established division of tasks between state and local level nor to alter the demarcation between public and private activity (Schou, 1986:226). Hence, experimental proposals which entered into these divisions and demarcations, as for instance many of the proposals in the employment and industrial policy area, were rejected.

schools. However, it was open to the municipalities to determine to what degree and extent competences were to be delegated further to the individual schools or to remain in the hands of the municipality.

In extension of the free commune experiments the municipal law, regulating the organizational structure of the individual municipalities, got changed in 1989. The "free commune" dispensations from the municipal law became generalized so that all municipalities obtained possibility to make experiments in their political and administrative organization in line with the "free commune" municipalities (De nye politiske strukturer, 1991:67). The 1989 law also allowed the possibility to limit the number of standing committees, and the municipal statutes, determining the organizational structure in more detail, was to a larger degree made into a question determined by the municipal councils themselves.<sup>17</sup> With some further changes in the municipal law in 1993 and 1994 the issue of the internal municipal structure has been set almost totally free (Bilag til Betænkning no. 1268, 1994:118ff). The municipalities have got opportunity to introduce a so-called "intermediate" form of political structure ("*mellemformstyre*")<sup>18</sup> or to organize themselves without any political committees at all ("*udvalgsloste*" styre) and they may choose to create and delegate authority to local neighbourhood councils. Other organizational forms can be introduced, but they must be approved by the Minister of the Interior.

To some degree, however, the increased possibilities and freedom of the municipalities to take their own and varied paths as concerns their internal organizational structure as well as their management of tasks and services have become "overshadowed" by a simultaneous tightening of central control over the municipal finances and spendings.

In general, the 1980s' modernization project and reorganizing measures towards the public sector have been closely linked with restricted financial and public spending policies. This is also the case with respect to the reorganizing of the municipal sector.

#### *Financial Control of the Municipalities.*

"The government has great respect for local self-government, which is entirely necessary for a modern and up to date public sector," stated the Danish Finance Minister in 1987, adding, however, that "the government must set the general framework which is compatible with the socioeconomic goals. Local governments must then fill up this framework." (quoted from Schou, 1988:44, my translation). - The municipalities were granted increased freedom, but within centrally determined and restricted financial frameworks.

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<sup>17</sup> Only the "corporate" municipalities of the bigger cities had to have their statutes approved by the Minister of the Interior. Other municipalities were just obliged to report to the ministry (Byrge Sørensen, 89).

<sup>18</sup> The "intermediate" form contains traits from the normal committee structure as well as from the "corporate" structure as far as the financial committee is made "corporate"-like - consisting of the mayor and the chairmen of the standing committees.

This situation of granting competence and authority to the municipalities on the one hand and a tight spending policy and financial control on the other has been depicted as a contradiction in the center-right policy towards the municipal level of government (Schou, 1988). - The situation is not that simple, however.

Narrow spending frameworks do not in themselves and necessarily lead to a narrowing of political decision possibilities at the municipal level. As Erik Amnå has pointed out, local politics can be just as significant in times of financial reductions, where the problem is to "administer misery", as when it is a case of "making good times better" (Amnå, 1994).

Besides, the narrow financial frameworks for municipal activity up through the 1980s have been connected with simultaneous efforts to endow the municipalities with more financial responsibility.

In 1984 a new financial system was instituted entailing a separation between state subsidies and municipal adjustments (Schou, 1988:26ff; Villadsen, 1987). The state block grants were to be exclusively allocated in proportion to the different tax bases and not linked to spending needs in and differences between the individual municipalities.<sup>19</sup> The equalization of differences among the municipalities because of their different spending needs was to be a pure municipal, i.e., inter-municipal affair. With this financial separation, it became easier to change and reduce the block grants to the municipalities. And the government sought to gradually reduce state block grants and make the municipalities more self-financing. The financing of municipal tasks and services was to evolve into a municipal and inter-municipal affair which did not involve the state.<sup>20</sup> Political responsibility concerning tasks and financial responsibility had to follow each other, and both parts belonged in the municipalities according to the center-right government.

In this sense central financial control and reductions in block grants cannot be regarded as standing in simple opposition to the delegation of increased political authority to the municipal level.

The central financial and spending controls have, however, contained some elements which do not fit into the increased competence and authority of the municipalities. Firstly, the spending policies of central government have contained direct and ad hoc oriented interventions into the municipalities' financial dispositions and budgeting in the form of ceilings for municipal taxation and borrowing, introduction of penalty fees for exceeding budgets, etc., (Schou, 1988;

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<sup>19</sup> This question had been an important and conflictual one in relation to the financial reform of the 1970s. Here the Social Democrats succeeded in making "objective" spending needs a part of the criteria for the distribution of block grants to the single municipalities in order to compensate inequalities between the municipalities resulting from the replacement of automatic state reimbursements with block grants.

<sup>20</sup> It was, however, not possible for the government to realize this ambition of municipal self-financing. The block grants were reduced and the municipal taxes and revenues financed a larger part of the municipal expenditures, but from 1988 a state-financed subsidy arrangement, containing adjustments of the differences between the tax-bases of the municipalities, was reintroduced. Differences because of spending needs remained, however, an inter-municipal issue.

Friisberg, 1984). Secondly, the introduction of the budgeting principle of "expanded total balance" from 1984 - according to which the municipalities are financially compensated for the assignment of new public tasks (Schou 1988) - has led to the development of a negotiating system regarding allocation of new public tasks between central and local level. Via the state-municipal negotiations on financial frameworks the municipalities are imposed a range of more or less specified tasks and obligations. They are being agreed upon via negotiation between state and the municipal associations but they do, of course, restrict the individual municipality in its task priorities and management.

The central spending and financial control policies during the 1980s thus yield a more complicated picture of the process of municipal "liberation" and in the general public and municipal debate it is often these financial restrictions that get the major part of the attention. In spite of the financial restrictions, there is, nonetheless, no doubt that the different modernization measures directed towards the municipal part of the public sector have had quite other and more wide-ranging perspectives than the form of municipalization of the welfare state which took place during the local government reforms of the 1970s. With the reorganizing of the 1980s the municipalities have obtained new possibilities and greater freedom to proceed on their own according to local political preferences and policy-making processes.

*Concluding: Municipalization of Political Governance.*

Compared to the implementational decentralization during the 1970s, based on functional principles as to where and how the different welfare state tasks and services could be most efficiently organized, the reorganizing of the 1980s are more about a political and governmental decentralization, based on territorial principles as to where and how governance concerning common and public affairs ought to be organized.

It is not only the implementation and concrete management of public tasks, but competence concerning public policy-making and governance which has been municipalized.

From the perspective of the constitutional dual role of local self-government and local administration, the municipal development of the 1980s might look like a development from the local administrative role to the local self-government role. But just as the development of the 1970s can hardly be grasped in terms of a simple displacement between these two roles, neither can the development of the 1980s be understood in these simple displacement terms.

With a point of departure in the composite mixture between the two constitutional roles, which was the outcome of the local government reform of the 1970s, one can more accurately speak of an alteration in this mixture of roles. The increased municipal implementation competence has attained the character and form of an increased political and governmental competence. The question of what is and ought to be common and public affairs, and how they should be handled, is to a greater degree being made into a local political issue, with which the municipalities can deal on the basis of locally manifested political processes and preferences.

The constitutional dual role, historically held by the municipalities and by which the municipalities have traditionally been understood, is to a large extent transcended and passé, and of little use in comprehending the kind of political and governmental decentralization which has taken place in the 1980s. The municipalization of political governance is not a matter of strengthening local government as an autonomous counterpart and counterforce to central state government, as was the case in the classical liberal idea of local self-government. Nor is it a case of increasing the municipal "free sector" in the sense of a distinct sphere of local affairs upon which the municipalities can decide freely - in contrast to the legally mandated and centrally regulated administrative affairs of the municipalities. It is not a "rolling back" to a more liberal form of local government which is at stake.

#### THE NEW CONSTITUTIONAL ROLE OF THE MUNICIPALITY: A Local Political Institution and Unit of Governance.

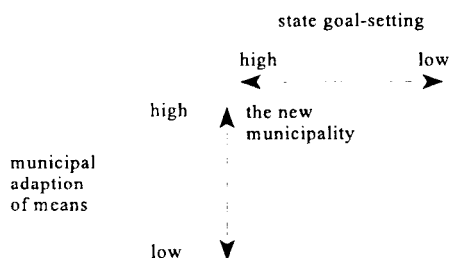
Local self-government is a historically and constitutionally rooted element of the existing system of governance in Denmark. Equally rooted is the municipal role as local administrative unit and decentral level in the public administrative system. Formally speaking, these two constitutional roles have not been changed or been called into question. And they continue to operate as general, conventional conceptions for the understanding of the municipalities and their role in the political administrative system. Especially the role as unit of local self-government seems to have obtained new life during the 1980s. The granting of increased political competence and authority to the municipalities has been introduced in the name of local self-government - in accord with the "self-government ethos" which has always surrounded Danish municipalities (Norton, 1994:331).

I have argued that the concept and idea of local self-government and the associated opposition of local and central government is a historically transmitted conception, which is historically transcended and unable to grasp the new constitutional status and role which has been allocated to the municipalities.

A schism has emerged between the historic-traditional and the actual constitution of the municipalities. And the historically transmitted conceptions prevent us from conceptualizing what has become the new constitutional role of the municipalities. There certainly is, as has been advocated by F.Kjellberg, a need for "a definition of new roles for the institution of local government" - a redefinition which "represents a theoretical challenge with which we have hardly begun to deal." (Kjellberg, 1991:59, my translation).

The theoretical need for a new definition of the municipality is raised by Kjellberg in regard to the Norwegian municipalities in the post-war era including the more recent changes and reforms in the 1980s. According to Kjellberg, the new role of the Norwegian municipalities is caused by the fact "that legitimate national interests enforce a new municipality, with emphasis on political coordination of public activity within a local framework, rather than on local self-

government” (Kjellberg, 1991:45, my translation). Thus, in his redefinition of the new role of the municipality Kjellberg emphasizes the internal dependence between and interweaving of the various administrative levels. Such interdependence must, Kjellberg argues, necessarily characterize a modern welfare state, where the central state level has to make general policy goals, frameworks and plans, and where the municipal level has to obtain increased scope in the concrete adaptation of effective means. - The following figure on the varying degrees of municipal adaptation of means and of state goal setting illustrates the new role of the Norwegian municipalities according to Kjellberg.

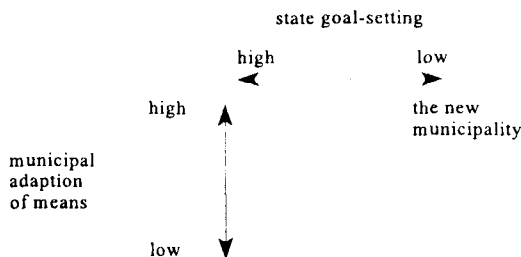


(From Kjellberg, 1991:61).

In a Danish perspective the new role of the municipality, suggested and advocated by Kjellberg, is not sufficiently "wide-ranging", however. Such a positioning of the municipality in the political administrative system corresponds largely to the implementation role attained to the municipalities with the 1970s' local government reforms and the resulting municipalization of the welfare state.

From Kjellberg's diagram, an illustrating positioning of the new role of the Danish municipalities, resulting of the reorganizings of the 1980s and the municipalization of political governance, could appear more like this:<sup>21</sup>

<sup>21</sup> Kjellberg's suggestion as to a redefinition of the local government institution is rather telling in regard to the differences between the municipal developments in Norway and Denmark - in spite of the, in many respects, parallel welfare state and "modernizational" reorganizings of the 1970s and 1980s. Regarding the welfare state development of the 1960s and 1970s Norway has not had the same kind of municipalization of the public welfare state sector as Denmark, granting the municipalities increased competence of implementation and adaption of means to local needs. In regard to the modernization development of the 1980s the Norwegian municipalities have not been "liberated" to the same degree as in Denmark. Thus, municipally seen, Denmark is at the "forefront", being exponent of a more radical municipal development than Norway. A somewhat similar difference is manifest in comparison to Sweden. During the 1990s Sweden has, however, taken a "leading", radical position in regard to the internal reorganizings and "modernizational" restructurings of the municipalities (Montin, 92; Wise og Arnå, 93 og Riberdahl, 93).



In both the 1970s and the 1980s the municipalities have been allocated increased competence and responsibility, enhancing their role in the political administrative system. Indicated from Kjellberg's diagram, the municipalities are moving upwards along the vertical means axis.

With the local government reform of the 1970s the municipalities took a historically decisive step into an integrated, nationally organized political administrative system. The state-municipality relationship took the form of a relationship between separate but interdependent and interwoven administrative levels operating within a common political welfare state framework, where the municipalities obtained increased competence and scope of action in their implementation and concrete managing of the welfare state tasks. But although the "liberation" and granting of authority to the municipalities during the 1980s might resemble a strengthening of local self-government, the municipalities do not fall back into the traditional self-government role they abandoned with the local government reforms of the 1970s. Their integration as part of a coherent, nationally organized political administrative system is retained. What is new, is that national political authority and governance is being given a more local and municipal foundation and organization.

At stake is an organizational restructuring of the total system of governance - from the central state level to the local level. To a larger degree political governance is becoming organized and institutionalized within a local and municipal framework, thus being given a more multi-leveled and fragmented organizational form.

In formal constitutional terms, the authority of the municipalities continue to have the character of a derived state authority. As far as the "living constitution" is concerned, however, the municipalities have obtained a new political status and governmental role - not just in regard to the "own", local affairs but in regard to the common, public affairs.

With this "neo-constitution", the municipalities have gone beyond their historical-constitutional dual role as units of local self-government and local administration. They have so to speak obtained "own legs to walk on" - as local political institutions and units of governance. The question of what is common and public affairs, why and how, is no longer a prerogative of

central state government based on nationally organized political processes, but a question which is determined by centrally as well as locally organised political institutions and "centres" of governance - interplaying and negotiating with each other.

In his "Norwegian" redefinition of "the new municipality", Kjellberg proposes that the traditional concept of local "self"-government (*lokalt selvstyre*) should be abandoned in favor of the concept of local "popular"- or "democratic" government (*lokalt folkestyre*) - a reconceptualization which indicates that it is within the municipality as an institutional expression of the local community, that a genuine coordination and adaptation of the public activities can take place (Kjellberg, 1991:60).

Seen from a Danish municipal perspective, the problem with such a conceptualization of the new municipality is twofold.

First, it does not grasp the role which has been allocated to Danish municipalities with the reorganizings of the 1980s. As pointed out above, the role of the Danish municipalities is not limited to coordination and adaptation of the public tasks and services, the state being responsible for the political goal-settings and the municipalities for the concrete means and instruments which shall lead to a, locally adapted, achievement of goals. The new or emerging role of the municipalities as local political institutions and units of governance transcends this "instrumental" implementation role.

Second, the question is whether the municipalities can sustain their new constitutional role of governance in a democratic way. In conceptualizing "the new municipality" as local "popular" or democratic government, Kjellberg seems to take it for granted that the municipalities are in fact institutional expressions of a local community and democracy. This is, however, an open, empirical question.

The municipalization of political governance during the 1980s does give the municipalities increased and new possibilities to manifest themselves as institutional expressions of a local political community based on common interests in public affairs. The open question is, however, whether the municipalities are organizationally and institutionally equipped to function this way and as an organizational form of local democracy. - Moreover, what do the ongoing internal reorganizations within the municipalities mean for their possibility to carry their increased governmental role in a democratic fashion? - Roughly, the internal reorganizings may be described in terms of a reorganizing from a coherent and unified "local government" structure to a more diverted and fragmented structure of "local governance". Will such internal reorganizings facilitate a development of the municipalities as local community governments based on a democratic citizenship? - Or will they make it more difficult to develop political democracy and citizenship at the local level?

Apart from the "external" reorganizations between the local and central levels of government which have been the subject of my contribution to a conceptualization of "the new municipality", a theoretical (re)conceptualization of the municipalities must also integrate the reorganizings going on within the municipalities.

Just as the historical-constitutional conception of the municipalities as units of local self-government can not be applied as an adequate conceptualization of what has become the "external" role of the municipalities, the historical-traditional conception of the municipality as an expression of local democracy and community cannot, without further notice, be applied as an adequate notion of what has become the "internal" role of the municipality. The municipalities cannot be taken for granted as an organizational form of a local democracy and community. Rather - the question of whether, and how, it is possible to strengthen and develop the municipalities as organizational forms of local democracy and community is a central question for further research on "the new municipality" - and a question which becomes ever more important and pressing with the emerging new role of the municipalities as local political institutions and units of governance.

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