

The Government Office of the Slovak Republic

The material to be discussed
in the Government Council for Public Administration

**The concept for decentralisation and modernisation of public
administration**

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INTRODUCTION

I. THE CONCEPT FOR DECENTRALISATION AND MODERNISATION OF PUBLIC ADMINISTRATION

A. Decentralisation of public administration

- 1. Decentralisation of competencies**
- 2. Draft organisation of public administration**
- 3. Proposed territorial and administrative arrangement**
- 4. Financing decentralised public administration**
- 5. Control in the public administration**
- 6. Proposed course of action in preparation and implementation**
- 7. Estimated financial impacts**

B. Modernisation of public administration

- 1. Management and quality improvement in rendering public services**
- 2. Training of public administration employees**
- 3. Information technology in public administration**

II. MEASURES PROPOSED FOR FURTHER MANAGEMENT OF THE PROCESS

III. APPENDICES

- 1. Propositions from the Statement of Policy of the Government of the SR**
- 2. Problems in public administration from the aspect of decentralisation and modernisation**
- 3. Proposed decentralisation of competencies**
- 4. Proposed organisation of public administration**
- 5. Proposed territorial and administrative arrangement**

INTRODUCTION

The state power derives from the citizens, which exercise it either through elected representatives or directly. (Constitution of the SR, Chapter I, Section 1, Article 2)

The main objective of the concept for decentralisation and modernisation of public administration is to strengthen the citizens' constitutional right to have an impact on the state power and to foster the position of elected representatives at all levels of public administration.

In its resolution no.788 of November 18, 1999, the Government of the Slovak Republic committed themselves to modernise functioning of the democratic state, to introduce in the society efforts of justice, freedom, accountability, solidarity, the rule of law, integrity, respect for distribution of power, support for people's initiative and involvement. They committed themselves to action against corruption, cult of power. The above pledges are not solely internal affair of the state but their fulfilment is a necessary prerequisite that will allow accession of the Slovak Republic to the EU, NATO and OECD. An essential public administrative reform is, inter alia, a prerequisite to fulfil them.

Citizens of Slovakia feel the impact of necessary transformation processes. The elimination of errors made in the past period, the need to restructure economy, the need to respect private ownership, price deregulation and other measures bring about temporary growth of unemployment, faster price growth than the growth in earnings, etc.

The change in general conditions requires also changes to be made within public sector, a change of its position in relation to private sector, to citizens and NGOs. Only efficient, effective and flexible public administration will allow to create conditions to appreciate human, natural and production potential of the Slovak Republic conducive to the growth of quality of the living standard of citizens of the state.

Regardless of its structure, a modern public administration must fulfil generally accepted requirements, which include:

- * clear distribution of jurisdictions, powers and responsibilities of public administration institutions in relation to the citizen
- * high-quality legislation,
- * compliance with the law and capacity to enforce the law,
- * high professionalism and ethics of public administration employees.

In the current public administration of the Slovak Republic, conditions prevail that result from decades of totalitarian system when the public administration was constituted for totally different tasks and it functioned under different framework conditions than are those existing in present Slovakia. The partial changes effected following 1989, and, particularly continuing efforts to take public administration for an instrument of power rather than service to the citizen, have not stripped public administration of many deficiencies.

The concept takes account of the existing situation in the country (economic conditions, the current territorial and administrative arrangement, ...) ratified international conventions (European Charters,...) but also new realities occurring in the course of work, such as the SR being invited to talks on accession to the EU. In this respect we need to note two decisive criteria of the European Union having effect upon continuation of public administration reform:

- * subsidiarity
- * competitive environment since this criterion applies also to the relation of the state administration and self-government, the latter has to be competitive in terms of service provision to citizens, businesses also within subjects of territorial self governments in the countries of the EU.

The concept pays respect to generally accepted principles of citizen society, subsidiarity, efficiency, transparency, in the way in which they have been defined within the strategy for public administration reform, on which the concept relies.

I. THE CONCEPT FOR DECENTRALISATION AND MODERNISATION OF PUBLIC ADMINISTRATION

A. DECENTRALISATION OF PUBLIC ADMINISTRATION

Decentralisation of public affairs has three dimensions:

- * decentralisation of functional responsibilities,
- * decentralisation of finances,
- * decentralisation of political power.

Decentralisation can only bring benefit for the citizen if it is implemented in all three dimensions at the same time. The implementation of only one of the areas, for example, the decentralisation of competencies without financial decentralisation, will have a reverse effect. Therefore the process of decentralisation must be complex.

Decentralisation means that the responsibility for clearly defined public functions will be handed over to territorial self government. The territorial self-government shall act independently of state administration as a public law subject in areas of autonomous jurisdiction. In areas of delegated state functions, territorial self-government shall act within the boundaries of legal regulations.

Decentralisation will be accompanied with handing over the property allowing to perform transferred competencies, namely through changes in financing public administration, deregulation and deetatation of the property and activities.

Decentralisation under conditions in the SR, will call for not only changes in a large number of laws and relevant sub-law norms but also an intervention with the Constitution of the SR. Just as any other essential change, the process of decentralisation will have its benefits and also risks.

The benefits of the implementation of all three dimensions of decentralisation include the following:

- * preventing further deepening of the crisis between the central government and citizens and strengthening of the state as a whole,
- * strengthening of the functioning of the institutes of democracy, strengthening citizens influence and that of representatives elected by them, and preventing totalitarian and authoritarian regimes from returning,
- * strengthening self-governing principles in terms of European conventions,
- * reducing the growing tensions of minorities and strengthening the protection of rights of minorities,
- * catching up with the trends in reform processes (EU, V 4),
- * increasing efficiency in the performance of public administration
- * increasing transparency with an effect upon reducing the measure of cronyism and corruption,
- * effects of cross-border co-operation and inter-regional collaboration,
- * increasing the economic performance of the state, particularly its regions,
- * halting the growth of regional and local disparities,
- * meeting special requests and needs in individual regions in a more flexible and efficient way,
- * benefits arising from local discretion and decision making in tailoring services to local conditions,
- * possibility to co-ordinate services and investment locally when tackling common problems.

The risks of decentralising public administration system include, in particular:

- * complexity of management - particularly when decisions relate to a larger number of autonomous (state and self-government) units. The decisions in a decentralised system may be delayed due to the need to negotiate, while co-ordination increases costs,... It holds that the more scope there is for autonomous lower-tier elements in decision making, the less scope there is for speedy and straightforward decision making at national level,

- * jeopardy to public interest - setting forth group interests within decentralised elements - may act against public interest,
- * fiscal externality - may pose a risk where the power to shape and decide the amount of public budgets is significantly decentralised. Then local decisions and interests may ignore the solutions of actual problems to the detriment of the upper-tier administrative unit,
- * disparities in the standard of services where unification or equality is desirable (education, health care,...),
- * challenge to control to be exercised in a decentralised system of public administration.

In order to minimise the risks, the following areas have to be addressed:

- * to clearly distribute responsibilities among individual tiers of public administration,
- * to have external and internal control mechanisms in place,
- * to introduce new mechanisms in public finance.

All the above measures will be implemented on the basis of conclusions of related concepts in subsequent legislative principles of legal regulations.

The knowledge of the current state in the SR, the development in the neighbouring countries but also within countries of the whole of Europe point to a need to complete the transformation of public administration in Slovakia, which began in the year 1990.

Delaying the implementation will result in:

- * continuing high concentration of political and economic power at central level,
- * problems in implementing important reforms in the area of education, health care,
- * continued degradation of the environment, landscape framework and the settlement pattern as well as on-going liquidation of social structure,
- * further growth in expenditure,
- * inefficient system of redistributing and using public finance continuing,
- * recurrent efforts to make non-systemic adjustments to the current system,
- * growth of social tension in the regions, arising from the growing regional disparities, growing unemployment, absence of regional development policy and preparation of regional programs responding to local needs,
- * sustained efforts at restricting local self government needs.

The Government of the SR with the Decree no. 695/1999, decided about the direction of public administration reform, commissioning the concept for decentralisation and modernisation of public administration. This decision means to continue consistently in the process commenced in 1990 implementing a separated model in public administration arrangement, with considerable strengthening of territorial self-government responsibilities. In decision making about the measure of decentralisation, it is possible to rely on a combination of three dimensions of decentralisation:

decentralisation of competencies**decentralisation of finance****political decentralisation**

minimal local service	low taxing power, low level of transfers to local level	territorial public administration officials appointed by the Government, wages paid centrally, accountability to central Government
strengthening local service without effect on so-called social services (education, social affairs, health care)	transfers prevailing (tax shares, subsidies) from central Government, tax and fee rates set centrally	elected representatives of local public administration, wages set and paid at local level, direct accountability to the electorate
broad range of public services, including involvement in social services	broad discretion to determine own resources, financial equalisation, possibility to raise credits, ...	

The efficient application of the separated model entails handing over to territorial self government virtually all competencies that are not exclusive competencies of the state, and at the same time, to transfer to territorial self government also maximum responsibilities, which although remaining a state responsibility, will be performed as delegated by self government. Any attempt to address the issues partially will not bring anticipated effect and will affect the volume of expenditure for public administration, have impact on blurred relations and ties between public administration institutions, and unclear relations and bonds for the citizen (the elector and the taxpayer), as well as the quality of control exercised over public sector.

The concept of decentralisation assumes the following dimensions of decentralisation in the target state:

- * a broad range of functional responsibilities for territorial self-government,
- * a broad power to determine own resource, the existence of financial equalisation based on agreements between individual levels,
- * elected representatives of territorial self-government , decentralisation i paying wages and direct accountability to the electorate.

1. Decentralisation of competencies

By decentralising competencies, the state is not waiving its co-responsibility for administering public affairs. In those competencies which will be devolved to self-government, the role of the state will focus on compliance control with the law and efficient use of public finance. In the competencies governed by law and in those tasks, which will be carried out on behalf of the state by a subject of territorial self-government, the same rules will be applicable as would be applicable to subjects of state administration.

In its Decree no 695/1999, the Government approved the framework list of competencies on which to build within the work on the concept of decentralisation and modernisation of public administration. Draft criteria have been drawn up for distribution of responsibilities between the state and territorial self government (local self-government and self-government of an upper-tier unit) (Appendix 3), on the basis of which the public functions have been classified in three basic categories:

1.1 competencies of state administration (state)

which comprise so-called exclusive competencies, i.e. those that cannot be guaranteed by any other subject since they are performed in the interest and on behalf of the state and its population. They include: state defence, foreign policy, legislature, fiscal, monetary, tax and wage policies, administration of state assets, justice, and courts, real estate cadaster, state registers, issuance of state documents, different kinds of state control including inspections and audits of territorial self government and services that it renders, co-ordinating and programming national activities. Despite exclusivity it is possible to transfer provision of some activities to some other subject of public administration, provided rules and conditions of state administration are upheld;

and competencies having nation-wide province, such as universities, research institutes, specialised health facilities, national cultural establishments, international roads, national railways, ports, posts, airports.

1.2 competencies of territorial self government,

that comprise a broad spectrum of services for citizens in the areas of supply, education, health care and assistance, territorial and regional planning, promotion of enterprise, management and use of own property, and they are bound to exercise initiative in all areas that have not been withdrawn from them by law.

In the view of countries of the EU, traditional functions of territorial self government (but also in Slovakia in the past) include:

- * co-ordinating and programming activities at local and regional levels,
- * economic functions,
- * economic services,
- * basic and secondary schools,
- * territorial planning and building permission,
- * public transport,
- * road administration and maintenance (except motorways and Class I roads),
- * cultural and sports facilities (except selected facilities), social services.

Within these competencies, as a rule, territorial self-government is responsible for management, control of substantive aspects, personnel, finances.

1.3 shared competencies,

which are applied in those public services (tasks) where state and territorial self government participate in their performance. These represent the most problematic category, as to distribution of competencies between the state and self-government and even the comparative analysis of EU countries reveals essential differences. These differences stem, on one hand, from the current arrangement of public administration, tradition of particular country or region, municipality. The weight of individual component of public administration often varies with time (due to political or economic reasons). The way state and territorial self government participate in the so-called shared competencies is closely tied to the overall model of public administration arrangements and the overall development within the public sector. In many countries, private and non-governmental sectors (non-profit organisations) play an ever increasing role in public service provision.

(Appendix 3 gives a proposal for distribution of competencies between the state and the territorial self government)

2. Proposed organisation of public administration

The proposed organisation of public administration relies on:

- * Government Decree no. 695/1999,
- * specialised works of Government committees working between 1990 and 1992,
- * specialised works accomplished by self government institutions (ZMOS, UMO SR) but also state bodies (Ministry of Interior, The Office for the Strategy...)
- * principles adopted in the strategy for public administration reform (Government Decree no.695/1999),
- * the requirement to adjust public administration of the SR to the needs of the market economy,
- * the requirement to apply the development trends in countries of the EU and V4 in the process of transformation of the society and hence also public administration,
- * new definition of functions and position of the state administration and self government arising from new distribution of competencies.

Following principles of future organisation of public administration have been adopted in the strategy for public administration reform:

1. Public administration in Slovakia shall be exercised in a separated model. i.e. state administration and local self government.
2. Public administration in Slovakia shall be ensured at three levels:
 - a) local level (community, city/town)
 - b) upper-tier territorial and administrative unit
 - c) state (at the level of the Slovak Republic as a whole)
3. All levels of public administration (exercise of public power) there must be units, that will be governed in the performance of their functions by the public and private law, i.e. that in securing public tasks they will:
 - * implement mandatory tasks entrusted them by law ,
 - * as legal entities, they will be able to undertake acts that will be agreements of municipal, upper-tier or state representatives and their citizens.
4. All three levels will be represented by elected representatives of citizens and administrative staff.
5. In accord with the Constitution of the SR there will be two tiers of territorial self-government:
 - * local self-government,
 - * self government of upper-tier territorial unit,
6. State administration shall be provided through
 - * ministries and other central bodies of state administration,
 - * local state administration,
 - * non-governmental subjects stipulated by law.
7. Where it will be more beneficial for the citizen, the state tasks shall be performed by self governments in so-called delegated competencies from the state to self-government (e.g. register of births, citizens register, issuance of personal documents,...)

2.1 LOCAL LEVEL OF PUBLIC ADMINISTRATION

At local level, in the target public administration arrangement there will be:

- * local self government,
- * offices of specialised state administration (selected types, whose proximity to the citizen is a must).

2.1.1 Local self-government

The municipality is the basic constituent of territorial self government. The Constitution of the SR defines it as an independent territorial and administrative unit of the SR, associating citizens, that have permanent residence in its territory. The European Charter of Local Self government has defined the generally accepted principles of the existence and functioning of municipal self government in Europe and the National Council of the Slovak Republic ratified the Charter in 1999. The jurisdiction, obligations, the relation to the state administration are defined in the Municipal Establishment Act no 369/1990 of the Collection, as later amended.

With regard to the process of decentralisation and the experience gained to date, as well as the information that emerged from public discussion, two major steps have to be taken at self-government level:

1. Amend the Act 369/1990, as later amended

The purpose of the amendment should be to strengthen municipal powers (by clear definition of municipal tasks - specification in § 4) and changes to the provisions that proved problematic in the performance of self-governing

functions. Within the framework of the amendment it is necessary to newly formulate bonds to other bodies of public administration.

2. Propose form and way of municipal co-operation in undertaking new tasks

Decentralisation of competencies and finance will require to create conditions at local level for more efficient execution of devolved responsibilities. This may be essentially achieved in two ways:

- * by amalgamating municipalities,
- * by joint action with the purpose of joint provision of tasks by municipalities.

Negative experience of the integration period of the 1960s (the system of central settlement), and above all, the impact of those measures upon rural settlement, do not create conditions suitable for amalgamation of municipalities by law. Hence the Concept recommends to create conditions through different forms of associating municipalities and activities (inter-municipal co-operation), which will permit, at local level, to ensure rational execution of all tasks. The rules of inter-municipal co-operation have been and will be defined in law and enable both economic services and execution of administrative agenda to be undertaken jointly.

a) Economic, co-ordinating and planning services (tasks) within inter-municipal co-operation will be rendered on contract, on the basis of private law, prevalingly subject to the Commercial Code, or the Act no. 369/1990, as later amended under provisions of § 21.

b) Performance of administrative agenda, which municipalities are bound to provide by law, will be implemented, where the municipality is not capable to carry out the activity itself, under several arrangements:

Voluntary co-operation

1. Employment and legal community on contractual basis of public law nature

The municipality will agree with another municipality (town) provision of rights having service nature (activities needed before a decision itself) for the performance of some tasks, while the municipality itself shall issue the decision. The status of municipality, its legal position and sovereignty are retained. There is a realistic assumption that mostly towns, either closest or catchment, will be selected for service offices. The legal status, identity and sovereignty of the municipality are retained.

2. Inter-municipal co-operation at higher level on the basis of an agreement

Where the municipality (municipalities) think that, from the economic aspect, cost efficiency and effectiveness, it is both appropriate and advantageous for the citizens, they will establish a *joint municipal office*, which will allow certain agenda to be carried out jointly, subject to mutual agreement.

The agreement may take two forms:

- * one party to the agreement will take over individual responsibilities from other parties, whereby the obligation to carry them out is also undertaken
- * one of the parties to the agreement pledges to carry these tasks on behalf of other parties, whereby rights and obligations of all contracting parties are untouched.

The agreement shall contain the necessary particulars such as : appointment of the seat for the joint office, fixing the number of employees and the way cost are to be financed. To define the relation to individual municipalities and stipulating the mechanism for potential dispute resolution is also important.

Other particulars that need to be agreed include: the term for which the agreement is concluded, use and utilisation of assets, personnel policy, ways of control in general, and through elected controllers or a council committee. As this is a case of contractual relation, the agreement requires consent of the relevant Regional Office, and equally, disputes arising from it that are not resolved through the defined mechanism, shall be referred to relevant office for ruling (in this proposal, the Regional Office) and, subsequently, for court ruling.

3. Creating a purposeful association of municipalities

Cities and communities will join in an association for joint task fulfilment. This association will be a public law corporation, administering its affairs within laws and in its own responsibility. The rights and obligations to carry out tasks for which purposeful association is created, pass on to the association. Prior to its formation, the parties to the association will agree on the Statutes. The Statutes shall contain members of the association, tasks, name and seat, financing, business, ways of dissolution, the structure and administration of the association,...

The Statutes of the association shall be subject to consent by the Ministry of Interior, or, in the event of deconcentration of the responsibility, by the Regional Office. The bodies of the association shall include the general meeting (one member at least for each contracting party) and the Chairman elected by the general meeting.

Employment and legal community, public law agreement, or a purposeful association should be established wherever there are ambitions to provide, increase and upgrade services rendered, to increase special skills and professional expertise of staff in selected positions and functions in public administration, such as lawyer, finance officer, civil engineer,... Accordingly, there should be incentives of economic nature in the initial phase on the part of the state to encourage the use of joint action agenda provision, taking the form of impulses or relief in respect of those subjects that will make use of the above possibilities.

Mandatory co-operation

Where the municipality is unable to execute or ensure the performance of the administration agenda, and the performance is urgent for reasons of public welfare, and the municipality is not involved in any of the above forms of inter-municipal co-operation, the relevant administrative authority shall invite the municipality to arrange for remedy, within set time limits and with its own capacity or through an agreement with other municipality, or through a joint municipal office. If the municipality fails to do so within the set deadline, the relevant body shall make a ruling (subject to prior agreement), in which it will appoint which municipality will provide or render this agenda and also the amount and way of compensation that will be payable from the account of the municipality in respect of which the ruling was made.

The municipality concerned, may appeal to the Regional Office and subsequently to the court against the decision. At the end of calendar year (fiscal - school), the municipality may lodge a request to have the ruling suspended and, if it can prove that it is capable of carrying out the agenda itself, the request will be accepted. A revival of the institute of provisional fulfilment of the municipal task (tasks) by a body of state administration seems to be appropriate and possible, which is governed by provisions of § 5 par.4 of the Act no. 427/1990 of the Collection (no longer effective). The burden of proof about the inability to fulfil its tasks should be borne by the party that initiates the decision. At the same time it will be necessary to review the possibility of the municipality "to decline" undertaking tasks on behalf of another municipality despite cost recovery.

(seats which belong to natural centres of catchment areas are given in Appendix 4)

Intermunicipal cooperation will create organisational, administrative and personal prerequisites for decentralisation of functional responsibilities in economic activities and administrative agenda to local level. For reasons of smoother transition to local tasks provision by self-government we propose to implement pilot projects in selected municipalities before blanket devolution of responsibilities to local self-government takes place (over the course of 2001).

The legislation of intermunicipal cooperation will be further elaborated within the amendments of the Municipal Establishment Act, or in a separate law on intermunicipal (municipal) cooperation.

2.1.2 State administration at local level

State administration at local level will be represented by outposts of ministries and other central bodies of state administration (specialised networks). Their distribution within individual sectors will vary, upholding two criteria:

- * efficiency and profitability of the task provision,
- * accessibility of offices for citizens.

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The number of offices within the proposed regions will be decided by the Government of the SR on the basis of the proposal by the relevant central body of state administration.

Based on the analysis of the current state, respecting the proposed devolution of competencies and responsibilities to bodies of territorial self-government, we recommend the following specialised state administration offices at local level:

- * police corps,
- * section of investigation,
- * military administration,
- * state veterinary office,
- * state hygienist office,
- * environmental office,
- * cadaster office,
- * land and forest office,
- * social office,
- * tax office.

2.2 THE LEVEL OF UPPER-TIER TERRITORIAL UNIT

At the level of upper-tier territorial and administrative unit there will be:

- * self-government of upper-tier territorial unit,
- * general state administration,
- * specialised state administration offices.

Their mutual relations shall be stipulated by law.

2.2.1 Self government of upper-tier territorial unit

The upper-tier territorial unit (UTU) is an autonomous and self-governing unit of the SR that associates citizens registered as permanent residents in one of the municipalities comprising this unit. UTU has its seat, territory and bodies. Within legislative work on the self-government of upper tiers we recommend to consider whether the UTU should also have its coat of arms. The UTU exercises self-government through its bodies.

Position of the upper-tier territorial unit

The UTU shall perform responsibility that follows from its position of:

- * legal entity, i.e. it will manage its own property and own revenues, (particularly, acquire and withhold things and property rights in its ownership), administer taxes and charges, draw up the budget and pursue it. With this responsibility, UTU provides for its existence and creates material base for its own activity as a public law corporation and an administrative body,
- * public law corporation, i.e. it will fulfil the tasks of territorial self government, that municipalities cannot secure individually, or their provision for larger territorial units is more advantageous. With this responsibility, UTU ensures social and economic development of the territory, equalisation of disparities in amenities and joint services for all municipalities of the territory and its population. The material source of this responsibility is own property and own revenues, state support from redistributed financial funds and support from financial equalisation between regions.
- * administrative body, i.e. UTU will act as administrative body in the system of public administration in the scope stipulated by special laws. It will execute administrative acts arising from its own responsibility as a territorial unit and from tasks devolved from the state.

From under its responsibility will be excluded, fully or partly, (shared competence):

- * tasks which, subject to the Constitution or according to their nature, belong to basic functions of the state, (state defence, state administration, state assets administration, performance of state administration, exercise of justice and prosecution and citizenship matters, state security, basic transport network, international relations, etc.)
- * execution of administration which immediately relates to the status of physical and legal persons (individual ruling in particular cases), except those competencies that will be decentralised,
- * execution of state supervision and oversight over municipalities, other self-governing subjects of public and private law and citizens.

The power of the upper-tier territorial unit

From the aspect of the nomenclature of powers, the UTU shall have:

- * norm-setting power (adoption of generally binding regulations),
- * decision making power both inward (deciding about on its own property, territorial development issues, matters common for the whole territory) and outward (decision making on economic activities in the territory, territorial planning decisions, tax and charges levies),
- * controlling power (in relation to own organisations and bodies, to handling own assets, own revenues and expenditure),
- * execution power (performance of own decisions, tax execution),
- * penal power (to impose sanctions for administrative offences),
- * founding power (to set up own initiative, controlling and executive bodies, to establish own service organisations).

Bodies of UTU

The bodies of UTU shall include: UTU Council, UTU Board, Chairman, Deputy Chairman, UTU Main Controller. The position and the relations of bodies of UTU shall be stipulated by a special law.

Relation to municipalities

UTU shall be an independent legal entity without any immediate organisational and legal relation to municipalities, which, too, are autonomous legal entities. The relation of the UTU to municipalities will essentially be very similar to that existing between municipalities and thus relations of co-operation will be applied in decisive measure. Co-ordination will be applied to a lesser extent, either on the basis of law (e.g. territorial planning decisions), or on the basis on appointment by municipalities (contractual basis).

UTU in relation to municipalities will be the public law corporation of upper tier territorial self-government, responsible for territorial self-government that municipalities cannot secure individually, or whose provision for a larger territorial unit is more advantageous. From this position of UTU, administrative superiority does not arise in relation to municipalities and hence superior position in hierarchic sense. either (e.g. of an appeal or control administrative body).

Elections to upper-tier territorial units of self-government

We recommend majority electoral system for both elections of chairman and UTU council. The Chairman will be elected within one electoral ward comprising the territory of UTU.

The UTU council can be formed as single chamber or two-chamber, with the same number of councillors. In creating electoral boards for the election UTU council, in the event of single-chamber council, it is not decisive to copy the boundaries of current districts. The criterion for determining electoral wards will be the number of inhabitants. In the event of two-chamber council it is more convenient to respect the boundaries of districts as the boundaries of electoral wards:

- * Chamber 1: direct election, UTU is 1 electoral ward (constituency)
- * Chamber 2: the board of city and community mayors of UTU districts, subject the rules stipulated by act on elections to UTU self-government.

We recommend to implement a single-chaber council of the UTU.

In view of the declared principle of rationalism and transparency in public administration we suggest that number of UTU councillors be derived from the parameter of 1 councillor per 15000 population. Accordingly, the number of UTU councillors will fluctuate between 17 and 50 in individual UTUs.

Definition of upper-tier territorial units, recommended seats, their framework characteristics are given in Appendix 5.

2.2.2. State administration at regional level

will be represented by the office of general state administration (the Regional Office) and offices of specialised state administration. State administration will function separately from self-government of UTU, while there will be co-operation in pursuing public tasks. The form of co-operation will be stipulated by law.

General state administration (the Regional Office)

The Regional Office, headed by the RO Manager will fulfil its tasks throughout the whole territory of the UTU. The manager will be appointed and removed by the Government at the proposal by the Minister of Interior, on the basis of competitive interview and subject to discussion with UTU Chairman .

The Regional Office of state administration will conduct state administration:

- * in the scope, in which tasks will be transferred to it from central bodies of state administration, but also from District Offices,
- * in tasks that it undertakes at present, provided they have not been proposed for devolution to territorial self-government or specialised networks of central bodies of self-administration.

The main areas of responsibility of the Regional Office will include in particular:

- * state defence,
- * general internal administration,
- * trade licence enterprise,
- * administration of relevant state assets,
- * control,
- * cross-border and international co-operation (in the event of deconcentration of responsibility).

The Regional Office will be:

- * financially linked to the budget of the Ministry of Interior,
- * carry out state administration of second instance in areas where in the first instance administrative proceedings municipalities are involved,
- * conduct legal control of compliance and subsequent control of territorial self-government and compliance with law in their activities where a complaint was lodged of violation of law.

The Regional Office Manager will have:

- * responsibility for state interests, public order, organisation and correct running of elections, co-ordination in events of emergencies and will be responsible for reporting to the government about the situation within relevant territorial unit and in the scope of his responsibilities.
- * supervision in compliance with the law in the territory within his competencies,
- * will be partner for interest organisations (professional), within the scope of his competencies.

The details will be defined by law.

Specialised state administration offices

They will be located in a way pursuing the principle of efficiency, i.e. not each region will necessarily have to have a specialised state administration office in its territory, (for example, military administration, office of geodesy, cartography and kadaster, prosecutor's office, section of investigation, hallmark office, mining authority).

In order to ensure efficient co-operation between territorial bodies of public administration we propose to have in each territory of upper-tier territorial unit and region representation of: police, fire protection, state school inspection, the school office, the tax office, the customs office, the finance control office, the state pharmacist office, the state health physician office, the state hygienist office, the statistical office, the monuments protection office, the state veterinary office, environmental, agricultural and food inspections office, the land and forest office, trade inspection, labour safety inspection. They will exercise state administration in matters, which in first instance are carried by offices of specialised state administration at local level.

(Proposed offices of specialised state administration are given in Appendix 4)

2.2.3. ORGANISATION OF PUBLIC ADMINISTRATION IN BRATISLAVA AND KOŠICE

Self-government

The status of Bratislava and Košice

Within the draft decentralisation of public administration both cities will have the status of:

- * a municipality,
- * a seat for UTU (both state administration and territorial self-government),
- * Bratislava shall fulfil the role of the capital of SR.

The relation of the city and city wards

In defining the city and city wards, we need to respect the Constitution which defines that the right for territorial self-government is held by a territorial community of citizens that acquired the status of a municipality or UTU. Accordingly, city wards derive their right to self-government from the city.

Hence, the scope of city wards responsibilities should then be defined by law, which will also define the assets and financial resources that city wards will manage.

Competencies

The distribution of competencies between state administration and self-government for both cities will be the same as that applicable to the remainder of the territory of the SR.

The distribution of competencies between the city and city wards will be defined in the supplement to the Acts on Bratislava and Košice.

In the event that the state devolves on the cities competencies beyond the scope of generally accepted rules in the SR, this will be defined by special law, including the definition of appropriate financial resources.

Where provision of tasks will reach beyond the territory of Bratislava and Košice, (repair, waste and water management,...) the city will form special purpose bodies with the relevant self-government bodies of the neighbouring UTU or municipalities (according to competence distribution).

Joint provision of decentralised competencies in the territory of cities will be established similarly to arrangements within intermunicipal cooperation (in ways referred to under 2.1.1). The scope of tasks these offices will ensure will follow from the agreement between the city and city wards. Financing the activity of the offices will be addressed in the Act on Bratislava and will be based on nation-wide valid legislation.

Financing

Financing (revenue structure, revenue sources, taxing power, financial equalisation...) will be defined in general rules within the draft system of public finance in decentralised public administration. The financial relation between the city and city wards will be defined by law.

The same mechanism of financial equalisation will be available for financial provision of the tasks of the city and city wards as will exist within generally established legal relations between the state budget, self-government budgets of UTU and local self-government. For Bratislava it will exist between the city and city wards, for Košice between the city, city wards and municipalities that comprise the UTU.

We recommend to earmark separate financial resources within the state budget for tasks of Bratislava, the capital of SR.

Elections to bodies

We propose:

- * city mayor: directly elected, city being 1 constituency,
- * city ward mayor: directly elected, city ward being 1 constituency,
- * city ward council: direct election, electoral wards determined by city ward council,
- * Bratislava City Council
 - will simultaneously fulfil the role of the UTU council
 - option 1: direct election, 1 chamber, 1 constituency, the number of councillors for individual city wards will be defined by Act on Bratislava in a way that each city ward will have at least 1 councillor
 - option 2: 2 chambers
 - chamber 1: direct election of councillors with majority system in 1 electoral ward,
 - chamber 2: chamber of city wards mayors
 - for city, we recommend a professional city board of 7 to 10 members.
- * ,Košice City Council

- does not fulfil the role of a UTU council (will be elected within the whole upper-tier territorial self-government unit)
- similar considerations of the same two options as in a case of Bratislava can be contemplated,
- * UTU council with the seat in Košice will be elected in the same way as in other UTUs.

State administration

The cities Bratislava and Košice will be:

- * seat of the Regional Office with:
 - the territory of a region and self-government UTU in Bratislava defined by the cadastral territory of Bratislava City,
 - in Košice the jurisdiction of the Regional Office is in the territory of the upper-tier territorial unit and the region exceeding the cadastral territory of the City.
- * In the territory of the city offices of specialised networks of central bodies of state administration will also have their seats.

2.2.4. CENTRAL LEVEL

The transformation and reorganisation of central level will result from the changes at local level connected to decentralisation, which will also have impact upon the changes within legislative and executive power.

Legislative power

The change in the distribution of responsibility for public matters between local level, self-government of UTU and the central level, (new vertical distribution of power) will need to be reflected in a tighter linkage between elected municipal officials, UTU officials and the National Council of the SR. It is possible to consider:

- * retaining single chamber NC SR, proportional representation, strengthening of some elements (preferential votes, change and more electoral wards), and seek other possibilities to link of MPs more closely to the electorate and the territory,
- * reconstructing the NC SR into a two-chamber parliament (not necessarily increased number of MPs), with each chamber having different way of creation and different electoral wards:
 - chamber 1 (House of Commons): proportional representation (SR a single constituency)
 - chamber 2 (Senate): majority representation (boundaries of UTU delineating constituency), with each UTU having equal number of senators regardless of population. This alternative would necessitate change of the Constitution of the SR.

Executive power

Within executive power at central level, four sets of problems need to be addressed:

1. Rationalisation and modernisation within the current state in ministries and other central bodies of state administration, including their budgetary and contributory organisations. The need rationalise central level follows from several analyses of the current state. Accordingly, the Government of SR adopted a special decree on the basis of which the Deputy Prime Minister of SR for Economy has been assigned to submit, by June 2000, draft rationalisation measures in relevant central bodies of state and their subordinate organisations. The Deputy Prime Minister's proposals will be based on the results of a working group that he appointed and which in January began working on the "audit" of central bodies of state administration .
2. Further reorganisation of ministries and other central bodies of state resulting from the decentralisation and deconcentration process, which will be permitted as central bodies will no longer have to administer or carry out tasks of local or regional nature.

3. Addressing the relation between the government, ministries and other central bodies of state administration in relation to decentralisation and deconcentration, which is called for by different role of individual institutions. In this spirit we recommend to review the position and roles of the Government Office which will no longer duplicate the roles of other central bodies but will become a service workplace to the Government of the SR, co-ordinating implementation of the government statement of policy, taking on responsibility for preparation of trans-sectoral, conceptual and strategic materials in harmony with the government Statement of Policy, and stipulated legislative tasks connected with it, and will continue to be involved in control within state administration
4. The process of rationalisation and modernisation of ministries and other central bodies of state administration and their subordinate organisations will start this year and will be completed after decentralisation will have taken place and will take account of all four objectives of the process: decentralisation, deconcentration, rationalisation and modernisation.

The changes at central state administration level will need to accommodate two fundamental principles which, to some extent, are contradictory:

- * a need for essential stability of organisations of central state administration during the process of decentralisation so that a smooth course of the decentralisation process is secured. The changes within local level of public administration stemming from decentralisation, the creation of specialised state administration offices, the need to draft new legislation, but also parallel steps taken by the Government within the preparation for the accession to Euro-Atlantic structures call for maintaining essential stability at central level (2000-2002)
- * on the other hand, there is an acute need for modernisation of central state administration, particularly ministries, to make them efficient in implementation of Government priorities in all areas and working efficiently. The problem of central state administration lies not only in fiscal demands (which is particularly pertinent to their subordinate budgetary and contributory organisations), but, equally, in insufficient capacity of central bodies of state administration to implement priorities of the Government in the area of reforms and integration. The insufficient quality, functionality and flexibility of the central state administration threatens the reform and integration priority of the present and future governments.

The Concept suggests to combine the two principles:

- * in the period 200- 2002, not to make cuts in number of ministries or deputy prime ministers a priority in the view that these changes would entail major problems and bring least fiscal savings, and there is no guaranty that it would bring about increased efficiency of state administration
- * instead, making modernisation of ministries and other central bodies an objective, together with the transformation of relations between these bodies and their subordinate budgetary and contributory organisations. The aim should be an organic blend of progressive modernisation and decentralisation in a way that the process of modernisation would be completed together with decentralisation.

The guiding principles in achieving this objective will be:

Generally

1. updating the definition of the mission and clear definition of the objectives of organisations (central state administration bodies and budgetary and contributory organisations) and the corresponding capacity for their implementation

Modernisation of central bodies

2. emphasis on clear definition of priorities, compliance control and resource allocation in accord with priorities
3. organisational structure based on projected management wherever conditions allow for it
4. creating and building institutional background for further reform (new tasks for the Supreme Control Office and the MF SR, primarily in terms of measuring performance and efficiency of organisations and programs) and to assist central state administration in the reform
5. change of the system of remuneration and personnel policies
6. agency promotion in central state administration (shifting administrative and routine activities from the ministry to subordinate organisations and institutions operating in external environment).

Transformation of the relations between central state administration bodies and subordinate budgetary and contributory organisations

7. contracts containing set priorities/outputs which the superior institution orders from the subordinate
8. annual reports of subordinate organisations, public hearings on activities, and their assessment
9. creation of new and more varied possibilities of legal status and relation with the state for organisations involving in activities in public interest
10. progressive transition to competition among service providers wherever this is viable.

(draft selected relations in public administration are given in Appendix 2)

3. Proposed territorial and administrative arrangement

In deciding about changes to territorial and administrative arrangement following aspects have been accounted for:

- * changes within the process of decentralisation, i.e. substantial strengthening of citizen communities (in terms of competencies and finance),
- * changes considered within the organisation of public administration offices in line with the process of decentralisation and deconcentration of competencies,
- * the current network of bodies of territorial public administration, because these represent a certain concentration of employees and material conditions,
- * the networks that existed in recent past and have been reflected under former arrangement into the network of facilities of supra-municipal significance,
- * the current territorial arrangement of the SR (regions, districts).

One of the decisive criteria in defining UTU territories which form the link between local and central levels is the criterion of regionalisation.

A region, whose generally effective area has not been defined, has to be understood as a compact territory, adequately economically and culturally self-sufficient, and hence capable of corresponding autonomy. It is a supra-municipal territorial unit defined by law, having legal capacity (legal entity) and the capacity to administer its territory by own elected bodies at own account and for the benefit of citizens of the delineated territory (the European Charter of Regional Self-Government).

In fixing regions, following generally accepted criteria are used:

1. respect for principles of regionalisation (nodal region, administrative centre ...)
2. economic integrity of regions
3. infrastructural provision of the territory
4. ethnic, historical, denominational factors
5. hitherto evolution of the division (region identification, ...)
6. cost efficiency of the arrangement
7. accessibility of marginal seats
8. settlement and urbanisation
9. natural conditions (natural barriers, gravitation toward settlement centres, ...)
10. definition of responsibilities of individual tiers and components of public administration

11. harmonisation of interests of state administration and self-government
12. prospect of creating global world society, state, regions, citizen communities
13. political demands (foreign policy orientation, cross-border co-operation, development in neighbouring countries, ...)
14. number of population, optimal number of municipalities

(Appendix 5 illustrates how these criteria for regionalisation are applied for the Slovak Republic).

3.1 Regionalisation of the SR

Several expert groups have dealt with regionalisation of the SR (geographers, urban specialists, sociologists, economists, ...). Most of the analytical studies indicate that the Slovak Republic can be divided, based on the above given criteria into 12 and more natural regions. Within definition of boundaries, there were variations according to the weight individual authors attributed to respective criteria.

Numerous views have been reflected also in the studies commissioned by the Government of the SR in the years 1990-96:

- * 1990-92, proposal to pursue *župa* principle (14+1 or 15+1 self-governing UTUs)
- * 1994-95, Ministry of Interior proposal (12 self-government UTUs)
- * the Government of the SR decree No. 755/1995 on application of so-called restitution model assuming delineation of 15-16 UTUs.

3.2 Territorial and administrative arrangements and NUTS

NUTS (Nomenclature des Unités Territoriale Statistique) is a territorial systemisation used by the EU in defining objectives and receiving assistance in form of programs and resources from EU funds. In this view, the definition of units at NUTS II level is most significant.

Europe is characterised by large variation in the size of regions in general, particularly at the level of NUTS II. Of 167 territorial units of countries of EU included in this category, individual territories have the following sizes.

population (mil.)	up to 0.5	0.5-1.0	1.0-1.5	1.5-2.0	2.0-5.0	5.0-10.0	over 10.0
number of territorial units	26	29	34	26	43	8	1

It will be clear from the above that the division of the state into NUTS stems from internal arrangement and the weight different criteria are attributed by a particular state in regionalisation. Territorial units of the state may for the purpose of gaining support from structural funds join in statistical units of NUTS II. In some countries, the whole state may comprises one such statistical unit (Ireland,...).

The role of economic autonomy of regions in its link to fiscal decentralisation and the measure of redistributing public finance are very important. That does not mean, that at present and particularly in the future, the area of a territory or its population will be the decisive factor. Information society, globalisation of economy point to a different development. By contrast, with anticipated trends and within integration of Europe, natural regions will play an important role, that have not been formed as statistical units, but rather as territories, taking account of natural, ecological, economic and human factors. Natural regionalisation of the country stemming from hundred-year tradition, which in turn resulted from natural conditions and geographic relief of the country, is the basis for creating statistical units.

Accordingly, we do not think it to be decisive that territorial organisation of the SR be subordinated to temporary conditions arising from the possibility to draw EU support programs, rather, we maintain that units and subjects should be defined within a natural regional structure of the country which will be beneficiaries of the support.

3.3 Symmetry of territorial and administrative arrangement

We recommend to form a symmetric model for the level of upper-tier territorial units and regions, which will allow:

- * higher stability of territorial and administrative arrangement,
- * more efficient performance of state functions in the territory (control, safety, public order,...),
- * more efficient collaboration of local state administration and self government,
- * more efficient distribution of responsibilities and more exact delineation of accountability and a better orientation for the citizen - the elector,
- * development of more efficient mechanisms of financial equalisation,
- * better understanding for the citizen, simplicity (structure, titles, ...)

3.4 Proposed territorial and administrative arrangement

The draft territorial and administrative arrangement of the SR is based on respect for:

- * criteria of regionalisation and delineation of the territorial units,
- * demand to implement a symmetric model of arrangement,
- * decentralisation of functional responsibilities and the associated changes,
- * demands to cut expenditure for public administration.

	local level	upper tier
administrative units	*	11+1
territorial units	2916 **	11+1

* State administration at local level is represented by specialised network offices, whose distribution in the territory shall be defined by special legislation.

** The number includes also Bratislava and Košice wards.

Regions and upper-tier territorial units shall include:

	Name of the unit	Seat of the region	Seat of UTU t	Population
1	Bratislava	Bratislava	Bratislava	452 006
2	Trnavský	Trnava, alt. Bratislava	Trnava, alt. Bratislava	714 204
3	Trenčiansky	Trenčín	Trenčín	609 828
4	Nitriansky	Nitra	Nitra	717 628
5	Žilinský	Žilina	Žilina	310 719
6	Liptovsko-oravsko-turčiansky	Martin	Martin alt. Ružomberok	376 646
7	Zvolenský	Banská Bystrica	Banská Bystrica	397 353
8	Gemersko-Novohradský	Lučenec	Lučenec, alt. Rimavská Sobota	266 636
9	Spišský	Poprad	Spišská Nová Ves, alt. Poprad	360 074
10	Šarišský	Prešov	Prešov	342 400
11	Zemplínsky	Michalovce	Michalovce	403 819
12	Košický (Abovský)	Košice	Košice	418 431

Alternative solutions for seats of UTUs have emerged from the instances raised by elected officials of self-government, or local state administration officials. Definite decisions about the seat of the UTU will follow from public discussion in the territories concerned, which will take place before the draft principles of the law on territorial and administrative arrangement of the SR and on self-government of UTUs will have been submitted.

The above given territorial and administrative arrangement at upper tier is comparable with the characteristics of the upper-tier territorial and administrative units of countries of Europe (considering the size of these countries). The following table well illustrates the point:

State	Average area in km2	Average population (000)
countries of Southern Europe		
France - departments	5 490	556
Greece - prefecture	2 538	216
Spain- province	10 100	780
Italy- province	320	611
Germany - regions	83	170
countries of Northern Europe		
Norway -fylker	1847	234
Belgium -provinces	2290	1095
Denmark -amter	307	365
Sweedan -landstingkomuner	1 874	358
Slovak Republic - proposal	4 083	450

The division of the SR into 12 territorial and administrative units takes account of the above criteria of regionalisation and in a maximum possible measure also the boundaries of natural regions. That has great significance for creation and implementation of regional policies, as the cohesion of population, the growth of socio-cultural potential in municipal and regional communities, co-operation of small and medium-size businesses within territorial and administrative unit, and the bond between public and private capital, are prerequisites for a speedier development of the lagging regions. Supporting several settlement centres, particularly in the disadvantaged regions, while taking into account the size of the territory in terms of functioning of facilities of public economy (around 300 000 population) and decentralisation of regional development instruments into regions, are prerequisites for addressing the issue of employment. This solution will also create conditions conducive to receive more efficient assistance from abroad, as well as more efficient cross-border co-operation.

Dividing the country into a small number of large regions is not satisfactory in the long -term perspective since it creates:

- * polarisation of interests,
- * financial resources streamlined into regional centre with less interest in the remaining territory, which breeds stagnation and lagging of micro-regions outside the attraction zone of the region,
- * works of conceptual and co-ordinating nature prevailing, thus giving way to operative functions,
- * promise to get services closer to the citizen will not be fulfilled and foreign elements will be placed in the system.

Economic and social ties in western Slovakia, the strength of Bratislava 's economy and the participation of cities and communities of up to 100 km from Bratislava in the economy of the region, the transport access (motorway, railway,...) and other infrastructure links, cultural bonds, etc. are reasons for no further fragmentation of the territory of the SR and the proposal to adjust only boundaries of the self-governing UTU from the aspect of the function of Bratislava as the SR capital.

3.5 Interlinking particular levels of public administration

The municipality is the basic territorial unit of public administration. Upper territorial units are summaries of cadastral territories of municipalities and are defined by law. The upper-tier territorial and administrative unit is comprised of a summary of the UTU territory and the military district territory. Within the boundaries of UTU, function bodies of local state administration. Offices of specialised networks of state administration operate within the boundaries of a UTU.

Intermunicipal cooperation in the area of administrative agenda is implemented within the boundaries of the upper-tier and administrative unit. The exception may be granted only by the Ministry of Interior of the SR. Intermunicipal cooperation within economic activities may also be developed outside the boundaries of the UTU.

4. Financing decentralised public administration

Changes of the way public administration is financed are necessary part of the process of decentralisation and modernisation. Decentralisation of functional responsibilities entails also decentralisation of public finance. The separated model of public administration, approved by the Government of the SR, and the extent of decentralisation presented in this concept call for an essential change in the relations between the state budget and territorial self government budgets. Changes will affect also other areas: the system of taxes, tax assignment, taxing power, changes to the structure of budgets, changes to budgetary rules, changes of the criteria for redistributing state-shared taxes, changes of the principle of the system of subsidies and state funds, but also introduction of a new system of financial equalisation (pursuing the principles of solidarity and motivation) at national level and at the level of UTU.

The changes are expected :

- * to increase efficiency of the functioning of the public sector
- * greater equity in financing public and mixed goods
- * increased accountability of local self government and future self government of UTU in rendering public services.

Strengthening of financial autonomy of territorial self governments should become part of the changes. These should have sufficient discretion in setting tax rates and charges, setting prices for local and regional services. It is necessary to strengthen also taxing power of municipal self-government, give sufficient taxing power to the self-government of upper tiers. Strengthening the autonomy of self government, however, requires also increasing financial accountability and the introduction of control mechanisms on the part of the state. These mechanisms should in no way interfere with the autonomy of decision making of self government in using their own financial resources and in no way may there arise a relation of superiority and subordination between individual levels public administration. Any form of influence of one level upon the other distorts the relationship of the elector - elected official. On the other hand, sufficient control mechanisms for all three levels of public administration are necessary: on the part of the state in controlling grants and transfers, or on the part of the autonomous Supreme Control Office - in controlling efficient use of all public finance.

Within the change of the system, it is vital to consider mechanisms which would alleviate the ramifications of natural competition between self governments. If it was not the case, regional and municipal disparities might continue to grow in public services they offer. This phenomenon might lead to destabilisation in settlement structure and may also have adverse effect within the system of financial equalisation.

We need to reckon with the expenditure for public services (particularly social services, environment protection, waste management,...) to steadily increase. The extreme growth in public consumption cannot be tackled through restrictive measures only, it is necessary that citizens participation be increased both in the stage of decision making about their implementation or cost sharing on the part of citizens. It is also for this reason that decentralisation of competencies and finances is necessary, so that potential solutions might respond to local and regional requirements.

The principles of change include:

- * keeping decision making about participation in services that will be funded by public sector in the power of self-governing institutions according to spatial dimension (local, regional task), while complying with the regulations stipulated by law to prevent "the break-down of the system,
- * to differentiate expenses "connected with operations" (current expenses) and expenses due to increased number of consumers (capital expenses) of the public service, because the size of municipality or region is the matter of political decision taken by relevant politicians and this decision should become a handicap for other municipalities and regions,
- * respect for full-fledged territorial self-government

- * support for financial autonomy of local and regional self-government and a completion of the framework of measures with instruments of territorial self-government through which it may have an effect on the economic development of the territory and the rate of unemployment.
- * increased equity in allocating shared taxes (change to the criteria)
- * reducing administrative action in public budgets i.e. decreasing transfers between particular public budgets (today they comprise around 10 percent of GDP) by decreasing the rate of redistribution, rationing of funds,...
- * introducing an equitable system of financial equalisation
- * introduction of regulation in the rate of debt of public budgets and instruments of “receivership” over territorial units in the events of failing to fulfil the tasks stipulated by law.

Drawing up starting points for financing public administration in harmony with the concept for decentralisation and modernisation of public administration is ensured by the Ministry of Finance, which has also been assigned the preparation of legislative principles of the relevant laws arising from the Government decree 695/1999. These include also the legislative principles of the law on financial equalisation. The Ministry of Finance proposes to amend the Government Decree of the SR in the sense that instead of a new law on financial equalisation to make amendment to the Budgetary Rules Act.

In order to achieve the objectives of decentralisation and modernisation, we recommend that following be amended in the law:

- * stabilise conditions in financing public administration and a possibility to apply several year financial planning also in territorial self-government,
- * defining revenue base of local and regional self-government,
- * addressing the relation between the state budget and the budgets of upper-tiers and local self-government,
- * the relation between self-government budgets of upper-tiers and local self-governments,
- * mechanisms of transition solution in financial equalisation,
- * rate of borrowing.

In connection with the decentralisation process we need to emphasise that local self-government and upper-tiers of self-government will significantly participate in generating the gross domestic product (by creating conditions within regional development), are and also will be employers, investors (particularly in social and technical infrastructure), whereby they will contribute to conditions of living standard in their regions. Handing over responsibilities by law on self-government will entail increased pressure on local government budgets, which will have to be addressed:

- * by change in the tax system (local taxes, strengthening property taxes, introduction of new taxes,...),
- * change in the taxing power,
- * change in the tax assignment,
- * mechanism of financial equalisation,
- * conveyance of property on territorial self-government because without the possibility to manage the property (under conditions defined by law) it will not be able to ensure increased expenditure for public services other than through increasing taxes and charges for services, which in the view of different disposable income (personal and public) in families might entail growing disparities, pressure on the measure of financial equalisation and accompanying increased expenses for redistribution.

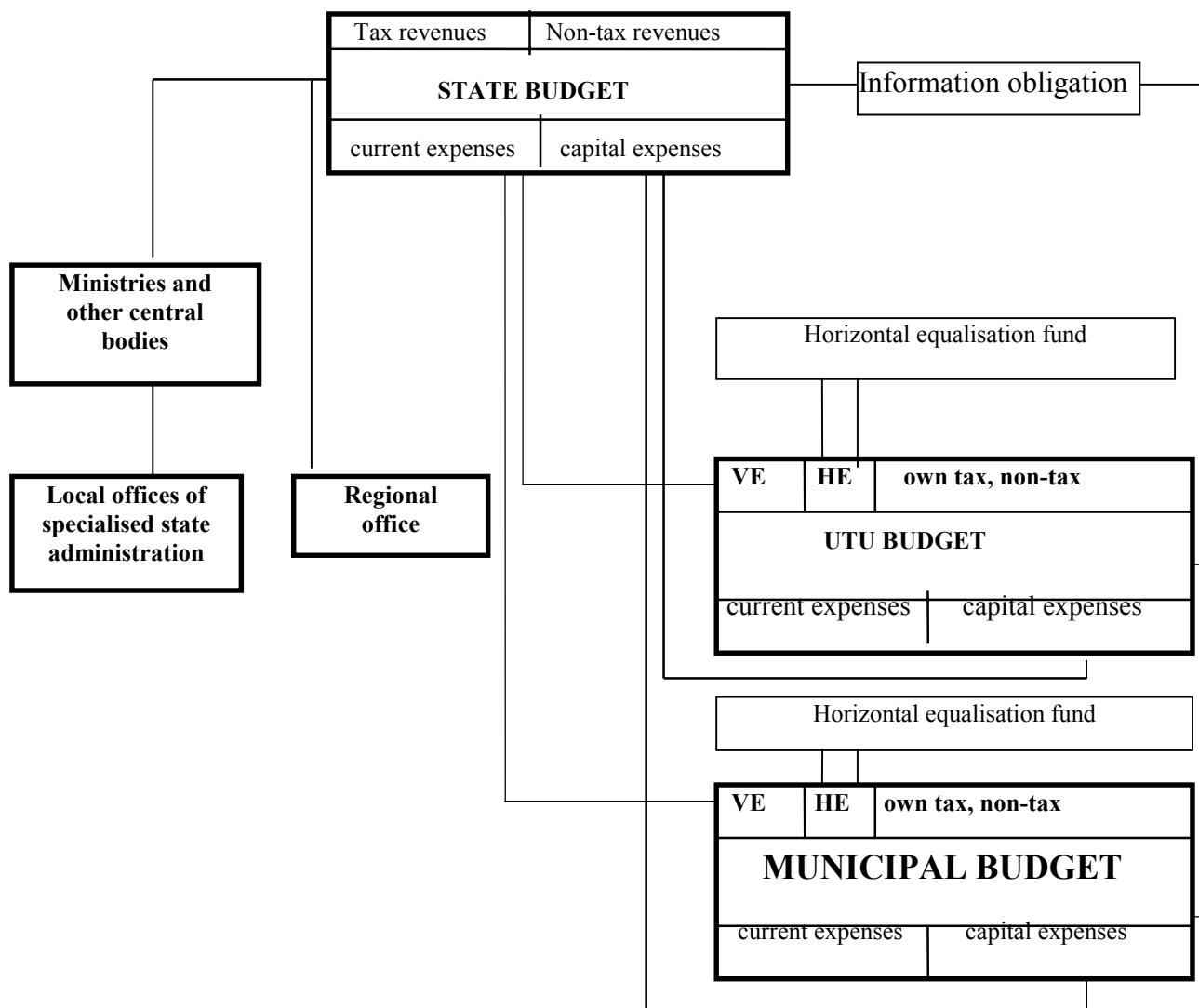
The Ministry of Finance in their starting points for financing public administration in transition period (three years from creating self-government of UTU) does not assume fiscal decentralisation but only strengthening transfers to self-government budgets thorough higher tax shares and through so-called decentralisation subsidy. The reasons given for it include: better needs profiling of new self-government authorities (self-government UTUs) and creating objective base for deciding the state’s share (of public finance) in funding new tasks of territorial self-government at local and regional level, but also pursuing financial policy, eliminating risks of uneven development of the economy with the objective not to weaken the influence of the state on the development of public finance as a whole.

The volume of public finance for decentralised competencies that should be part of local government budgets is in the range of total 56 billion Sk based on framework assessment of expenses for

relevant tasks within the budget for year 2000. They concern primarily tasks in :education, health, social affairs, culture, transport, safety, administrative agenda, share in transformation of state funds.

This framework estimate which will need to be reviewed in view of the extent of decentralisation, comprises around 34% of tax revenues of the current state budget. Adding up the existing municipal revenues, the figure is around 46%.

Within the change in the organisation of public administration, we recommend the following target scheme for relations between the state budget and the budgets of local self-government (without finance flows from foreign support programs):



VE HE - concerns non-investment expenses

VE - vertical equalisation (bloc subsidy in self-governing function, coverage of delegated tasks)

HE - horizontal equalising tax capacity (solidarity) between UTU, or between municipalities within UTU

5. CONTROL IN PUBLIC ADMINISTRATION

The principles that will be given in the further part shall be elaborated on in more detail in the concept of public administration control that will be prepared by the end of April 2000.

The control of public administration and its subjects will be designed as:

- * irreplaceable part of the process of performance of public administration (internal control)
- * process of performance of public administration (external control).

Additionally, conditions and ways must be created for organising citizen's public control including transparency of any activity of the body operating in the control system of public administration.

Based on the proposed and defined principles of the strategy of public administration reform and with regard to future arrangement of public administration in Slovakia, there will be control mechanisms in public administration at the following basic levels:

5.1 The state (Slovak Republic as a whole)

represented by ministries and other central bodies of state administration and state appointed agencies.

In the area of exercising executive power including control mechanisms the state must act in the matters concerning the whole territory of state and all persons. It concerns mainly:

- * exercise of state control (supervision, surveillance, inspection),
- * setting up supra-sectoral, cross-sectional and autonomous institutions for control and administration of public affairs,
- * co-ordination and control of pre-accession EU funds provided, as well as requirements for the accession of Slovakia in the EU. In this area an autonomous body of financial control needs to be established.

The Government of the SR has its control body which simultaneously plays the role of central body of state administration for control - the Government Office. In connection with the process of decentralisation, its position and competencies have to be reviewed, when it will undertake control independently of ministries and other central bodies of state administration in the capacity of a government control body.

Within the control system at state level, parliamentary control, SCO (NKÚ) and the General Prosecutor's Office will continue to play their roles.

5.2 Self-government of the upper-tier territorial unit

It will have the power of:

- * control (in respect of own bodies, organisations, revenues, expenses, property),
- * power of creation (establishing control bodies).

The responsibility of regional self-government will not include competencies concerning state supervision and supervision over subjects of public and private law and citizens.

Under conditions of UTU, there is a need to ensure the autonomy of internal system of control against political power. The external control of UTU in the areas of own competencies will be exercised by the Supreme Control Office, MF SR and the finance administration control in matters of controlling resources provided from the state budget, state funds, EU funds and management of the state-owned property.

5.3 Local self-government

Decentralisation of competencies and public finance will strengthen the position and responsibility of local self-government. In view of the new tasks and functions control mechanisms will have to be strengthened.

Local self-government has and will have control power (internal control) and creation power (establishing own control bodies).

External control of local self-government will be aimed at:

- * compliance with the law and decision making within own competencies
- * compliance with the law and lower norms in the performance of delegated responsibilities
- * control of use of public funds that municipalities receive in forms of subsidies, grants, financial equalisation (the way of control will emerge from the changes in relations between public budgets and from the change in budgetary rules or from the financial equalisation law).
- * control of the state property (not own) entrusted in self-government administration.

External control will be done:

- * within its own competencies, the Supreme Control Office
- * in the area of delegated competencies, the Government Office of the SR,
- * in controlling management of funds of the state budget, state funds, EU funds and state-owned property management, the MF SR and the Finance control administration.

In local self-government, the autonomy of internal system of control against political power will need to be ensured.

5.4 External bodies of control

To enhance the efficiency of control in a decentralised system, external independent bodies of control will also operate, particularly in relation to public finance and their cost-efficiency, as well as the entrusted property and public management.

Significant elements of external control authorities will include:

- * the Supreme Control Office of the SR (NKU SR), whose position stems from the Constitution. We propose that the President and Vice-president of the NKU be elected by the National Council of the SR (Parliament),
- * The Government Office as a supreme control authority of the Government,
- * MF SR and other state authorities, which have been entrusted control functions having interdisciplinary character and cross-sectional effect and intervening in the whole society (such as bodies of Prosecution,...),

All these bodies need to have their responsibilities defined by law.

Other subjects of external control will include:

- * the institute of "ombudsman" as protector, defender of human rights and liberties, with the proposition that the institute be embedded in law or in the Constitution,
- * control authorities handling and investigating petitions and complaints of physical and legal persons,
- * authorities of control and inspection operating in the area of consumer protection, and introduction of the system of state treasury.

Well-functioning administrative courts are irreplaceable in law-enforcement and under real functioning control in a decentralised system of public administration, which with their competencies and position represent an invaluable control mechanism. The substantive and local jurisdiction will be addressed within the concept of control in public administration .

5.5 Criteria of control

The basic criteria of control activity include: lawfulness, economy, purposefulness and cost- efficiency, with all these attributed the same weight in the assessment. In establishing control mechanisms, the principle of independence from the structures subjected to control need to be ensured.

In external control of territorial self-government, the principles of the European Charter of Local Self-government, and, after ratification, those of the European Charter of Regional self-government, will be pursued.

5.6 Education

Training control staff at all levels and sustained skill upgrading are requisites to raise the efficiency of public control. Training must be addressed in a comprehensive way, systematically, with an emphasis on relevant substantive, functional and personnel aspects, as it was suggested in the strategy for public administration reform.

5.7 Legislation

The basic measures to increase the efficiency of public control will rely in the implementation of legislative changes, highlighting the relevant control responsibilities which will be in harmony with the principles of the concept for decentralisation and modernisation in public administration.

5.8 Information technology

One of the principal prerequisites for increased efficiency of public control is the introduction of and rational use of information technology, including operative databases of controls and preparation of new control software, in accordance with optimum information systems application.

6. PROPOSED COURSE OF ACTION IN PREPARATION AND IMPLEMENTATION

The public administrative reform will proceed in parallel with the transformation of economy and together with the reforms in education, health and the pension scheme. The Government of the SR approved a medium-term concept of economic and social development of the Slovak Republic, within which several significant decisions have been made that relate to the completion of public administration transformation:

- * strengthening functions of regional institutions in tackling employment issues (self government of upper tiers has an irreplaceable role to play here),
- * equal access of regions (is only viable where regions will have instruments available and the state will create framework conditions and apply solidarity principle),
- * building up upper tiers of self government units and define their responsibilities in regional development,
- * key areas for upper-tier territorial units should include : support for small and medium size businesses, active employment policy, tackling problems of rural areas, and promotion of tourism ,
- * squeezing the extent of redistribution through the channels of public finance (the tool being fiscal decentralisation based on decentralisation of responsibilities) ,
- * cutting public administration expenditure (need for organisational change within public administration, which again stems from the concept of decentralisation and modernisation of public administration as a whole),
- * a need for deeper and structured changes in education, health care, social security and public administration with the objective to stabilise the development in expenditure,
- * changes in tax area (that should take account of changes in the transformation of the society),
- * increase transparency in public administration decision making,
- * reduce to minimum the number of enterprises in the hands of the state,
- * reducing health care provider networks and transfer substantial part of management responsibilities to regions,
- * priority of decentralisation and transformation of social services, which will create conditions for more cost efficient provision,
- * preparation of a new concept of education early in the year 2000.

Since 1989, public administration decentralisation has been endorsed by a large spectrum of people who perceive the need for essential change in the organisation of public administration. In addition to specialist public, they

are mainly elected local authorities officials, representatives of parliamentary political parties (as it follows from their Policy Statements) The beginnings of work on decentralisation date back to the time prior to 1989 but sustained efforts continue to date. Individual steps of the reform were affected by both internal and external political influences and it was the setting forward of particular interests that resulted in the slacking off and even stopping the reform process.

The invitation of the Slovak Republic to the EU accession talks entails the beginning of complex work, particularly in approximating the law and adjusting Slovakia to framework conditions (administrative, economic) existing in countries of EU. These works must be carried out in a stabilised environment. One of the priority conditions of stabilisation is the accomplishment of the model of public administration. To put off essential decisions is not conceivable because:

- * the present organisation of public administration is not suitable for the implementation of substantive measures stemming from the EU accession requirements
- * the current organisation of public administration does not permit to stabilise the political situation, as it is source of permanent tensions between state administration and local government but also because each elections to the Parliament - under existing political situation due to excessive concentration of power, threaten the stability of the country.

Accordingly, there is a need - following the acceptance of the presented concept - to adopt special measures for implementing it and making the process much more dynamic. The countries, such as the Czech Republic and Poland, which have been going through similar transformation of the society, have shown that it is possible to scale up the reform, which will ensure irreversible democratisation changes. Unlike countries, which are already members of the EU, (or which have not experienced decades of totalitarian regimes in the 20-th century) and can afford to improve their democratic structures of public administration at a slow pace, the Slovak Republic does not have this much time.

In view of this, we recommend the following course of action in preparation and implementation of first steps of decentralisation and modernisation of public administration in Slovakia. The organisational provision and implementation management is covered in chapter C.

6.1 Preparatory stage of implementation

1. Discussing the concept of decentralisation and modernisation of public administration in the SR Government	03/ 2000
2. Approving further organisation and management of the reform by the SR Government	03/ 2000
3. Referral of the Concept of decentralisation ... for debate to the NC SR (Parliament)	03/ 2000
4. Adoption of updated time schedule for work in the Government	04/ 2000
5. Approving the list of laws and Constitution articles affected by decentralisation	04/ 2000
6. Appointing working groups for drafting laws	04/ 2000
7. Public discussion on boundaries, seats and names of UTUe	03-05/2000
8. Approval of definite expenditure for of the public administration reform	05/ 2000
9. Preparation of local level to take over functional responsibilities	04/2000-12/2000

6.2 Legislative work

The proposed course of legislative work takes account of the legislative plan of the Government and derives from the draft preparatory plan. Within recommendation, a principle has been adopted that decisive pieces of legislation, the list of which having been approved by the Government Decree no. 695/10999, should be passed by the NC SR in the year 2000, so that legislative prerequisites were created for changes and amendments to related laws. Their list will be debated by the Government as a separate material in April 2000.

	to Government	to NC SR
1. Amendment of the Constitution of the SR		03/2000
2. Act on territorial and administrative arrangement	LD 06/2000 A: 10/2000	12/2000
3. Acts pertaining to organisation of local public administration * Act on self-government of upper-tier territorial units * Act on elections to self-government UTU * Act on local state administration organisation * amendment of Municipal Establishment Act * Municipal cooperation Act * Bratislava, the SR Capital Act * Act on Košice * Act on organisation of ministries and other central bodies of state administration	LD: 06/2000 A: 10/2000	12/2000
4. Amendments of laws pertaining to decentralisation of responsibilities, including the Competencies Act	06/ 2000- 12/2001	continuously
5. Financial laws * Budgetary Rules Act * the Act on real estate tax * UTU Self-government Property Act * Municipal Property Act (amendment) * tax laws amendments	LD :06/200 A: 10/2000 2001	12/ 2000 2002

6.3 Implementation steps

6.3.1 Central level

- * rationalisation of the existing structure in the years 2000- 2001
- * creation of specialised state administration offices which are non existent as yet 2000 -...,
- * completion of changes arising from decentralisation 2002

6.3.2 Local and upper-tier levels

We recommend to complete essential changes in decentralising responsibilities with impacts on the structure of public administration at local and upper-tier levels by December 31, 2002. The reasons for this recommendation include:

- * democratisation of the situation in Slovakia,
- * speeding up preparation and introduction of new control mechanisms which cannot be applied under the current structure,
- * stepping up rationalisation and cutting expenditure for public administration because:
 - * simultaneous existence of Regional Offices, District Offices, self-government of UTU and local self-government will be in place for only necessary time
 - * conditions will need to be created to speed up rationalisation at regional level,
 - * as well as conditions for rationalisation at central level,

* create specialised state administration, which will permit to rationalise activities within networks and relieve process of decentralisation of public administration,

- * create conditions for participation in the EU support programs and efficient regional policies, and
- * create clear conditions for the following parliamentary elections.

The entire process of implementation has been spread over several years, while recommendations are to realise the essential decisions over the years of 2000-2002. Handing over competencies to the self-governments of upper tiers and to municipal governments are half a year apart from each other.

The pilot project of intermunicipal co-operation is recommended for two seats located in more and less urbanised environment.

1. implementation of pilot project on municipal cooperation	01/2001-12/2001
2. elections to self-government UTU (SUTU)	06/2001
preparation of material, personnel, and organisational conditions for SUTU and new regional offices	07 /2000- 09/2001
4. launching newly created specialised state administration offices	continuously
5. appointing Regional Office Manager	by 09/2001
6. activities of the RO and SUTU	09/2001
7. handing over competencies from RO and central level to SUTU - stage 1	by 12/2001
8. handing over competencies and property to local self-government	by 06/ 2002
9. dismantling District Offices of general state administration	by 31/12/2002
10. handing over competencies to self-government -stage 2	2002 - ...

7. ESTIMATED FINANCIAL IMPACTS

One of the major objectives of the concept is to create conditions for essential cuts of expenditure for public administration. This can be achieved in different ways (or their combination):

1. cutting the number of employees tied to public budgets, through e.g.:
 - a) merging institutions or their organisational units,
 - b) designating offices of specialised state administration,
 - c) withdrawing the contributory organisations from state budget (deetatization),
 - d) privatisation of activities carried out within state administration but also territorial self-government,
 - e) reviewing work profiles, labour efficiency increases,
2. cutting expenditures for goods and services,
3. changing public finance flows (transfers between individual public budgets) within the process of fiscal decentralisation.

As the analysis of the evolution in transformation of public administration since 1989 showed, the greatest increases in expenditures were due to failing to complete the separated model of public administration, failing to decentralise responsibilities and public finance and low labour efficiency in public administration.

Hitherto effected steps directed at cutting expenditure for public administration were initially focused on cuts of expenses for goods and services and, subsequently, on blanket downsizing of staff at central level of state administration (- 10%), contributory and budgetary organisations and local state administration (- 6-10%). Further savings measures in expenses for goods and services are basically not viable because they would jeopardise running of particular institutions. Blanket reductions of employees also have their limitations. This approach is also offset by increasing demands for new staff in public administration as a consequence of implementing measures connected with the SR accession to the EU, particularly in areas that had been neglected over past periods (environment, public

procurement,...). Therefore, attention will have to be focused in the forthcoming period on structural changes of public administration institutions and internal institutions structure.

We can continue through:

- * *labour efficiency increases*, which will result from modernisation of public administration in the area of management
- * *denationalisation of activities* which can be more efficiently rendered by private and non-profit sector, i.e. by reviewing justification for contributory organisations of public sector (component of stringency measures in central bodies of state administration (date: 06/2000),
- * *reviewing mutual public finance transfers* of public budgets, which will result from the work by Ministry of Finance on points of departure for changes in financing public sector linked to public administration decentralisation by reducing the number of state funds (MF SR 's initiative)
- * *amalgamating* budgetary organisations of public sector at all levels or their organisational units, while
 - * the solution at central level will follow from the proposed rationalisation measures within the existing structure and subsequently will result from decentralisation and deconcentration process
 - * the solution at local level and at upper tier-level is part of the concept.

A consistent decentralisation of responsibilities and finance from state administration to self-government creates, on one hand, conditions for essential cuts for public administration through:

- * amalgamating institutions at local level, while separated model of public administration is fully respected
- * creating conditions for cuts at central level
- * creating conditions for reduced volume of transfers between individual public budgets

but, at the same time, provides scope for mobilisation of human, natural and production potential in the regions, for efficient cross-border co-operation, for design and implementation of projects with foreign support, for the development of socio-cultural potential, which is the basis for the development of regions, etc.

Therefore, the short-term increase in expenditures connected with the change of the system is not decisive, but rather, the long-term effect which though difficult to quantify, has been demonstrated on experience gained in other areas.

Estimated financial impacts of the proposed decentralisation of public administration

The concept assumes the establishment of :

- * four new regional offices,
- * 12 offices of self-government of the upper-tier territorial units,
- * 8 offices of specialised state administration.

The concept assumes

- * essential reduction of functional responsibilities at regional level through decentralisation of responsibilities and the founding function to self-government,
- * dismantling 79 district offices and their 45 detached outposts,
- * reduction of state administration offices that illogically reproduced territorial and administrative boundaries, (cadastral office, military administration, fire corps, land and forest office, Slovak road administration, state hygienist, state physician, state pharmacist),
- * subsequent reduction of budgetary and contributory organisations of the ministries and other central bodies of state administration.

The following considerations only pertain to changes in local state administration offices and offices of territorial self-government and central state administration offices.

7.1 Local level of public administration

Within district offices of state administration and municipal offices there worked 31 105 employees, while in the period until 1989 the bodies of ONV, MsNV and MNV (= abbreviation denoting different types of former administrative authorities, translator's note) employed a total of 13 600 employees. Decentralisation of district offices responsibilities to local self government, current duplication in management of offices, internal operations and other activities will be eliminated. Projected cuts in staffing at local level of public administration are around 13 000, of which there will be cuts in the areas of

- * management by 1 500 jobs
- * internal operations by 1 500 jobs
- * other activities, by 10 000 jobs

Following the above reduction, the number of employees at local level of state administration and local self-government (except for already existing offices of specialised state administration) will be around 20 000.

Single-time expenses connected with decentralisation will cover:

- * office equipment for municipal offices due to increased number of staff in municipalities which will become seats of joint offices (except for current seats of District Offices or their stable or temporary workplaces, i.e. 44 seats x 10 employees x 150 000 = 66.0 mil. SK (the remaining provision effected through delimitation of District Offices property)
- * constructions repair in these seats 44.0 mil. SK
- * severance pay 13 000 x 12000 x 5 780.0 mil. SK (if it is paid)
- i.e. total approx. 890.0 mil. SK

Recurrent expenses will not grow, just the reverse, cutting the numbers of employees at local level will bring annual savings of around 1.4 billion SK, (unemployment benefits included). The problem of increased unemployment will have to be addressed within regional development projects, which is outside the scope of this concept. We propose to keep savings in wages within public administration sector and use them for increased wage expenditure connected with the requirement of quality services increases or investment in office equipment.

The proposal does not assume automatic transfer of local state administration employees to local government authorities by law. Despite that, one can expect part of local state administration staff to find employment with municipal offices or self governments of UTU in the view of their qualifications. In order to save financial resources for severance pay, there will be a need to adopt legislation that would prevent abuse of the change, i.e. be paid severance pay and subsequently get employed by territorial self-government.

7.2 The level of upper-tier territorial and administrative unit

Decentralisation of responsibilities from current 8 Regional Offices to self-government of UTU and to specialised state administration networks will not bring increased number of employees. A special emphasis needs to be placed on consistent review of work profiles against the actually performed work at public administration offices.

The rise of SUTU offices will not call for investment expenses in administrative buildings (cities have buildings or there will be delimitation of constructions from state administration).

Single-time expenses connected to decentralisation will be needed for:

- * office equipment of new RO, and offices of UTU,
- * severance pay to those RO staff which will not continue working for them and will not work for UTU offices either, or will not switch to working for specialised networks (1000 employees x 55 000, SK)

New recurrent expenses will include expenses for elections to self-government of UTU (approx. 200 mil. SK), expenses for self-government UTU staff and their budgetary organisations (which will replace hitherto expenses effected within RO) and expenses for elected UTO officials (around 80.0 mil. annually). I

7.3 Central level

After reviewing the current structure of central bodies of state administration, in line with the Government Decree, additional reduction of employees can be anticipated for the first stage (minimum 10%, i.e. around 750 with regard to the effective Government decree of the SR of 1999), with variations in central bodies of state administration.

After decentralisation will have been implemented, further reduction of the number of employees can be reasonably anticipated, depending on the measure of decentralisation and deconcentration in public administration. The above reduction due to decentralisation and consistent review of work profiles will also allow savings in expenses for goods, services, and permit more efficient use of buildings or use wage savings to raise both wages and institutional technical equipment.

7.4 Conclusion

Within the proposed decentralisation of public administration the total single-time expenses of around 1.5 -2.0 billion SK will be effected, which are connected primarily with paying severance (can be spread across the whole implementation period, i.e. at least two years), procurement of office equipment and refurbishment of buildings in municipalities with the joint office. The expenses that do not directly result from decentralisation process, (e.g. the debt of the state against municipal government, indebtedness of facilities whose founding is to be transferred to self-government) are not included in the calculation. Their volume though will not significantly exceed the single-time estimate, provided the volume of severance is resolved.

In recurrent expenses, however, there will be savings of wages at local and central levels (around 1.4 -1.8 billion SK), with current levels of wages maintained, and hence there will be scope for improvement of current wages in public administration. According to the estimates, savings in recurrent expenses over the ensuing years will exceed single-time expenses connected with decentralisation.

A more exact volume of finance expenditure needed for the whole process of decentralisation and modernisation of public administration will have to be produced, once the concept of decentralisation is accepted and following the pending adoption of other concepts, namely the concept of education, IT provision, financing, control, which subject to the Government decree are to be prepared by 30 April 2000.

B. MODERNISATION OF PUBLIC ADMINISTRATION

The membership in the EU requires to have public administration which is accountable, guarantees standards of integrity, clairvoyance, lawfulness in administrative rulings, and which is subjected to control and possibility of legal inquiry. Modern and efficient public administration must meet generally endorsed criteria regardless of the number and the structure of institutions; the number and seats of administrative and territorial units. These criteria include:

- clear distribution of power, jurisdiction and responsibilities of public administration institutions in relation to the citizen,
- high-quality legislation,
- compliance with the law and capability to enforce law,
- high professionalism and ethics of public administration employees.

The Strategy of public administration reform defined broader understanding of transformation of public administration and the Government in its resolution assigned

- * the Director of the Government Office to arrange for and submit by April 30, 2000
 - * the concept of control in public administration
 - * concept of IT provision in public administration
- * the Minister of Interior and the Minister of Education to arrange for and submit for Government debate the concept of education (date: April 30, 2000).

In parallel, the Ministry of Labour, Social Affairs and Family has prepared a draft law on state service and on public service which should contribute to increase the quality of state or public service performance.

In fiscal decentralisation, the MF SR has prepared the rationale for financing public administration that will subsequently be elaborated into particular measures.

Apart from the above steps, it is necessary to work on several proposed measures directed at modernisation of public administration which have emerged from the assessment of the country by OECD experts:

- * to increase financial control in compliance with the practices in member countries of the EU, particularly meeting the requirements of financial control in respect of EU pre-accession funds, where clearly defined procedures of accountability must be determined in creating and co-ordinating internal control,
- * to improve the system of public procurement,
- * to reduce expense management risks for secure and efficient EU fund management,
- * to increase efficiency of external audit and extension of NKU (Supreme Control Office) jurisdiction,
- * to increase co-ordination at ministerial level and enhance periodicity of assessment of budgetary, economic and social outlays.

The adoption of a law on free access to information is an inseparable part of modernising public administration.

As individual areas of broader conceived transformation of public administration are being elaborated separately by central bodies of public administration, with some contribution from EU Phare project, and certain principles have been submitted within the strategy of public administration reform, their detailed description is not subject of this concept. Individual concepts will be subsequently finalised in line with the Government resolution on the concept of public administration decentralisation.

1. Management and quality improvement in rendering public services

The hitherto accomplished evaluations of the Slovak Republic by EU experts noted only gradual and slow improvement in the reform of state service, quality of management and quality of services rendered. Recommendations for change relate to short-term and medium-term measures:

Short-term measures include:

- * creating a legal framework for state service,
- * establishing a central institution that would be in charge of state service management,
- * training managers, personnel staff, as well as all public administration employees.

Medium-size measures include:

- * wage reform in state administration,
- * strengthening outlay control,
- * ensuring quality standards and state service performance at a level common in countries of the EU,
- * change of administrative order,
- * improving administrative and judiciary control of administrative decisions by independent institutions (administrative courts, ombudsman,...)

1.1. The State Service Act

Within the fulfilment of short-term measures a draft state service law has been prepared whose purpose is to create legal prerequisites to ensure professional, reliable, impartial and politically neutral performance of state service. The law also contains a proposal to set up the State Service Office that should

- * see to uniform procedures being upheld in state service,
- * issuance of generally binding legal regulations and procedures of service to ensure application of legal relations in state service performance,
- * prepare proposal for systemisation in state service and, once it is approved, supervise compliance with it
- * take decisions on appeals against the decisions of the service office in matters of state service employment,
- * to ensure and manage training in state service,
- * to control compliance with the law and generally binding legal regulations issued to implement it,
- * elaborate principles for professional development of state servants and professional career in state service,
- * to set criteria for state servants assessment (in English, civil servants, transl. note).

The establishment of the State Service Office should precede the date the State Service Act becomes effective. Defining positions which are filled in accordance with this law should be co-ordinated with the intends of the concept of decentralisation and modernisation of public administration. The act should not be applied before the concept of decentralisation and modernisation of public administration is accepted.

1.2. Improving the quality of services

A comprehensive analysis of the quality of services delivered to citizens in public administration has not yet been undertaken. Partial analyses on quality of service rendered by public administration offices point to a disrupted relation of citizens to offices. It is disrupted mainly due to prolongation and bureaucracy in handling matters by offices, and the fact that both staff and elected officials do not approach citizen as a client, which results in non-professional conduct in dealing with the citizen -inappropriate power domination, lack of willingness and often imparting faulty or incomplete information, that prolong the process of handling the matter for the citizen.

The main objective is to create prerequisites to improve the relation between citizens and authorities through enhancing the quality of services rendered. It is not sufficient to just pay lip service to quality, what is needed is to take practical steps to make administrative acts more efficient (raising efficiency of procedures) and focus on giving citizen orientation in services. Defining quality standards for services (required level) and those for internal organisation of offices is of utmost importance. Based on high-quality services rendered, to undertake sustained monitoring and assessment of citizen satisfaction and take measures until the targets for this area are fully achieved: a citizen satisfied with services delivered by officials and elected representatives.

In Slovakia to date, three pilots with the support from foreign partners have been implemented focused on practical acts (using analytical method and measurement of administrative procedures efficiency), presentation of services to citizens (the method of defining quality standards) and systemic solutions of problems in upgrading public works (the method of total quality control in public works).

The private sector often employs the method titled “the Mystery Shopping/ Mystery Citizen” that may serve as a starting point for the development of quality measurement system in public sector.

For blanket quality implementation, all three methods used are appropriate, as well as the measurement system for services delivered (Mystery Shopping developed for public administration). The course of action in blanket implementation has been divided into three phases:

Phase 1 (09/1999 - 11/1999)

- * analysis of methods employed to address quality in three pilot regions,
- * creation of White Paper of Standards and Procedures,
- * measurement of compliance with procedures and standards,

Phase 2 (12/1999 - 03/2000)

- * trainer training in collaboration with the Institute of Public Administration, regional training centres (Foundation for Training in Local Self Government) and other partners,
- * training program design and approval and the syllabus design for local quality managers,

Phase 3 (04/2000- ...)

- * in order that quality control system may be successfully implemented it is necessary to institutionalise its management at local level (quality director in charge of developing procedures and determining quality control methods at local level ,
- * quality measurement system - tailoring Mystery Shopping/Mystery Citizen system to public administration needs.

2. STAFF TRAINING IN PUBLIC ADMINISTRATION

The purpose of the training concept in public administration is:

- * to create a more efficient training system in public administration with the intention to upgrade activity of public administration at all levels,
- * to propose institutional and legal provisions for functioning of the system and its co-ordination,
- * to improve linkages of training programs for public administration to practice and the associated upgrading of services rendered.

The principles of the concept include:

- * building on the concept of decentralisation and modernisation of public administration ,
- * relying on the analysis of the current state,
- * building on previous concept of training , approved by the Government resolution no. 940/1995,
- * perceive training as a subsystem of human resources management,
- * apply a unified system in public administration training,
- * take account of legal rights and obligations in relation to training defined for employees and employers in public administration,
- * undertake mandatory finance planning for training and see to transparency and efficiency of using finance for the purpose,
- * anticipate gradual finalising of standards for positions in public administration as a starting point in designing training programs,
- * involve in the preparation of the concept not only the subjects that are responsible but also the providers.

The framework concept will include:

- * assessment of the current state and experience from the training concept implemented since 1995,

- * definition of the scope of responsibility for both training subjects and training providers,
- * legal and institutional provision of public administration training,
- * focusing study programs and building trainer teams for public administration training,
- * principles for financing of training,
- * provision for analytical research and for forming an information and documentation centre,
- * reflection of the concept in the prepared new and amended legislation (particularly to the NC SR Act 387/1996 on further training, acts on state service and public services, act on local state administration, municipal establishment act, act on self-government of upper tiers,...)

The concept will be submitted by Ministry of Interior by April 30, 2000.

3. INFORMATION TECHNOLOGY IN PUBLIC ADMINISTRATION

The introduction of information systems and computer technology as such, in the institutions of public administration does not correspond to the requirements for enhancing quality of decision making and administration of public matters. Huge information barriers exist not only among central bodies of state administration, central bodies and local state administration, state administration and self-government but particularly between public administration and the citizen - the taxpayer. The partial segments of information systems in public administration are more understood for gathering data.

It is vital to consider a complex approach in building information system in state administration, which will provide both objective insights and support for Government decision making in all areas of activities and will make financial management of the state more efficient in the long range. For initial build up, centralisation seems needed at supra-sectoral level. Self-government bodies need to be included in the process as well. Building infrastructure for launching information technologies should be the domain of lower-tier organisational elements (selection of hardware supplier) but the strategy of building the information system, methodology, selection of application solver, its use should remain the area for the centre.

The problem of rationalisation and enhancing efficiency of public administration is directly tied to the organisation of public administration and the procedures and methods used. The issues of processing information should have an umbrella state information system, whose skeleton might include: the state budget and state treasury, tax administration, customs administration, legal information registers (of population, real estates, economic entities), with a link to information systems of social welfare and spatial reflection of inform using geographic information system (GIS).

Recommendations for IT provision from the aspect of decentralisation

- a) Rationalisation and increased efficiency of performance of public administration is immediately with its overall structure and organisation as well as the procedures and methods being used. A separated model of public administration arrangement in Slovakia will call for a system of information and information activities that will be covered by an umbrella State Information System.
- b) The contents of the state information system consists of mutually linked information systems that ensure activities and services implemented within the responsibilities of relevant central bodies of state Ad , deconcentrated institutions of the state, local self-government and its upper tiers.
- c) The basic scheme of the state information system should comprise several areas of public administration activities, divided into subsystems: the state budget, state treasury, UTU self-government budgets, municipal budgets, tax administration, customs administration, legal information and registers (of population, real estates: structures and land, economic entities : Trade Licence Register, tax and customs subjects and accounting units, Commercial Register, Register of Organisations).
- d) The state information system should be tied to complex information system of social welfare, at least through newly prepared Register of Population, (reference register) from which information can be used on population in relation to information systems of institutions concerned.
- e) The comprehensive use of GIS seems to be an integrating element for all information systems, that would manage to reflect the information spatially and at the same time provide analytical tools for work with information in respective regions and at central level. Nation-wide use of this system, backed by strong data base (economy,

education, health care, social sphere, population, demography, tax collection,...) before centralisation and new change of territorial arrangement of the SR would make the whole process more objective.

The concept of IT provision in public administration will be submitted by the Head of the Government Office by April 30, 2000, in line with resolution 695/1999, for Government debate.

II.

MEASURES PROPOSED FOR FURTHER MANAGEMENT OF THE PROCESS OF REFORM

The Government of the SR has clearly stated its will to eliminate all obstacles that hinder the early accession to the European Union and they intend to consolidate original dynamics of the economic and social evolution.

The constantly repeated experience of countries in which important reforms have taken place show that the original great political acceptability of and endorsement for reform programs progressively attenuates, the resistance of bureaucratic structures builds up and the hopes and support of civil society gradually fades.

In order to achieve such a decentralisation process, which cannot be withdrawn, it is not sufficient to only have a concept adopted but, it also needs:

- * efficient functioning institution or a network of competent and influential people, who share the same vision of decentralisation and are ready to work for it and take on the risk in advocating and developing this vision,
- * a high-quality institutional framework for preparation, development and implementation of reform measures.

The institutional framework should secure technical preparation and consultative approach that should precede political decisions and it should undertake management, co-ordination, implementation and facilitate implementation through promotion and information activities.

Apart from continued public discussion, the first step of further stage of the reform is detailed work on legislative and implementing measures and subsequent an important phase of technical preparation of a large number of legal regulations, organisation of training, promotion and communication activities. (*The Government of the SR took note of such program of information campaign in October 1999 and its first part was already implemented*).

In the resolution no. 695/1999 The Government decided that the process of decentralisation and deetatization of activities is a supra-sectoral matter and took over responsibility for the process. On behalf of the Government, the process is guaranteed by the Deputy Prime Minister for Economy and the co-ordination has been entrusted in the Government Commissioner. At the same time in its resolution the Government adopted a decision that one of the outcomes of the draft concept will be also proposal for institutional provision of the process of decentralisation and modernisation of public administration. In this way the Government clearly declared that in view of the scope of the problems, measures will have to be adopted allowing the implementation of this complex process.

On the occasion of several discussion specialist meetings basically three options for further process of decentralisation and modernisation of public administration were considered:

1. the rise of a new central body having supra-sectoral jurisdiction
2. giving back the responsibility for the process of decentralisation and modernisation to the Ministry of Interior
3. setting up a standing secretariat for decentralisation and modernisation of public administration with the Government Office.

The initial assessment of strengths and weaknesses eliminated the first option from further considerations (the complications seen in the responsibilities act, political complication, the aspect of time required for start-up of a new body with the current time restraints for the reform, the need to nominate additional member of the Government...). The other two options call for significant strengthening in personnel, material provision and responsibilities in relation to the implementation of decentralisation and modernisation of public administration. This strengthening does not entail additional expenditure from the state budget, though.

Both potential guarantors (Ministry of Interior or the Government Office) will need a *specialist workplace* that would make provisions for:

- * preparation of all technical proposals related to reform measures and implementation,
- * drafting legal regulations,
- * organisation of promotion and communication,

- * monitoring the implementation and progress reporting,
- * securing expert reviews and provision of secretariat for other elements of institutional framework (co-ordination group, The Council of Government for public administration),
- * collaboration with staff of central bodies responsible for decentralisation and modernisation of public administration,
- * co-ordination of working groups at MF SR, MI SR, MLSAF SR, work on the implementation of reform, but also associated reforms (education, finance, IT provision, control, human resources management,...).

Other institutions forming part of the institutional framework for the implementation of decentralisation and modernisation of public administration include:

The co-ordinating group responsible for:

- * discussing, changes and adoption of documents submitted by the technical workplace prior to referring them to Government for debate ,
- * give recommendations and orders directed at the workings of the specialist workplace and other working groups with ministries,
- * discussion and assessing political, economic, and social feasibility of proposed reform measures,
- * planning and co-ordination of different reform activities.

The co-ordinating group should be presided by :

- * *the Minister of Interior under alternative with the MI SR, members: state secretaries of MF SR, MLSAF SR, Ministry of Construction and Regional Development, representatives of ZMOS and UMO SR, vice-chair and reporter should be state Secretary of the Ministry of Interior.*
- * *Deputy Prime Minister -under the alternative with the Government Office, members: state secretaries of the MI, MF, MLSAF, and MCRD, ZMOS and UMO SR representatives, vice-chair and reporter: the head of the standing secretariat.*

The Council of Government for Public Administration having the following responsibilities

- * giving positions to and recommendations of changes proposed by the technical workplace and other working groups with the ministries,
- * formulation of own proposals for substantive solutions.

It is proposed to add conceptual approach to the process in the business of the Council of Government for Public Administration, without its functions being in any way limited.

Contact persons at central bodies, which have been appointed already in this stage with the tasks of:

- * collecting and summarising data, facilitating and organising analytical works,
- * reporting on difficulties, ramifications, problems associated with the decentralisation process, proposing measures.

Framework analysis of alternatives

Giving back the responsibility for the process of decentralisation and modernisation to the Ministry of Interior

The MI SR has been dealing with the public administration reform on a long-term basis, but the part of the section that was involved in these reforms is not sufficient to cover such a huge scope of work. To ensure the process of decentralisation and modernisation, structural changes would have to be made to the MI SR.

Returning the process back to the level of a sector might cause similar complications in setting forth essential change as were witnessed in the past (such as the project of establishing self-government of UTU or adoption of laws of 1996 despite different outputs from the MI SR). This problem might partially be prevented by strengthening responsibilities of the MI SR in relation to other ministries in this agenda and creating the position of additional state secretary. The experience from other European countries where the reform was implemented by a subordinated part of the ministry provide testimony against such decision.

This decision would be a step back also in the light of the Government strategy which was adopted to ensure public administration reform. It was the departure from single-sectoral approach in a cross-sectional matter that decentralisation and modernisation of public administration is, that was positively assessed by experts of the EU.

Setting up the Standing Secretariat for Decentralisation and Modernisation of Public Administration with the Government Office

This solution in its way is continuation in the model that the Government of the SR decided about in February 1999. The Government of the SR, as a whole takes on the ownership and responsibility for the process of continued reform with the Deputy Prime Minister thus authorised becoming the guarantor on behalf of the Government. Even this model requires personnel- and responsibility-related strengthening, sufficient financial resources for external co-operation with other specialists in analytical or expert activities. This model, however, is also part of recommended reorganisation of the Government Office, as a service workplace to the Government in supra-sectoral conceptual and strategic tasks. This arrangement at the same time, will build on hitherto effective collaboration with foreign partners (EC Delegation, foreign governmental and non-governmental institutions), thanks to which expenditures associated with the preparation and implementation of decentralisation and modernisation of public administration in Slovakia may be minimised. This solution will allow a more efficient co-ordination of the process of decentralisation with the implementation of the related concepts, three of which are currently under the responsibility of the Government Office.

Conclusion

We recommend to opt for the alternative of the Standing Secretariat with the Government Office of the SR.

APPENDICES

1. Propositions from the Statement of Policy of the Government of the SR

2. Problems in public administration from the aspect of decentralisation and modernisation

3. Proposed decentralisation of competencies :

- * the significance of tradition in distribution of competencies,
- * framework list of competencies (Government Resolution no. 695/1999),
- * criteria of allocating competencies to state administration and self-government,
- * distribution of competencies between state administration and self-government,
- * proposed decentralisation of competencies by individual areas,
- * preliminary proposal of kinds of organisations whose founding function will be transferred to self-government .

4. Proposed organisation of public administration:

- * proposed selected relations in public administration,
- * proposed seats for joint municipal offices,
- * proposed specialised network of central bodies of state administration.

5. Proposed territorial and administrative arrangement:

- * definition of self-government upper-tier territorial unit
- * characteristics of the proposed SUTUs,
- * selected data on the proposed SUTUs.

1. Propositions from the Statement of Policy of the Government of the SR

Democratic legal state:

- * active involvement and co-participation of all citizens of the SR,
- * deepening and expanding opportunities for direct democracy,
- * decentralisation of competencies from bodies of local state administration to territorial self-government and the prepared regional self-government,
- * review of current legislation of the state ownership and management of state assets.

Public finance:

- * reduce scope and extent of redistribution of finance through the state budget,
- * undertake decentralisation and democratisation of state finance with emphasis on strengthening responsibility and position of self-governments in rendering services to citizens with accompanying provision of appropriate sources of financing,
- * cut expenditures through reviewing the Responsibilities Act and changes to bodies of local state administration ,
- * review existence and justification for state, non-state and public funds,
- * review the tax burden,
- * promote self-government of municipalities through progressive decentralisation of public finance,
- * make tax administration more efficient,
- * in remunerating employees of ROPO, the Government will consider motivating high-skill specialist work.

Transport:

- * promote implementation of integrated transport systems at regional basis,
- * create traffic police.

Agriculture:

- * transfer of land whose owners re unidentified from the administration by the Slovak Land Fund in municipal administration,
- * cut taxes on agricultural land,
- * gratuitous conveyance of water and sewer systems to cities and communities,
- * integrated rural policies, measures to promote economic and social diversification in rural areas,
- * the European Charter for Rural Areas.

Environment:

- * amend regulations on territorial planning,
- * amend the Act on state environment management,
- * finish a comprehensive system of Slovak Environmental Inspection.

Regional development and housing:

- * adopt regional development finance that will permit differentiated approach of regions in solving their issues,
- * legislative and institutional provision whereby regions could affect building technical and social infrastructure thorough decentralisation of responsibilities and finance,
- * prepare a complex change to territorial planning and building code allowing citizens, municipalities and regions to administer their territories more efficiently.

Social policy:

- * review the existing system of structure of Labour Offices,
- * new legislation for employment relations in public service,
- * targeted, controlled and cost-efficient use of finance towards support of individuals and families,

- * review efficiency and quality of social services and the responsibilities of bodies of state administration and self-government in providing assistance.

Education and up-bringing:

- * adopt a finance law that would make provision for normative-based redistribution of resources to individual schools,
- * tax relief for business activities of secondary schools and colleges,
- * transfer of pre-school facilities and basic schools under self-government administration,
- * undertake analysis of the network of secondary schools, its rationalisation and consider possibilities of transfer of selected responsibilities to self-government UTU,
- * in connection with the concept of public administration prepare proposal to set up area school authorities,
- * strengthening position of school self-government in school and region.

Health :

- * create prerequisites for further development and financing home nursing care,
- * transfer of powers and obligations to lower bodies of state administration and local self-government,
- * take account of varied needs of regions that will represent a relatively autonomous unit,
- * in privatisation take account of the interest of both staff and municipalities,
- * create an autonomous fund to finance particularly cost-demanding health care.

Culture:

- * decentralisation and transfer of responsibilities in the area of culture.

Public administration :

- * arrange public administration in a way that should provide for basic needs of the citizen, i.e. continuation in decentralisation, respecting the principle of subsidiarity,
- * implementation of decentralisation of responsibilities from bodies of local state administration to local self-government and the prepared regional self-government,
- * closely with transfer of responsibilities, address financial autonomy with the purpose of strengthening and stabilising financial resources and flows to restrict the state intervention through subsidies in the financial autonomy of municipalities,
- * consider need for changes to the Territorial and Administrative Arrangement Act,
- * transfer some administrative agenda from fire corps to local state administration,
- * systematic education for enhancing professional skills of public administration staff.

Justice:

- * further stages of gradual adjustment of seats of District courts to newly established districts will serve the purpose of getting access to courts closer,
- * consider introduction of the institute of human rights advocate (ombudsman).

Foreign Policy:

- * satisfy conditions for the accession to the EU, NATO, OBSE, OECD,
- * intensify co-operation with the CR, Poland and Hungary ,
- * cross-border co-operation within Euroregions is an important form of promoting regional bonds and in this context, accession to relevant international documents,
- * national and ethnic diversity is historically given, therefore all manifestations of ethnic and racial intolerance are condemned .

2. Problems in public administration from the aspect of decentralisation and modernisation

2.1 Incomplete model of public administration and prevailing central management

The public administration reform includes (in addition to the broader understanding of reforms of public administration) three associated and interconnected reforms:

1. *decentralisation*, whose part is handing over responsibilities from the state administration to self-government , including decentralisation of public finance and *deconcentration* of tasks
2. *administrative (institutional) reform*, which comprises setting up new institutions of self-government (UTU) as well as changes within the existing institutions (local state administration, central bodies of state administration, and their subordinate organisations...)
3. *reform of territorial and administrative arrangement*, including changes to territorial boundaries and seats of territorial self-government units and regions.

The process originally initiated in 1990 focused on all three interrelated reforms. Changes occurred in territorial division, administrative reform and the process of decentralisation commenced (rise of self-government, handing over property, municipal budgets,...). In this period, the so-called “dual model” was established (separated performance of state administration and territorial self-government), whose logical continuation should be the rise of the self-government of upper tiers, decentralisation of functional responsibilities and public finance in applying the principle of subsidiarity and rationalisation within state administration.

The changes of Governments, the rise of independent Slovak Republic, have halted this process. In 1996, a change of territorial and administrative arrangement was effected, as well as administrative reform (horizontal integration) and deconcentration of selected activities from central Government to local state administration. In decentralisation of state administration functions to self-government, however, progress has not been made. It was this failure to take a complex approach that brings about growing problems in transformation of not only public administration but public sector as a whole.

The changes that had taken place between 1990 and 1999 had often contradictory nature. The initiated process of decentralisation had not been taken up further and despite the “dual” model of public administration, changes occurred exclusively in state administration:.

- ◇ after 1990, shift from three-tier to two-tier management (regions abandoned) and the transition from so-called integrated to sectoral management of local state administration (specialised networks);
- ◇ after 1996, shift from two-tier to three-tier management (centre - region - district) and from sectoral to integrated management;
- ◇ after 1998, efforts to maintain three-tier management but at the same time attempts again to resume sectoral management in the form of specialised networks.

Centralisation of decision making and management of public administration suffers from chronically known shortcomings, i.e. low measure of flexibility in responding to local needs, normative-based decisions, delayed reactions to problems. It does not permit to address problems by adopting unpopular measures (e.g. rationalisation in school networks, health networks,...)because each proposal, step, grows into a nation-wide and society issue, despite the fact that often only regional or sectoral disparities are addressed, resulting from inefficient economy of the past decades.

The high level of centralisation and shared responsibility of central bodies for operative activity complicate execution of major roles of the Government and ministries, i.e. their conceptual, legislative, methodological and control activities.

Excessive concentration of operative activities in central bodies of state administration entails also sustained sectoral approach, which makes efficient co-ordination of activities and defining national priorities difficult. It also hinders a speedier transformation (denationalisation) of activities that might be provided by private or non-profit organisations more efficiently.

Putting off essential decisions and the existence of unfinished model result in inefficient expenses for public administration as a whole and poor linkage in mutual action of state budget and municipal budgets.

The horizontal integration of state administration in 1996 focused mainly on elimination of one of the formerly existing negative features, namely excessive scope of sectoral management of specialised networks that were also handling substantive issues of public administration. What failed to occur was decentralisation in responsibility and public finance. The ramification is the current model of public administration which is more costly than the model applied prior to 1990 (expenses for separated performance at local level, increased cost for transfers between public budgets,...) Other negative of single-sided decisions include:

- ◇ integration of also such authorities that did not need to copy new territorial and administrative arrangement,
- ◇ creation of administrative and legal competence of departments of regional and district office,
- ◇ complications with continued sectoral responsibility of ministries and other central bodies of state administration ,
- ◇ unification of organisational structures which precludes responding to differentiated needs of regions.

2.2 Control in public administration

The implementation of a decentralised system of public administration, particularly decentralisation of decision making will call for essential changes in control mechanisms in public administration. The aim is to create such a system of control which will embrace all processes of public administration, i.e. within both state administration and self-government. (See part A5)

The Government Office, in co-operation with the NKÚ, MI SR and MF SR have been assigned to work out an overall concept of control in public administration (by 30 April 2000) in connection with decentralisation, under the Government resolution no. 695/1999.

2.3 Growth and inefficiency in expenditures for public administration

The growth in expenditure was mainly due to constituting independent local self-government in 1990 and failure to finish the dual model of public administration in the course of 1990-1998.

Although one can accept the argument of the need to provide many new additional services following 1989, the growth in the number of employees in local public administration (without budgetary and contributory organisations) is apparent and was due to duplicity of institutions in state administration and self-government. In 1989, then within national committees (KNV, ONV, MsNV, MNV) worked 14 743 employees, in the years 1989-1999 - the figure went up to 33 340, of which 17 531 account for local state administration and 15 809 for local self-government. This, too is the consequence of a non-systemic approach in transforming public administration.

	local self-government		local state administration		Total
	elected	non-elected	District Offices	Regional Offices	
number of employees	2 916	15 196	15 188	2 343	33 340

Although the efforts to rationalise state administration through horizontal integration has brought about slight reduction of staff (by around 2300), on the other hand, in many areas it caused complications in public administration management (combination of influence of the MI SR and sectoral ministries, prescribed structure of offices, full provision in those districts where it was not necessary). Equally, categorisation of district offices proved inappropriate, which emerged from different per capita expenses of the districts. The overall numbers of local state administration employees were inflated (in total by 25%). Some regional offices can serve as illustrations when their staff grew 100% when compared with 1989.

Non-systemic solutions also make essential changes in central bodies of state administration and their detached workplaces in the territory impossible. Until the state is responsible for the major part of responsibilities of the public sector (which is expressed in its 88% share in tax revenues), it will not be possible to efficiently rationalise state administration and simultaneously create conditions for more efficient use of public finance by territorial self-government.

The problems incurred by the steps taken in 1990-1996 which were not complex show in the permanent efforts of particular ministries in forming their own networks (Ministry of Education, Ministry of Environment, Ministry of Soil Management, Ministry of Health, Fire Protection Corps, the Office of Geodesy, Cartography and Cadaster,...)

Blanket stringency measures in public administration prove but partially efficient solutions in the short term and do not result in desired effects in the long run. They mostly affect lower levels of state administration. On the other hand, new laws that are adopted, frequently establish larger personnel demands which exceed stringency measures in their effect.

Even at present, within considerations about cutting expenditure for public administration, different partial solutions are recommended, such as:

- * retaining the number of full-value districts with differentiated staff,
- * changing management of local state administration authorities (greater powers for Managers),
- * cutting the number of so-called full-value districts,
- * cutting the number of districts and regions.

These measures although capable of bringing short-term or single-time savings in outlays for administration only postpone the essential solution of the problem. The state may, for example, continue in cutting financial resources for public administration as a whole, for administration, local self-government, but this does not address the improper structure of public administration. Moreover, such a solution can bring about unexpected negative impact. The impact of measures cannot be readily anticipated from the centre:

- ◇ through poor implementation of well-intentioned measures (e.g. dismissal of qualified staff, shortage of funds precluding achievement of defined tasks) performance of administrative apparatus of state administration may decline,
- ◇ municipalities may stop co-financing state tasks (due to restriction), whereby the situation may deteriorate in sectors in which self-government invests (schools, health, social sphere, public transport, technical infrastructure...) beyond the framework of their obligations stipulated by law.

**Numbers of employees at local level of public administration
(District Offices, local self-government)**

Region	District	population	Number of employees *				
			District Office	MO elected	MS non-elected	Total	per 1000 popul.
Bratislavský	Bratislava I	47 896	186	8	634	828	17.3
	Bratislava II	113 043	216	6	194	416	3.7
	Bratislava III	64 403	172	7	134	313	4.9
	Bratislava IV	96 376	200	15	196	411	4.3
	Bratislava V	130 288	226	7	121	354	2.7
	Malacky	62 373	194	28	156	378	6.1
	Pezinok	53 280	171	22	143	336	6.3
	Senec	50 220	171	33	136	340	6.8

Trnavský	Dunajská Streda	111 100	270	71	378	719	6.5
	Galanta	93 808	255	39	228	522	5.6
	Hlohovec	45 596	138	25	85	248	5.4
	Piešťany	64 079	173	30	157	360	5.6
	Senica	60 502	194	36	141	371	6.1
	Skalica	46 550	152	23	100	275	6.0
	Tnava	126 333	269	54	266	589	4.7

Trenčiansky	Bánovce n/Bebr.	38 725	151	25	84	260	6.7
	Ilava	62 283	174	20	98	292	4.7
	Myjava	29 938	126	22	88	236	7.9
	Nové Mesto n/V.	64 424	188	35	149	372	5.8
	Partizánske	48 428	148	20	98	266	5.5
	Pov. Bystrica	65 580	195	26	125	346	5.3
	Prievidza	141 184	310	54	365	729	5.2
	Púchov	45 703	147	22	110	279	6.1
	Trenčín	113 563	246	37	227	510	4.5

Nitranský	Komárno	109 027	276	53	293	622	5.7
	Levice	120 995	295	84	362	741	6.1
	Nitra	162 592	294	63	355	712	4.4
	Nové Zámky	152 380	306	74	451	831	5.5
	Šaľa	54 611	153	20	124	297	5.4
	Topoľčany	74 246	209	63	195	467	6.3
	Zlaté Moravce	43 773	145	34	105	284	6.5

Žilinský	Bytča	30 198	133	16	66	215	7.1
	Čadca	91 891	253	34	200	487	5.3
	Dolný Kubín	38 690	169	25	78	272	7.0
	K.N.Mesto	33 117	135	17	80	232	7.0
	Lipt. Mikuláš	74 629	223	36	182	451	6.0
	Martin	97 835	239	34	175	448	4.6
	Námestovo	53 147	167	28	116	311	5.9
	Ružomberok	59 558	174	22	111	307	5.2
	Turč. Teplice	16 905	113	12	37	162	9.6
	Tvrdošín	33 882	140	18	70	228	6.7
	Žilina	155 513	304	56	306	666	4.3

Banskobystrický	Banská Bystrica	112 810	260	44	212	518	4.6
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	Banská Štiavnica	17 006	113	18	58	189	11.1
	Brezno	66 182	196	28	162	386	5.8
	Detva	34 104	145	19	82	246	7.2
	Krupina	23 034	130	23	76	229	10.0
	Lučenec	73 086	227	61	176	464	6.3
	Poltár	23 598	120	25	55	200	8.5
	Revúca	40 970	161	37	99	297	7.2
	Rimavská Sobota	82 106	251	90	198	539	6.6
	Veľký Krtíš	46 878	181	67	119	367	7.8
	Zvolen	67 829	203	26	164	393	5.8
	Žarnovica	27 879	133	20	88	241	8.6
	Žiar nad Hronom	48 509	183	36	110	329	6.8

Prešovský	Bardejov	74 066	222	83	140	445	6.0
	Humenné	64 882	196	56	127	379	5.8
	Kežmarok	59 727	199	39	179	417	7.0
	Levoča	30 516	129	22	69	220	7.2
	Medzilaborce	12 966	110	21	41	172	13.3
	Poprad	101 465	271	34	248	453	4.5
	Prešov	163 241	299	88	299	686	4.2
	Sabinov	51 622	164	42	110	316	6.1
	Snina	39 416	148	30	79	257	6.5
	Stará Ľubovňa	49 004	169	44	162	375	7.7
	Stropkov	20 328	125	27	43	195	9.6
	Svidník	33 143	142	59	106	307	9.3
	Vranov n/T.	68 343	213	64	170	447	6.5

Košický	Gelnica	30 004	145	23	88	256	8.5
	Košice I	65 747	172	9	138	319	4.9
	Košice II	82 356	182	16	278	476	5.8
	Košice III	32 171	117	3	36	156	4.8
	Košice IV	60 642	151	9	97	257	4.2
	Košice okolie	101 630	277	90	268	635	6.2
	Michalovce	107 743	249	79	233	561	5.2
	Rožňava	61 274	203	60	177	440	7.2
	Sobrance	23 632	136	51	62	248	10.5
	Sp. Nová Ves	89 358	232	34	198	464	5.2
	Trebišov	101 449	242	82	222	546	5.4

TOTAL		536 7740	15 196	2 916	12 893	31 005	5.8
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* District Offices - breakdown for 2000, Municipal Offices - as of second quarter of 1999

2.4 The current legal state (regulatory) of the reform

Legal regulation, both in drafting legislation, its implementation, enforcement and creation of an atmosphere of legality rank among significant tools of management of social processes. The reform of law is a necessary prerequisite for “substantive correctness” of administered processes and it is beyond doubt, that compatibility of legal regulations with the EU law is a major prerequisite for the dynamism of integration processes.

Within the public administration reform strategy, principles of required regulatory reform were given as they were adopted by the Ministers of OECD countries in 1997. The strategy of this reform should focus on:

- * adoption of a program, clearly setting the objectives of the reform of the law and the framework for implementation ,
- * systematic control and inquiry into legislative regulations and administrative directives to ensure that they efficiently result in intended objectives,

- * ensure that regulation and regulatory processes be transparent, non-discriminatory and were purposefully applied,
- * inquire and, where necessary, strengthen the scope, effectiveness, enforcement of a policy of competition,
- * reform regulation in all sectors of economy aimed at encouraging competition and eliminating regulation where it is not clear it would be in public interest,
- * eliminate unnecessary regulatory barriers to trade and investment by improving implementation of international agreements and strengthening internationally accepted principles,
- * identify important links to the objectives of other policies and develop a strategy to achieve consensus that will promote regulatory reform at the same time.

2.5 Management in public administration

To date, the process of management in public administration has been an insufficiently tapped area despite the fact that management is considered to be the decisive factor of efficiency of public administration and thus also the whole public sector. Only a well managed public administration is capable to implement successful decentralisation process.

Within the work on the concept, framework analyses have been evaluated that were conducted within EU - Phare support project at the level of central bodies of state administration and local state administration (district offices). The analyses showed that:

- * at central level:
 - * there is considerable difference in what individual units and individual working functions should do as opposed to what they actually do,
 - * there is not a targeted direction of the outputs of activities of particular departments and positions as to who uses the outputs and how, which results in overloading particular units with activities which are often of no or little relevance,
 - * the organisational structure of these central authorities tends to behave as a “sponge” i.e. absorb new activities with a subsequent division of labour directed to creating new working positions without reviewing and eliminating activities that fail to bring effects to any users,
- * within local state administration
 - * job descriptions (job specifications) are designed with regard to functional positions and purposefully directed into salary brackets. The efforts to promote staff to senior positions with higher salary prevails, which is accompanied with an effort to justify the move with work that does not correspond to the work actually carried out,
 - * job descriptions at lower organisational units are insufficiently clear, i.e. it is not always apparent what responsibilities, obligations are allocated to the relevant work position,
 - * the rate of usefulness of work activities for the analyses of work is very low, in some cases it is less than 30% , i.e. the work description should give all duties of the employee at the appropriate position or the senior worker determines through job specification the tasks for which the employee gets paid. Where there is a job specification (which is not a rule) it is done in such a way that around 30% of it covers work duties with the remainder being things of the type: the worker shall take part in regular training, is obliged to comply with working hours,
 - * the current state gives scope for low efficiency of work, which contributes, to a large extent, to increased cost,
 - * in many cases executive and management activities overlap, which may be due to purposeful inclusion of individual employees with the aim to effect salary raise or accumulation of activities due to shortage of appropriately skilled staff, particularly in specialised activities.

In Slovakia, the elements applied in advanced countries of Europe and which have hitherto been applied in private sector in management of economic activities, have not yet reached the management of public administration. These elements include: new mechanisms of decision making, changes in the organisation culture and the culture of service rendered, optimisation of organisational structure in relation to clearly defined tasks and requirements from the citizens, new criteria of division of jobs into executive (specialist), management and policy making, methods of co-ordinating work, new ways of personnel work , remuneration of workers, criteria of social and employee fringe benefits tied to position and education, as well as employee involvement in management. All these plus other knowledge, such as methods of citizens needs analysis, new forms of collaboration with citizens, may be applied also in public sector while specificity should be accounted for, i.e. legal regulation in defining individual processes.

2.6 Financing public sector

The implementation of decentralisation of public administration will call for considerations of also changes in the structure of public budgets, changes in public finance flows, taxing powers, tax assessment, changes in state funds, structure and drawing up of budgets, as well as new mechanisms of financial equalisation of different tax strength of regions, cities and communities.

Despite the fact that there is no single generally accepted model of fiscal decentralisation, nor a universal model of public administration, there exist general principles of financing local government defined in European conventions (the European Charter of Local Self-government, prepared European Charter of Regional Self-government) or declared at international conferences (e.g. conference of European Ministers responsible for local self-government in Lisbon, 1996). The demand has always been declared for:

- * increased financial autonomy of local self-government,
- * efficient democratic control of how public finance is used,
- * increasing discretion in setting charges and fees for local or regional services,
- * increasing taxing power (in setting local tax rates, differential surcharges,...),
- * defining mechanisms of financial equalisation,
- * determining criteria that would preclude excessive growth of indebtedness of public budgets, but also accountability of the state for creating conditions to meet the above demands.

The rise of SUTU and new allocation of responsibilities for public tasks will require to newly define the relations between the state, and local self-government while the principles of subsidiarity, motivation and solidarity will need to be respected.

The problems of public budgets connected with the need to pay back excessive debt of the state arising in the former election term, permanent pressure to minimise expenditure and the high centralisation of competencies have caused failure in implementing to date changes within modernisation of public budgets. Stabilisation of the situation in the state, stabilisation of relations within public budgets and the decentralisation of competencies should all contribute to new approaches in drawing up, debating and controlling public budgets.

2.7 The role of public sector in supporting economic development

Public administration plays a significant role in relation to economic development of the state. It creates framework conditions for the development of state economy through creating legislation, regulations, handling administrative agenda, law enforcement, etc. Public sector is at the same time directly involved in economic development through its participation in provision of the territory with technical or social infrastructure, purposeful location of investments but also, for example, by changing the position of the seat within the new territorial and administrative arrangement (seat of the region, of the SUTU) and, potentially, through dislocation of central bodies it takes care of equalising the disparities between regions stemming from uneven economic conditions, etc. It is clear that the measure of public sector involvement in economy depends upon social, economic and political situation of the given state.

On the whole, it holds that more and more, it is a mix of public and private sectors that jointly pursue development programs of the state, the region and the municipality. Just as there are differences among countries in the interventions of public sector in the economy, there are also differences in the interventions of public sector within individual regions, cities and communities, depending upon socio-economic conditions. Hence, it is vital :

- * through decentralisation of responsibilities and finance to create environment conducive to efficient intervention of public sector in the economy at relevant tiers of public administration,
- * review the existence, organisational form, ways of funding and assessing efficiency of resources effected in part of budgetary but particularly contributory organisations of public administration,

- * undertake privatisation of public sector activities at all levels,
- * consider the volume of property of SUTU in the light of their future significant share of responsibility for economic development of the state.

2.8 Training employees in public administration

Although the Government approved in 1995 the concept of training in public administration, the progress in its implementation has been adversely affected by:

- * shortage of finance that would be earmarked for specialist staff preparation,
- * absence of a comprehensive system of human resource management and development,
- * failure to have a systemic solution for quality and efficiency of training,
- * insufficient co-ordination of several institutions that got involved in training public administration staff.

Equally, the unfinished model of public administration did not permit to stabilise organisational structures, positions in public administration, tasks and responsibility, which made implementation of adaptation study or specialised skills-oriented study more complicated.

The amendment in progress or the new concept of training in public administration, which is being elaborated under the auspices of the MI SR in collaboration with ME SR and which should be linked to the concept of decentralisation of public administration has the purpose :

- * to create an efficiently functioning education system in public administration aimed at raising quality of public administration activity at all its levels,
- * propose institutions and legislative framework for the system and its co-ordination,
- * refine links of training programs for public administration with the practice and the associated quality improvements in rendering services to citizens.

Linked to the process of decentralisation is the need to pay special attention to training local self-government staff but also elected officials (particularly small community Mayors). It is the responsibility of the state as the guarantor of education in general to secure adequate conditions.

2.9 Existing territorial and administrative arrangement

Already when the Act no.221/1996 on territorial and administrative arrangement was adopted, the bill was subjected to criticism and later when enacted, it was subject of a number of analyses which revealed that the decision, inter alia, caused:

- * a major intervention in social and spatial organisation of Slovak society,
- * inappropriate selection of seats for regions and districts, resulting in the need to set up additional detached workplaces of the districts,
- * new districts do not match with the so-called functional municipal regions,
- * the number of regions, choice of seats' administrative boundaries do not correspond to the regional structure of the SR.

2.10 Low knowledge about public administration

The public debate organised in the course of 1999 (12 discussion events in Bratislava, 32 discussion events in 16 regions of Slovakia, conferences,...) pointed to reserves in matters of public administration. It is due not only to the social system in place before 1989 but also lack of information, insufficient explanations and education after 1990. It is also the consequence of the state investing almost no financial resources over the last 10 years in training for self-government.

The gaps in knowledge are found both in citizens and public administration officials. The public discussions, for example, revealed confusions in:

- * defining the position and role of public sector, public administration as a whole,
- * insufficient distinctions between the tasks of state administration and territorial self-government ,
- * insufficient understanding of changes which occurred after 1990 and which brought significantly higher measure of personal responsibility for the quality of one's life,
- * outlasting feelings that public administration must take care of all their demands and needs, many times conflicting with the effective legislation,
- * mixing up mandatory (stipulated by law) and voluntary tasks (election programs) by elected officials of public administration which leads to inefficient spending of public resources,
- * flaws in public finance management, efficient use of assets and finance of public administration,
- * low professionalism in public administration staff (both in state administration and self-government).

Increasing knowledge and information about public administration among citizens, highlighting the importance of training of public administration staff, greater emphasis of high-quality management and the quality of services in public administration through regional and national media may contribute to eliminate these negative phenomena.

3. Proposed decentralisation of responsibilities

3.5 Significance of tradition in distribution of competencies

Traditions play a significant role in the distribution of competencies between the state and local self-government. In European countries, there are important differences between the southern and northern countries of Europe. Countries located to the north have embraced more drastic steps in reorganisation of municipal self-government (municipalisation), thus allowing decentralisation of responsibilities to take place at local or regional level (recently Poland joined them). At the same time, the majority of specialised staff in public administration is employed by the local not the state level. In countries to the south the presence of the state in the territory helps the fragmented settlement to survive, which in turn is dependent on state institutions. Despite this fact, even in these countries recently strengthening of local self-government have occurred with municipalisation not imposed (by law), but rather, the process being continuous on the basis of inter-municipal co-operation.

These differences may be attributed to certain differences in the approach to the state power. In Anglo-Saxon and Scandinavian countries the political culture tends to be distrustful of state power. As a result, local control prevails also in such areas as education, policing, election management, which is seen as a prevention against totalitarian dangers. On the other hand in southern states, citizens see the value in the presence of state power in the territory and its capacity to protect people from the dictatorship of local elites.

The Slovak Republic can be included neither among northern nor southern countries. Nevertheless, the tradition of public administration in Slovakia points to a more significant role in the past played by different forms of local self-government, which had always been a stabilising element in the territory. The unnatural development over the last decades of the totalitarian regimes cannot be taken for the foundation for future arrangement of relations between state administration and self-government. Even the development after 1990 suggests that these traditions have been maintained, whether one looks at almost problemless rediscovery of local self-government and its results or the example of continuing existence of regional cohesion (natural regions of Slovakia such as Spiš, Šariš, Gemer, Zemplín, Liptov,...). The demands for institutionalised confirmation of these natural regions can be felt ever since 1990 despite many social changes that had occurred over the last 80 years. Failing to take account of these demands, the meeting of which would lead to much faster mobilisation of internal regional resources and also of the whole state and the sustaining technocratic approach to reform processes have brought about growing decline of these regions.

3.2 Framework list of competencies of territorial self-government

(Appendix 1 to the Government resolution No. 695/1999)

Economic functions:

1. drawing up, approving and controlling own budget,
2. drawing up and approving regional development program,
3. designing and approving local development program, position to regional development program and the position with national intents,
4. elaboration and approval of instruments of economic and social development of municipality, UTU in compliance with law, including cross-boarder co-operation,
5. setting and approving regional charges, local taxes and charges management, setting local tax rates and fees, or differential tax surcharges in accordance with effective laws,
6. financial equalisation of tax strength of cities and communities,
7. management of self-government property ,
8. share in public services of regional and local significance,
9. own investment and business activity,
10. issuing binding positions on starting business activities by legal and physical persons,
11. establishing, closing and control of local and regional enterprises,
12. support for private and third sector.

Public services:

1. public lightening,

2. funerals, cemeteries, mourning houses,
3. municipal waste management, waste water discharge,
4. water and electricity supplies,
5. public spaces administration,
6. local roads maintenance.

Construction and housing:

1. procurement and approval of regional projects ,
2. co-ordination of local development plans,
3. construction, administration and maintenance of municipal housing,
4. territorial preparation for housing construction,
5. heating.

Environment:

1. communal , territorial and species protection of nature and landscape,
2. protection of trees outside forests,
3. quality and quantity protection of water managed by municipalities,
4. rational water use of water managed by municipalities,
5. municipal environment protection and programs,
6. municipal waste management and its programs
7. procurement of planning documentation for large territorial units,
8. procurement and approval of territorial planning documentation of settlement units and zones,
9. building proceedings and planning permits for locating selected constructions, changes to land use and protection of interests in the territory,
10. compliance with the building law, including building permits issuance for selected constructions,
11. environmental monitoring and environmental information,
12. zoological gardens, breeding stations, rehab stations, zoological recesses, and detention stations managed by municipalities,
13. botanical gardens management, arboreta, instructive paths and localities managed by municipalities,
14. management of environmental education centres, information centres and other facilities of environmental protection,
15. promotion and protection of healthy living conditions and healthy life styles and work styles in municipal population.

Transport:

1. ownership, construction, maintenance and administration of category II and III roads,
2. (potential) participation in regional transport enterprises,
3. municipal and conurbation public transport.

Water management:

1. construction, administration and maintenance of water systems and water constructions,
2. construction, administration and maintenance of sewer systems and constructions ,
3. waste water treatment plants.

Education:

1. founding, closing and administration school facilities,
2. construction and administration of basic schools,
3. construction and administration of secondary schools,
4. establishing non-state colleges,
5. appointing and removing school directors, directors of school and pre-school facilities (on competitive basis and at school self-government's proposals),
6. allocating finance for wages, salaries and other personal settlements, insurance contributions, goods and services, where these are provided free of charge, for all facilities included in the school network,
7. allocating financial subsidies to private, church facilities included in the network in accord with the law of financing education.

Health:

1. establishment and administration of regional outpatient clinics, hospitals and facilities,
2. administration of stipulated hospitals, curative institutes,
3. child sanatoria,
4. support for private facilities,
5. construction and operation of municipal health centres, outpatient clinics, hospitals

Culture:

1. establishment and administration of regional education centres, libraries, museums, galleries, theatres, and puppet theatres, observatories, ZOO gardens
2. establishment, management and closing of cultural centres, theatres, orchestras, art ensembles, observatories, cinemas, amphitheatres, halls,...
3. monument protection, historical objects protection,
4. cultural events,
5. keeping local chronicle.

Social assistance:

1. establishment and administration of municipal and supra-municipal facilities of social services, nursing care, children homes,
2. financial support for local and private (non-governmental) facilities,
3. provision of social assistance benefits.

Internal administration, general administration:

1. organisational structure of the office,
2. issuance of generally binding regulations (bylaws),
3. citizens voting organisation, election management,
4. administrative acts arising from handing over competencies,
5. collection and processing of data on municipalities, SUTUs.

Safety, public order:

1. integrated rescue system,
2. municipal police,
3. civil defence (participation),
4. fire protection.

3.3 Criteria for allocating competencies to state administration and self-government**Exclusivity of the bearer:**

The process of decentralisation does not intend to restrict the significance of the state in administering public affairs but creates scope for efficient exercise of those responsibilities that no other subject can provide and liberates the state of those things that other elements of public administration provide more efficiently and of better quality.

Guaranty of constitutional rights:

The Constitution guarantees basic civil rights that cannot be impaired through decentralisation.

Subsidiarity:

Unless objective reasons exist to act otherwise, the functional responsibility is allocated to the subject closest to the citizen (local self-government).

Benefit for citizens:

The functional responsibility is allocated to the institution that is the guarantor of its operative, high-quality and accessible exercise for citizen.

Efficiency of financing:

The distribution of functional responsibilities assumes creating appropriate proportions in public budgets (state, self-government units), higher transparency in the use and prerequisites for accumulation of own resources in territories (municipality SUTU)

Retaining standards of quality and accessibility of goods:

The hitherto unfinished process of transformation in schools, health, transport, communications limits the adoption of standard models of decentralisation and encourages gradual decentralisation steps.

The European standard:

In the interest of creating a standard European model of public administration, account is taken of frequently used ways of distribution of competencies between the state and self-government institutions applied in EU countries.

Spatial assignment:

The functional responsibility is allocated to the subject in line with geographic boundaries of the territory of its consumption (international roads - state, municipal waste - municipality).

Cutting cost of public administration:

Cutting administration, increasing professional skills, horizontal and vertical accumulation of similar activities.

Functional structure of local self-government institutions:

Re-distribution of responsibilities depends on creating financial, organisational, personnel, and other prerequisites for increased competence of self-government authorities.

3.4 Distribution of responsibilities between state administration and local self-government

Functional responsibility	state administration	self-government of UTU	local self-government
A. General administration			
state defence	x		
foreign policy	x		
legislation	x		
state property administration	x	x	x
protection of rights and liberties	x		x
justice and courts	x		
civil defence	x	x	x
fire protection	x	x	x
register of citizens and birth	x		x
state registers	x	x	x
state documents issuance	x		
state control	x		

register of electors			X
consumer protection	X	X	X
B. Co-ordinating and methodological activities			
cross-sectional and sectoral co-ordination	X	X	
conceptual activity and policy	X	X	
methodological and normative activity	X		
development programs and plans	X	X	X
sector and cross sectional policies	X	X	
cross-border co-operation programs	X	X	X
C. Education			
founding and management of pre-school facilities	X		X
of basic schools	X		X
of secondary schools and facilities	X	X	
of upper vocational schools	X	X	
of state colleges	X		
establishing non-state colleges		X	X
establishing and management of special need schools			X
other educational institutions (re-skilling, further education)	X	X	X
establishing and management of school facilities (except pre-school)	X	X	X
redistributing financial subsidies to private, church schools and school facilities	X	X	X
basic art schools		X	X
D. Health			
local health centres			X
outpatient clinics and type I hospitals			X
outpatient clinics and type II hospitals		X	
school hospitals, type III hospitals, facilities of national significance	X		
secondary nursing schools	X	X	X
higher health education institutions	X		
preventive health care	X	X	X
E. Social care			
facilities of nursing care			X
social services: * pensioners clubs			X
* laundry			X
* pensioners canteens			X
* personal hygiene centres			X
* crisis centres	X		X
* stations of nursing care			X
* foster care facilities		X	X
* lone pensioners home			X
* asylum			X
* rehabilitation centre			X
* resocialisation centre			X
* pensioners home of capacity up to 30			X
* pensioners home - pension			X
* day care child social service home			X
* sheltered housing			X
establishing and management of social services facilities			
* pensioners home			
* social service home for children		X	
* social service home for adults		X	
* child home	X	X	

single-time social assistance benefit			X
social assistance (welfare) benefit			X
financial allowance to non-state social service providers		X	X
F. Construction and housing	X	X	
procurement and approval of regional projects		X	
municipal apartments construction, administration			X
co-ordination of development plans	X	X	X
heating			X
preparation of territory	X	X	X
G. Environment and territorial planning			
protection of nature and landscape	X	X	X
water quality protection and use	X	X	X
environmental and ozone protection	X		X
soil protection	X	X	
waste management	X		X
territorial planning	X	X	X
building law	X		X
environmental impact assessment	X	X	
environmental information	X	X	X
establishment and management of environmental education and information centres	X	X	
state geological administration	X		
H. Culture, leisure and sport			
educational and cultural centres and observatories	X	X	X
theatres, ensembles	X	X	X
cinemas , musical and exhibition halls		X	X
museums, libraries and galleries	X	X	X
local chronicle			X
cultural monuments and historical structures	X	X	X
designating cultural monuments and protected zones	X	X	X
designating, changes and cancelling of protected areas (ZOO, national parks, botanical gardens)	X		
I. Transport			
maintenance and administration of category III roads		X	X
maintenance and administration of category II roads		X	
maintenance and administration of Category I roads and motorways	X		
regional and municipal public transport		X	X
concluding contracts on performance in public interest		X	X
administration of airports	X		X
approval of timetables of national bus services		X	X
granting and withdrawing licences for regular national bus service		X	X
J. Economic services and functions			
public lightening			X
electricity and gas supply	X		X
water, sewer			X
funerals and cemeteries			X
crematoria and mourning houses			X
municipal aesthetics			X
park and public spaces			X
proposal and approval of economic and social development tools	X	X	X
administration of own revenues and expenses	X	X	X
management of own property	X	X	X
establishment and cancelling of legal persons	X	X	X

own investment and business activity	x	x	x
support for non-governmental institutions	x	x	x
financial equalisation	x	x	
K. Other services			
safety	x		x
employment	x	x	x

3.5 Proposed decentralisation of responsibilities by individual areas

(The appendix relies upon the Government Decree no. 695/1999 and its aim is to give more details on those branches which are affected by decentralisation proposals).

3.5.1 Education

The proposal of the Ministry of Education of the SR relied on the idea of specialised school administration, transfer of responsibilities to self-government authorities in the area of economic management of pre-school facilities, basic and secondary schools. Specialised state administration in education will have jurisdiction in the following: personnel, finance, specialist and methodological guidance, state school inspection. This system of management will pursue the following legislation: (the Act on state service, the Act on public service, the Act on financing education, the School Act, and the Act on state administration in education and school self-government.)

In the further exercise of state school administration responsibilities, it will fully accept the performance of state administration by school directors and school facilities and the responsibilities of self-government bodies of schools and school facilities and (School Boards).

Effecting decentralisation means to transfer part of personnel, finance and management competencies to territorial and school self-government, with part of the competencies being exercised by state administration in education. The unification will be achieved through implementing effective legislation.

Self-governing principle will be combined, whose bearers are local and school self-government with state administration, whose bearer will be the ME SR and specialised school state administration.

The network of schools and school facilities

The network of schools and school facilities of the ME SR is a system, which determines education and upbringing providing subjects in individual territorial localities of the SR. It is a document, which authorises schools and school facilities to act as institutions established subject to the School Act, or School Facilities Act. Schools are educational subjects which are authorised to issue documents of the education degree achieved (public law deed). The inclusion or exclusion of schools is effected on the basis of relevant founder's proposal, in accordance with the criteria stipulated by law. The Ministry of Education of the SR shall have decision making power in including or excluding a school or school facility and will be responsible for keeping the register of school network. Where agreement is not achieved between the founder and the ME SR on inclusion or exclusion of a school, the case shall be decided by the administrative court.

State school inspection

The tasks of state school inspection, including the tasks of the Main School Inspector are stipulated in the Act 301/1991 of the Collection of Statutes.

Schools

Basic and secondary schools will be established as having their own legal competence. Mandatory legal competence will be defined by law (ME SR assumes a minimum capacity of 300 pupils). Any school or schools facility of a lower capacity can acquire legal competence provided the founder agrees to it and it will not have additional demands on the state budget. Where a school, such as a restricted grade school or a kindergarten does not have a legal competence, the rights of legal entity can be exercised by another basic school or a municipality.

Finance

Finance necessary for maintenance, operation, and other expenses of schools, connected directly with educational process in schools and school facilities will be covered from the budget of the relevant territorial self-government, which is the founder of the school, or school facility.

Wage costs (including insurance contributions) will be covered by:

- Alternative 1 (the vision of the ME SR)
the chapter of the ME SR via school office in the relevant region,
- Alternative 2 (the vision of the authors of the concept)
the SUTU as a subsidy from the state budget.

Both alternatives will take account of the law stipulating salary conditions of pedagogical workers.

The share of the state in capital expenses, or all expenditure (construction, reconstruction) will be covered :

- Alternative 1 (the vision of the ME SR)
by the chapter of the ME SR via school office in the relevant region,
- Alternative 2 (the vision of the authors of the concept)
from the relevant SUTU budget as a subsidy from the state budget.

With wage outlays, which are guaranteed by law, redirecting them does not pose any risk. In capital expenses, subsidies by the state, clear eligibility criteria will need to be established and by remitting them to the self-government of a UTU or a municipality, "splitting" of financial flow will be constrained to a single budgetary chapter. The proposed solution will bring about rationalisation in expenses for finance administration, as both self-government of UTU and municipal government prepare and approve their budgets. Directing flows via the school office will entail increased expenses for finance administration.

Colleges

Within colleges we recommend to differentiate between:

- * colleges of university type, with national jurisdiction, that will have a special status,
- * colleges whose founding body will be the ME SR,
- * non-state colleges, which can be founded by territorial self-government, private sector and non-governmental sector.

3.5.2 Health

In defining principles of decentralisation for health, we start from framework competencies of local self-government as defined in resolution no. 695/1999 and the approved transformation steps for the years 1999 - 2002, approved by the Government, and from the proposed further course of privatisation of health facilities, elaborated by the MH SR.

Under decentralisation of health provision we understand:

- * decentralisation of health care providers from the state to local or interest self-government,
- * decentralisation of health facilities to non-profit (non-governmental) organisations,
- * strengthening the influence of professional organisations particularly in legislation, control, accreditation,
- * further denationalisation of other activities.

In view of the focus of this concept, we will deal here primarily with decentralisation of services from the state to local self-government.

Organisations and management

On the whole, the concept of the MH SR can serve as the point of departure. It allocates the state the following roles:

- * drafting legislation,

- * drawing up state health policies,
- * guaranteeing and controlling access and quality of health care as provided for by law,
- * responsibility for functional state administration in health sector,
- * education and training in nursing schools and further education of health staff, health promotion programs of national significance, research and development,
- * support of financially very demanding health care going beyond regional framework, targeted state subsidies, equalisation mechanisms,
- * guaranteeing funds for financing health care as defined by law,
- * information technology and statistics in health sector,
- * deciding the network of state health facilities and secondary nursing schools,
- * exercising control in health facilities and state supervision over subjects of public and private law in health field.

According to the same material, territorial public administration shall ensure:

- * concepts of regional health policy,
- * participation in creating the network of regional health facilities and secondary nursing schools,
- * health facilities register and control of compliance with registration terms,
- * linkage and collaboration with professional organisations and non-profit organisations in health area,
- * co-ordination with authorities of social sector in building complex health care for the elderly and patients suffering from long-term diseases.

The above referred material also considered distributing responsibilities between local state administration and local self-government.

Facilities network

As operating costs of health care are covered from mandatory insurance system, this allows a greater variety in ownership and administration of health facilities, whose owners and operators can be : the state, territorial self-government, non-profit subjects, private subjects or joint undertakings of public and private partnerships (public sector - real property, private sector - activity).

Under the Government resolution 695/1999, health facilities assumed for transfer to territorial self-government included: local health centres, local and regional out-patient clinics, local and regional hospitals and children sanatoria, and other listed facilities. Decentralisation of these facilities will be differentiated pursuing the principle of subsidiarity.

At present, local state administration has the founding responsibility (Regional Offices) for 37 out-patient clinics, with the remaining facilities to be decentralised being in the jurisdiction of the ME SR.

Within the proposed concept, we take account of the fact that the state has to guarantee health care to such an extent that in the event of regional health provision collapse, the service was provided for. All the remaining services can be deemed as extra standard, which is tied to the economic situation of public and particularly private sector. The proposed transformation steps of the MH SR state that:

- * the reform of health provision must pursue the objective to improve the quality of health care provided, including cost efficiency,
- * financing of health care should provide for care to all citizens in adequate extent,
- * the citizen and his/her choice should decisively affect the organisation and the activities of the health care system.

All these principles underline the need and necessity to decentralise a large number of health care facilities under direct control of citizens. We therefore recommend:

- * to keep the network of facilities which provide state-guaranteed health care under direct responsibility of the state (MH SR), which may comprise specialised health facilities of national significance + Type III hospitals (9) + teaching hospitals (7). In hospitals, the assumption is that these well-equipped hospitals manage to saturate the needs of citizen of the SR (each hospital á 350 000 policy holders) in the event of downfall of other facilities,
- * other facilities, i.e. hospitals of type II and I, out patient clinics, health centres (and others listed, such as children sanatoria, facilities for long-term sick), which will not be privatised in line with the concept of privatisation of health facilities, should be decentralised to self-government of UTU. Where there is interest shown, it may be decentralised

also to local self-government. Subsequently, within regions, cities, joint undertakings of public and private partnerships may take place. The inclusion or exclusion of a health care facility linked to basic health insurance will be decided by the MH SR at the proposal of the founder. The cases of establishing facilities linked to cash payments will be decided by the local self-government on the basis of the founder's application,

- * other facilities may be considered for either privatisation or transfer to non-profit organisations,
- * ensure the roles of the sector of health in the territory through specialised state administration network (state hygienist, state pharmacist, state physician).

Secondary schools for nursing staff

To be decentralised to SUTU, namely in the scope of powers assumed for secondary technical schools in the school sector, with the exception of schools providing higher specialised education.

Financing

Decentralised facilities will be financed through cost sharing schemes (insurance, self-government budgets, private sources, donations), with operating costs of the facility covered from the system of mandatory health insurance, and complementary insurance schemes.

3.5.3 Social assistance

Each problem of social assistance is a problem of the society in the first place. In addressing it, the principle of subsidiarity holds to a maximum extent (starting from family to the final institution of the state) and therefore the provision of social assistance (apart from state financial assistance) and the responsibility for social services rest primarily with the local self-government, exceptionally with the SUTU. Provision of these services, as a rule, is either directly organised by the local self-government authorities, but more and more, private and NGO sectors get involved. At any rate, in social assistance, it is the role of public sector (under decentralised competencies of local self-government) because it participates in financing facilities (capital expenses, repair, maintenance, part of operating cost).

Under Government resolution no 695, and in harmony with the Social Assistance Act, the responsibilities that are to be decentralised to local self-government include:

- * nursing care and transport services,
- * setting up and maintaining municipal social services (social services homes, pensioners homes, sheltered housing, children home, lone parents home, nursing care stations, foster care facility, crisis centre, asylum, resocialisation centre, home care facilities, nursing care facilities),
- * financial support for non-state subjects (physical and legal entities) providing social services subject to the Social Assistance Act, and the implementing regulation of the MLSAF SR on average cost and revenues per individual kinds of social services,
- * provision of social assistance benefit,
- * social prevention,
- * social counselling.
- *

In the proposal for decentralisation we suggest to hand over all facilities, whose founding responsibility will be devolved to local self-government, to either municipality or SUTU.

Financing facilities

Decentralisation of finance is component part of competence decentralisation, (apart from state social support) i.e. those resources that today flow through the chapter of Regional Offices into the territory are recommended here to be revenues of local self-government budgets. The total volume of finance provided depends on the decisions of the council of the relevant territorial self-government. Handing over responsibility, relevant finances will create wholly

different conditions for social services provision because with restricted volume of finances, most efficient solutions will have to be sought to meet the needs of citizens. Here much better scope is opened up for non-governmental institutions' involvement, whose services are less costly (with creating joint undertaking, self-government may own the construction - NGO provides the service), or for the rise of facilities taking the form of non-profit organisation supported by territorial self-government. The local decision making will allow for more flexibility and better response to local conditions and at the same time the spectrum of "good" solutions capable of being replicated will get extended.

State social support

Currently benefits are provided by District Offices, Social Insurance Agency, employers and Labour Offices. In line with the intends of the MLSAF SR, we recommend to resolve payment through a single subject. Under the proposed model of new arrangement of public administration we recommend to resolve it through the specialised state administration offices (the Social Office).

Social assistance

Social assistance includes: social prevention, social counselling, social and legal protection, social services, social assistance benefit and social services, and cash compensations.

Social prevention and social counselling will be provided by all participating subjects (the state, local self-government, non-state subjects).

The decision making within social and legal protection, organisation of foster family care arrangements as well as other action subject to the Family Act, will remain in the responsibility of the state. Child care will be decentralised to local self-government. Responsibility will be extended in implementing care orders imposed by the court or a state authority.

The area of social services will be handed over to local self-government, in the scope given in the table above, with the responsibility of the state to control standards of services. Selected social services facilities of the MLSAF SR will remain in this phase of decentralisation in the responsibility of state administration.

Once personnel and material conditions are created, the social assistance benefit will be decentralised to local self-government. (inter-municipal co-operation), or the SUTU.

We propose decision making about recurrent cash benefits of social care and compensation cash benefits to remain with state administration bodies. Financing social assistance is recommended to be effected via local self-government budgets. Sources of finance will comprise state budget subsidies, which will be distributed to municipal budgets on the basis of defined criteria to prevent violations of citizen's rights on the grounds of shortage of funds in municipal budget.

National Labour Office

In accord with the Government Statement of Policy and the Concept of Employment by the year 2002, the system, responsibilities and internal structure of the National Labour Office - a public law institution, are currently being reviewed. There is a need to retain plurality of subjects focused on the labour market and in line with the process of decentralisation of responsibilities and finance gradually extend responsibility for employment policy also to local government authorities.

Social insurance

In the system of social insurance, (basic mandatory insurance), the Social Insurance Agency- a public law institution, will be responsible.

3.5.4 Culture

In the Strategy for public administration reform, following competencies were included for local self-government:

- * setting up and administering cultural and educational centres, libraries, museums, galleries, theatres, puppet show theatres, observatories,
- * setting up and administering local cultural centres and halls, artistic ensembles, orchestras, cinemas, amphitheatres,
- * protection and care for cultural monuments and historical objects,
- * cultural events,
- * keeping local chronicle.

The current responsibilities of local state administration include in addition to the founding function also monuments protection. We recommend to keep the current competencies of local state administration for monuments protection in the jurisdiction of state administration, which will be represented by the Monuments Protection Office, while the self-government of UTUs will have the competence of giving positions to declaring things for cultural monuments and protected zones or cancelling the designations.

The network of facilities

Currently the local state administration has in its jurisdiction 172 contributory organisations of cultural nature (see their structure in the appendix), while 28 facilities are directly managed by the Ministry of Culture. The facilities of supra-regional significance, national cultural monuments which are listed as such, are recommended to remain in the responsibility of the central body of state administration.

Financing

Decentralised facilities will be financed from self-government budgets, whose revenue sides will be increased within public finance decentralisation. The legal competence of these facilities (as legal entities) should allow using cost-sharing financing and also new forms of co-operation of public and private sectors. Capital, operating expenses and wages of the facilities in the jurisdiction of local self-government will be covered from the self-government budget. State financial assistance should concern a defined list of facilities, monuments of national character which are in the jurisdiction of the state or local self-government and have the nature of public law institutions. The support of projects should be effected through a public law fund.

3.5.5 Transport

The Strategy of public administration reform included the following potential competencies for local self-government:

- * ownership, construction, maintenance and administration of category II and III roads,
- * provision of municipal and conurbation public transport,
- * participation in regional transport.

The Ministry of Transport, Post and Telecommunications expanded and specified the spectrum of competencies to be decentralised to local self-government and recommends for upper tiers of self-government to take over current responsibilities of regional offices:

- * granting and withdrawing carrier licenses for internal regular bus services,
- * approval of timetables of national bus services,
- * concluding contracts with carriers of service provision in public interest and compensating loss or part thereof, or other settlement in rail and national bus service.

The Ministry recommends to transfer to upper tiers of self-government current responsibilities of Regional Offices, subject to § 66 par.2 of the Act no. 164/1996 on railways and the change of the law, subject to Act no.455/1996 on trade licence business in tram, trolley bus, special and funicular railway (as later amended), i.e. outside the province of railways, where responsibility lies with the State Rail Office.

The Ministry also assumes, within 5 years since the rise of SUTUs, to delimit class II and III roads in their responsibility.

In the view of the originally proposed responsibilities, supplemented with proposals from the Ministry, we recommend to transfer also competencies currently secured by local state administration in accordance with Act on ground communications (Act 135/1961, as later amended). We also propose to consider category II roads as a responsibility of upper tiers of self-government.

Public transport

The assumed responsibility of SUTU for economic and social development of the territory entails also responsibility for creating an integrated system of passenger transport which will ensure accessibility of all municipalities by a mean of public transport. Handing over competencies in municipal and regional public transport (road and rail) and transfer of responsibility for contracting and covering performances in public interest calls for decentralisation to territorial self-government of also competencies in the area of price setting and defining public interest. If the state intends to keep power to define public interest and the efforts to regulate prices on the side of the state will continue, it is necessary to make provisions in a law to compensate losses that this will incur to relevant local self-government.

Regionalisation of public transport will definitely result in differences in the share and volume of transport in public interest. These disparities will need to be addressed in a systemic change, i.e. a mechanism of financial equalisation defined by law. This will cover some measure of justified (capable of public control) increased expenses for public transport. Failing to apply this would excessively burden the population of the relevant SUTU. Application of relieves within tax and customs regulations in the event of transport services in public interest is part of these systemic changes.

Defining public interest in public transport is an essential problem. In passenger transport, there will always be public and private sectors involved. The extend of interference of public sector in transport provision is a political decision. If responsibility for public passenger transport is decentralised to SUTU, it is necessary that the political decision be made by the elected body of the relevant self-government.

Economic services

According to the proposed strategy for public administration reform, following are the potential responsibilities for local self-government: water, sewer, treatment plants, electricity, gas, public lightening, waste collection and management and also services such as funerals, cemeteries, crematoria, mourning houses, administration of parks and public spaces. The place of local self-government is defined in several laws. This will have to be done in respect of upper tiers of self-government as well.

Handing over a large part of responsibility to local self-government for economic development (regional development), construction in cities and communities, cross-border co-operation, unemployment, and also efficient use of public finance calls for a greater influence of local self-government upon the development of technical infrastructure and price setting.

Price deregulation, straightening up “cross-subsidising”, creating competitive environment (demonopolisation) in the state will definitely contribute to creating adequate framework conditions. In order to create conditions for regional development and the involvement of both private and public capital in regional development, it is necessary to undertake:

- * transformation of water and sewer utilities and setting up regional water utilities controlled by local self-government,
- * vertical organisational separation of electricity production and its transmission and diversification of transmission companies,
- * consider way in which local self-government might participate in strategic enterprises (currently defined as state holdings) because of the responsibility for regional, economic and social development (otherwise the only possibility remaining will be burdening citizens of the region with tax, which may significantly hinder the development of lagging regions, or else the measure of public finance re-distribution within financial equalisation of regional disparities will grow.

Tourism

Tourism, in our view, is one of the forms of economic development of regions, i.e. in the event of significant competencies of local self-government for regional development, defining the policies in tourism of the relevant region will be a matter of local self-government and private subjects operating in the region. The role of the state will be limited to legislation (promoting tourism), co-ordination and promotion of tourism or recommendations in the area of defining target groups and strategic direction of Slovakia within the competition in the world tourism. All other instruments to boost tourism will belong to local self-government.

3.5.7 Safety, public order

The framework competencies included in the government resolution were: integrated rescue system, local policing, participation in civil defence and fire protection.

Fire protection

Its intervention component comprises two elements: professional and voluntary. For decentralisation process we recommend that professional element of fire service be returned to separate specialised network and operate as a unified fire protection corps, whose structure will stem from internal economy, particularly the principle of functionality and action potential of fire brigades. In the view of organisation of co-operation with other elements responsible for order and safety in the territory, we recommend that their headquarters at least match the seats of SUTU. For voluntary fire protection we recommend to strengthen the social status and position of the corps to extent of, for example, Red Cross.

The exercise of state administration in fire protection oversight should be included in the responsibilities of the Fire and Rescue Corps, while the delegated responsibility of the state administration in fire protection is stipulated for municipalities in the Act 129/1985 on fire protection.

Civil defence and the integrated rescue system

In securing civil defence, state administration (Ministry of Interior and Regional Office) and local self-government will be involved. A more detailed jurisdiction will be provided in the amendment of the Civil Defence Act.

SUTU will cooperate in fulfilling tasks of civil defence and integrated rescue system, in prevention, education and promotion activities and the preparation for civil defence.

Regional Offices will prepare analyses of potential emergencies, draw up and co-ordinate population protection plans, manage and organise civil defence training, create civil defence units, ensure notification and warnings, manage and co-ordinate rescue operations, localisation and liquidation works, co-ordinate and manage civil defence and integrated rescue system, control civil defence tasks, and act as an authority of appeal.

Police

Significant strengthening of responsibilities of municipal police is not assumed within decentralisation. Rather, it is necessary to see to greater co-operation of both elements of public administration, particularly greater co-operation of elected officials and the police representatives at local and regional level.

3.5.8 General administration

State registers

Transfer of issuance of personal documents, identity documents and passports (so-called civilianisation) from police to local state administration has been put off to 2002 on financial grounds. Seeking solution of this service closest to the citizen, we recommend transferring the service of issuance personal documents, identity cards and passports to local self-government level (using inter-municipal co-operation) as a delegated task of state administration, while state interest would be guaranteed by the Regional Office. The efficiency of the solution would show also in the building up of the information system.

Granting trade licenses

The state administration at regional level (Regional Office) will retain register (information system), decision making and handling appeals. To local self-government level (within forms of inter-municipal co-operation) applications for and collecting trade licenses will be transferred.

Register of birth, citizens register, verification of signatures

In view of the target state, we recommend responsibilities of register of birth, verification of signatures and abstracts from registers to be transferred to the city and the community.

Citizens voting, election management

Elections at local level will be organised and managed by local self-government. External control will be implemented by state administration at regional level, the collection of data provided by the statistical office. SUTU will organise and manage elections at the level of UTU, with external control from state administration (region) and data collection by the statistical office. The elections to the National Council of the SR will be managed by the Central Election Commission in co-operation with the MI SR. External control will be exercised by domestic and foreign observers. Precinct Election Commissions (local) will also exist. The Statistical Office will be responsible for data collection.

Administrative offence proceedings

Special administrative offences will be addressed within a specialised network in the territory. Offences against public order will be handled jointly by state police and local police. Offences against civil coexistence and against property within first instance will be handled by local self-government, within second instance, by the Regional Office.

Orientation quantification of facilities, whose founder will be territorial self-government, in line with the concept for decentralisation

Education

organisation	number
kindergartens	3 238
basic schools	2 374
basic art schools	174
grammar schools (gymnasia)	156
secondary vocational schools	307
SPV	6
secondary technical schools (except schools selected by the ME SR with nation-wide jurisdiction)	317
school canteens	4 526
other facilities	345

Facilities of social care

organisation	number
pensioners homes	110
boarding houses (pensions)- for pensioners	30
child homes	79
homes of social services for citizens with disabilities	1
social service homes for citizens with physical and mental disabilities	3
social service homes for persons with sensual impairments	1
social service homes for people with psychic diseases	54
social service homes for physically disabled children	2
social service homes for children with physical and mental disabilities	9
social service homes for children with psychic impairment	46

Health care

organisation	number
district health centres	186
hospitals with outpatient clinic (except teaching hospitals and a selected network)	54
secondary nursing schools + youth homes	26+2
outpatient clinic	37

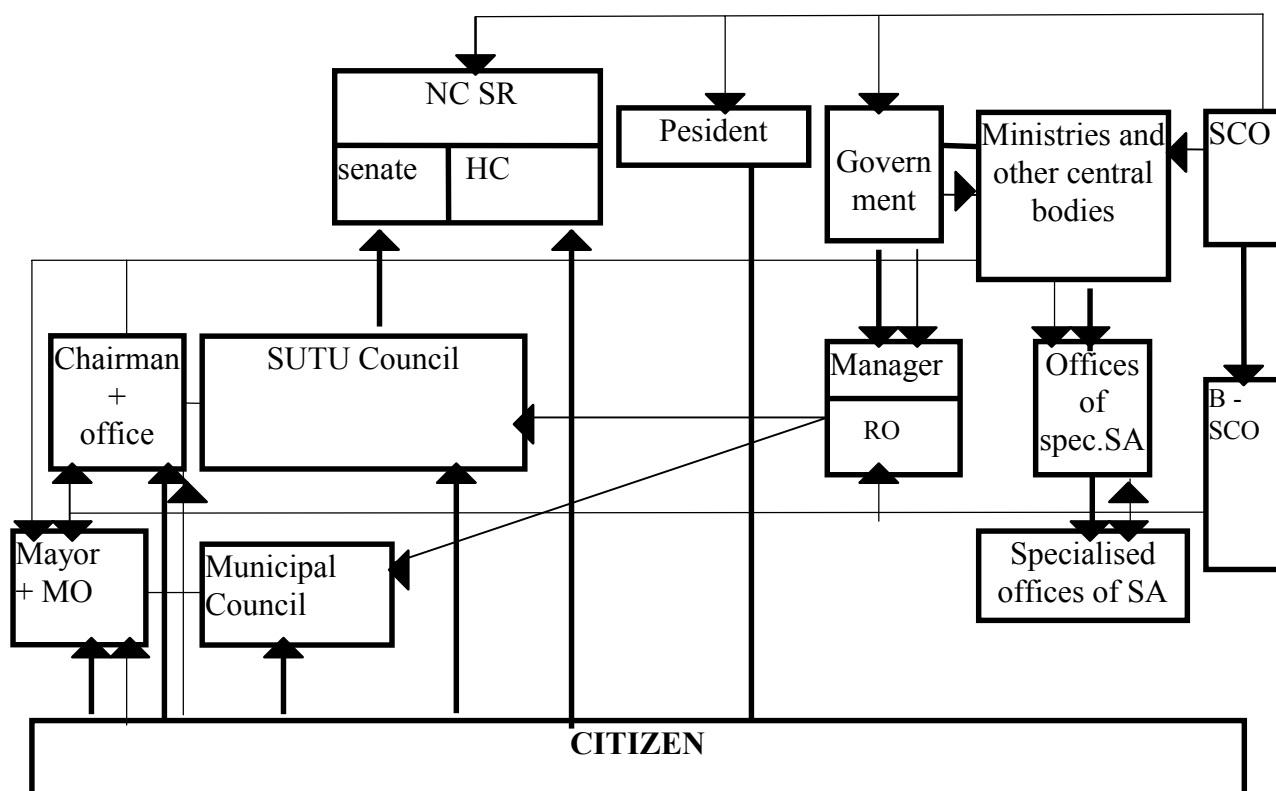
The founding function will be transferred in those facilities that will not be privatised. Specialised institutions and facilities (31,) psychiatric asylums (12), budgetary organisations (6) and state enterprises will be addressed separately.

Culture

organisation	number
libraries	40
museums and galleries	62
educational centres	39
theatres	19
observatories	10
philharmonics, orchestras	2

4. Draft organisation of public administration

4.1 Proposed selected relations in public administration



Legend

- direct election
- delegating UTU representatives in case of two-chamber NC SR
- control mechanisms

NC SR -National Council of the SR

SCO - Supreme Control Office

RO - Regional Office

SA - state administration

MC - Municipal Council

4.2 Centres of catchment areas

In the concept (part 2.1.1 - Local self-government) forms of inter-municipal co-operation are given for the purpose of decentralised responsibilities provision. To facilitate decision making of municipalities, but also in an attempt to rationalise public administration provision, we recommend, based on the criteria given below, seats as potential centres most fit, if cities and communities decide to conclude contracts or agreements on joint provision of tasks arising from the law. The need to involve in inter-municipal co-operation and maximum rationalism in using public finance must be highlighted, as in a decentralised system and within decentralisation of public finance, local self-government will not have additional subsidies at its disposal unless it can clearly demonstrate efficient drawing of own disposable resources.

In making the list of seats, following criteria have been applied:

- catchment, access of the seat that should not exceed 15 km,
- current level of seat's amenities (basic school, health care,...),
- minimum population of 5 000,
- equal distribution in the territory of the SR,
- accounting for administrative and self-government UTU boundaries,
- respect for former settlement development in the SR,
- continuity in public administration provision.

Current district	Recommended seat
Bratislava I., II, III, IV, V.	Bratislava I,II,III,IV,V
Skalica	Skalica, Holíč, Gbely
Senica	Senica, Šašin - Stráže
Malacky	Malacky, Stupava
Pezinok	Pezinok, Modra, Svätý Jur
Senec	Senec, Rovinka
Dunajská Streda	Dunajská Streda, Šamorín, Veľký Meder, Gabčíkovo
Piešťany	Piešťany, Vrbové
Hlohovec	Hlohovec, Leopoldov
Trnava	Trnava, Smolenice
Galanta	Galanta, Sered', Sládkovičovo
Šaľa	Šaľa
Púchov	Púchov
Ilava	Ilava, Dubnica n/V, Nová Dubnica
Trenčín	Trenčín, Trenčianske Teplice, Nemšová
Nové Mesto nad Váhom	Nové Mesto nad Váhom, Stará Turá
Myjava	Myjava, Brezová pod Bradlom
Bánovce nad Bebravou	Bánovce nad Bebravou
Prievidza	Prievidza, Nováky, Handlová, Bojnice, Nitrianske Pravno, Nitrianske Rudno
Partizánske	Partizánske
Topoľčany	Topoľčany
Nitra	Nitra, Vráble
Nové Zámky	Nové Zámky, Šurany, Štúrovo, Gbelce
Komárno	Komárno, Kolárovo, Hurbanovo, Marcelová
Banská Štiavnica	Banská Štiavnica
Ziar nad Hronom	Ziar nad Hronom, Kremnica
Zarnovica	Žarnovica., Nová Baňa
Zlaté Moravce	Zlaté Moravce
Levice	Levice, Želiezovce, Tlmače, Šahy, Vinica
Čadca	Čadca, Turzovka, Oščadnica

Kysucké Nové Mesto	Kysucké Nové Mesto
Zilina	Zilina, Rajec, Rajecké Teplice, Varín
Bytča	Bytča
Povazská Bystrica	Povazská Bystrica
Námestovo	Námestovo, Zákamenné, Rabča
Tvrdošín	Tvrdošín, Trstená
Dolný Kubín	Dolný Kubín
Martin	Martin, Vrútky
Turčianske Teplice	Turčianske Teplice
Ruzomberok	Ruzomberok
Liptovský Mikuláš	Liptovský Mikuláš, Liptovský Hrádok
Brezno	Brezno, Čierny Balog, Heľpa
Banská Bystrica	Banská Bystrica
Zvolen	Zvolen, Sliač
Detva	Detva, Hriňová
Krupina	Krupina, Dudince
Rožňava	Rožňava, Dobšiná, Plešivec, Štítnik
Revúca	Revúca, Tornaľa, Jelšava
Rimavská Sobota	Rimav. Sobota, Hnúšťa, Tisovec, Bátka, Gemerský Jablonec
Poltár	Poltár, Kokava nad Rimavicou
Lučenec	Lučenec, Fiľakovo
Veľký Krtíš	Veľký Krtíš, Modrý Kameň
Stará Ľubovňa	Stará Ľubovňa, Podolinec
Kezmarok	Kezmarok, Spišská Belá, Spišská Stará Ves
Poprad	Poprad, Vysoké Tatry, Svit
Levoča	Levoča, Spišské Podhradie
Spišská Nová Ves	Spišská Nová Ves, Krompachy, Spišské Vlasy
Gelnica	Gelnica, Nálepkovo
Stropkov	Stropkov
Svidník	Svidník, Giraltovce
Bardejov	Bardejov, Kurima
Sabinov	Sabinov, Lipany
Prešov	Prešov, Veľký Šariš
Košice I,II,III,IV.	Košice I,II,III,IV.
Košice okolie	Košice I, Bidovce, Čaňa, Moldava nad Bodvou, Medzev
Snina	Snina, Ubl'a
Humenné	Humenné
Medzilaborce	Medzilaborce
Vranov nad Topľou	Vranov nad Topľou, Hanušovce nad Topľou
Michalovce	Michalovce, Veľké Kapušany, Strážske
Sobrance	Sobrance
Trebišov	Trebišov, Sečovce, Kráľovský Chlmec, Čierna nad Tisou, Streda nad Bodrogom

4.3 An overview of offices of specialised state administration

The localisation, number of units and employees will be subject to a special assessment, within further work on the reform and legislative preparation.

Ministry, central body	Authority	number of units
Ministry of Finance	Tax Office	Min. 79
	Customs Office	12
	Finance Control Office	12
Ministry of Education	State School Inspection	12
	School Office	12
Ministry of Health	State Hygienist Office	12 + 38
	State Pharmacist Office	12
	State Physician Office	12
Ministry of Interior	Police of the SR	8 + 55 (12+ 51)
	Section of investigation	8 + 55 (12+ 51)
	Fire Protection Corps	12 +
Ministry of Economy	State Energy Inspection	1 + 8
	Hallmark Office	1 + 3
	Mining Office	1 + 5
	Slovak Trade Inspection	1 + 8
Ministry of Labour, Social Affairs and Family	Social Office	12 +
Ministry of Soil Management	Slovak Agricultural and Food Inspection	12
	State Veterinary Administration	12 +
	Land and Forest Office	4 + 36
Ministry of Defence	Military Administration	3 + 44
Ministry of Environment	Environmental Office	12 + 79
Ministry of Culture	Monuments Protection Office	12
Labour Safety Office	territorial inspectorates	12
Office of Geodesy, Cartography and Cadaster	territorial offices	4 + 47
Statistical Office	SO workplaces	12

Note:

The offices printed in bold letters have been proposed in the concept as new, the remaining are either existing already or their creation is in the stage of drafting legislation.

5. Proposed territorial and administrative arrangement

5.1 Definition of upper-tier territorial and administrative units

Within preparatory work for local state administration reform (MI SR, 1995), models of territorial and administrative arrangement were elaborated which are of immediate relevance to optimal organisation of public administration. As we deem this analysis to be a good starting point for delineation of upper-tier territorial and administrative units, we will give some principles of the former proposal:

- * as components, in the first step, sets of settlements were compared which form natural centres for certain catchment areas and some functions. Sets of 4,7,12,16; 32-45; 75-90; 110-150; 250-300; 750-1000 settlements have been assessed.
- * the given components were then placed within framework structure of public administration in countries of EU and extreme systems (sets) were eliminated, taking account of rational aspects of provision.

Following options arose:

tier/level	upper unit- system	lower unit -system
administrative division	4,7,12	32-45, 75-90, 110-150
territorial division	7,12,16	75-90, 110-150, 250-300

- * by combining the components, three drafts of the model resulted, which satisfied best the measure of inter-relationships and arrangement and thus also consistency:

model	administrative units		territorial units	
	upper	lower	upper	lower
stabilisation	4	32-45	12	110-150
integration	7	110-150	7	110-150
restitution	7		16	250-300

- * from the comparison of models, the MI SR then recommended to implement stabilisation model as at that time it was most readily and easy to implement, taking account of institutionalisation of public administration in place and also having support in creating local administrative units (now proposed by us as municipal joint offices).

By the Government decision of 1996 (Res. 755/1995) restitution model was accepted. The change of the territorial arrangement did not take place (upper-tier territorial self-government unit), neither did inter municipal co-operation at lower level of self-government. At the same time, decentralisation of responsibilities from state administration to local self-government did not take place. Despite this, it is necessary to take account in the proposal (where compatible with other changes) of this decision as well.

The purpose of this concept is to propose a decentralised model of public administration. Within such a model the essential change relies in the position and responsibilities of both elements of separated model. The local self-government authorities acquire a more significant role in substantive solutions of public tasks, while the state administration bodies acquire higher significance in the control of legality, and effective fulfilment of tasks in relation to the citizen. Therefore, territorial division (arrangement) of the SR has a much greater significance in a decentralised model to which administrative division then adjusts. In order to stabilise the whole model, we recommend a symmetrical model at the level of upper tiers, where territorial and administrative boundaries will be identical. The delineation of territorial and administrative units at local level can continue to function as asymmetric, created with the principle of rationalisation in performing state functions in the territory (joint offices, specialised networks - self-government tasks: §16a §21 of the Municipal Establishment Act) in mind. On the basis of proposed decentralisation and organisation of public administration, following model is recommend:

	upper units	lower units
state administration	region	office of specialised SA
local self-government	region	community, city

In light of specialist works and the current state and the possibility of breaking down the implementation of continued transformation of public administration, and bearing in mind the principle of symmetry proposed in territorial and administrative division, there are two possible options available:

1. to accept the current boundaries of regions (with a discretion to redress illogical boundaries around Bratislava and in eastern Slovakia)
2. to delineate upper-tier territorial units in line with the above criteria and the principles of the European Charter of Regional Self government.

We recommend to adopt alternative 2, for the following reasons:

- * respect for regionalisation criteria,
- * for delineation of UTSSs in a decentralised model, the criterion of transparency in local self-government services and the bond between the elector and the councillor are important,
- * natural and internal integrity and identity of the SR as basic prerequisite for the survival of the state and the nation after integration in the EU,
- * efficient participation in programs of international development and cross-border co-operation,
- * progressive redress of handicaps of marginal regions,
- * achievement of sustainable economic development of regions and consolidation of democratic system,
- * creating conditions for revitalisation of the country, settlement, particular seats and regions,
- * management efficiency of facilities of public economy having supra-municipal significance (secondary schools, hospitals, cultural facilities, social welfare facilities, public transport,...),
- * efficient regional policy.

Applying the criteria of regionalisation of the Slovak Republic

a) Respect for principles of regionalisation, particularly the nodal criteria and those of homogeneity

The upper-tier territorial units (UTU) have been delineated on the basis of optimal access to the regional centre. Settlements have been included in the UTU according to the evaluation of the functional size coefficient. The territories of UTU represent real nodal regions, with clearly legible cores and territories delineated with boundaries in relation to the core. UTU represent a relatively homogenous unit as to the structure of settlement, natural conditions and economic and sectoral structure.

b) Economic and social integrity

of the regions is formed of: particularly, natural and economic potential, human potential, ethno-cultural and urban potentials. The transformation of society changed the hitherto artificially established economic and social bonds in the regions. By creating natural boundaries and competent self-government institutions conditions should be created conducive to integrated development on the basis of endogenous development factors.

c) Infrastructure provision

of the territories was a significant criterion, particularly in identifying the centres of nodal regions at macro- and micro-regional levels, as main lines of intra- and inter-regional bonds of national and international significance.

d) Ethnic, historical, denomination factors

One of the basic features of countries of Europe is the regional division of states or nations. Hence, in most European countries, respect for regional identity of the population, arising from historical development, geographic relief of the country and natural conditions, are significant criteria applied in delineating the area of so-called regional self-government. Each region is characterised by distinct picture of the landscape, rural and urban architecture, type of settlement and specific appearance of rural and urban structure, agricultural, manufacturing family, denomination signs, dialect, but also other social manifestations of urban and rural communities. Repeatedly, research conducted on identity of the Slovak population confirmed that most inhabitants are primarily regionally self-identified, (results of the research fluctuate between 66% and 78% of total population). Regional identity forms social and cultural population cohesion - the feelings of home are basic elements of state or national identity. It is an important motivational factor for the citizens' active involvement in the regional development. It comprises a basic framework for forming the social capital - one of major development drives. The significance of ethno-cultural factors in regional development is highlighted in:

The European Charter of Regional Planning: " regional planning should be democratic, generally available, functional and long-term -oriented, ... requires to take account of the existence of regional awareness based on shared values, culture and interests of the population...".

The European Charter of Regional Self-government: " noting that the region, as the basic element of the state, through its identity expresses the European diversity and contributes to cultural riches, in view of traditions corresponding to its history and at the same time it ensures sustainable economic development...".

e) The development to date in the division (identification) of regions

In identifying regions, the criterion of prior development in the territorial and administrative arrangement of the territory of Slovakia, and the stability of the boundaries of individual territorial and administrative units of upper and lower tiers have been applied. Based on historical analysis, we may note that natural regions (given by geographic terrain relief and natural conditions) began forming in the 9-th century. The basic regional structure had been formed in the period of 13-14-th centuries. It has shown high stability of boundaries and internal structuring. It had been preserved virtually by 1922 and even later it was one of the principal components of individual models of territorial and administrative structure until the present time. One of the manifestations of high stability of historically formed regions is the forming of regional associations of cities and communities after 1990, along with the renewal of local self-government. The assessment of stability of territorial and administrative arrangement in the territory of the SR has revealed direct relation of the stability /non-stability of individual models and the measure of respect for historically formed regional strict.

f) Costs-related aspects of the arrangement

The purpose of the public administration reform and consistent application of self-governing principles at city and community levels and the level of UTU, is to cut costs of public administration performance, the proposed institutional infrastructure of public administration, stemming from the principle of subsidiarity, and the simplification of public functions performance.

g) Access of marginal settlements

This criterion has been primarily applied in creating and evaluating urban regions - nodal territories at micro-regional level, which essentially correspond to present seats of districts, with the exception of a few southern areas. The secondary criterion applied was the evaluation of communication links of the centres of nodal regions to upper centres - seats of UTU. Account was taken of the evaluation of centrality of individual cities in Slovakia (within the concepts of territorial development of Slovakia - KURS I and KURS II), compared with the surveys and analyses of more distant date, conducted independently by different specialist institutions or authors teams, (such as URBION, VUOP, SAV, UK, SEU,...). From the referred analytical studies clearly follows insufficient service provision with higher services for some territories of Slovakia. The centrality assessments for individual towns of upper rank were also behind the proposed 12 centres.

h) Settlement and urbanisation

The territorial structure of UTU takes account of the existence of higher settlement structures - settlement centres of gravity and urbanisation axes:

UTU Bratislava - the capital of the SR represents a specific element of the UTU structures. Its distinctiveness lies in the fact that it is the only urban conglomeration of the upper order in Slovakia. In the development of this UTU it is necessary to pay attention to problems arising from fulfilling the function of the capital and specific problems associated with its location potential (international significance).

Trnavský UTU is identified with the centre of gravity of national to international significance: Bratislava-Trnava, and as well as the existing urban axes.

Nitriansky UTU is comprised of Nitra settlement gravity centre of national to international significance and Nové Zámky - Komárno gravitational centre of national and supraregional significance. North-south development axis (Nitrianska) is decisive in the region. The other, parallel, *Pohronie settlement* development axis is of secondary significance.

Trenčiansky UTU is comprised of Trenčín settlement gravity centre of national to international significance and secondary settlement centres of regional significance (the area of the upper Nitra River).

Žilinský UTU is comprised of Žilina settlement centre of national to international significance. The strength of the conglomeration bonds goes beyond the boundaries of the present region, particularly the area of district Považská Bystrica.

Liptovsko - oravsko - turčiansky UTU is comprised of largely Liptov - Mikuláš - Ružomberok - Dolný Kubín settlement gravitation centre. The fundamental settlement development axis is Žilina - Tatry - Orava settlement development axis of supra-regional significance. Martin- Turiec development axis is a secondary settlement axis.

Zvolenský (Banskobystrický) UTU is composed of Banská Bystrica -Zvolen settlement gravitation centre of national to international significance. It further includes Žiar settlement of regional significance and Brezno centre of local significance. The main settlement axis is along Pohronie north-south axis (Banská Bystrica- Zvolen - Krupina).

Gemersko - novohradský UTU is composed of Lučenec- Rimavská Streda settlement gravitation centre of supra-regional significance and, primarily Zvolen- South-Slovakian settlement development axis, which is complemented with South-Slovakian communication - settlement development axis (Šahy- Lučenec).

Spišský UTU is composed of Poprad - Spišská Nová Ves- Levoča gravitation centre of supra-regional to national significance, which is supported by the development settlement axes of national significance: Žilina- Tatry and Kežmarok- Ľubovňa.

Šarišský UTU exhibits significant conglomeration relations to Prešov - its centre and main gravitation settlement centre. The main development axis of national significance is represented by Košice-Prešov development axis and Sabinov settlement development axis.

Košicko - abovský UTU is characterised by Košice - Prešov development axis of supra-regional to national significance and the secondary development axis of Košice - Moldava of regional significance.

Zemplínsky UTU is composed of Michalovce - Vranov - Humenné gravitation of supra-regional to national significance and secondary north-south development axis.

i) Natural conditions and barriers

In delineating boundaries of the UTU, geo-morphological structure of the SR had to be bore in mind. Another significant criterion to be considered relates to river basin boundaries. River basins comprise main axes of the territorial urbanisation (Považie, Pohronie,...) but some rivers at the same time create barriers to settlement, (such as, the Danube).

j) Functional responsibility of the territorial public administration

The degree of decentralisation has a bearing to the size and structure of designated UTU. The nature and the scope of responsibilities, which were first defined, have preconditioned the size and the number of SUTU. In defining responsibilities of UTU, the subsidiarity principle has been consistently applied.

k) Harmonising state administration and self-government interests

In constituting UTU, the criterion of symmetry of state administration and self-government has been applied. The reason was to strive to create a mechanism of co-operation of state administration bodies and self-government in fulfilling public and legal tasks and transparency in the performance of state administration and self-government at regional level (UTU).

l) A prospect of the development of global society, state, regions , cities and communities

The regionalisation of the SR relies on regionalisation trends of countries comprising the world community, accounting for economic and social entity of regions, which is the basis for active, relatively autonomous economic, social, cultural policies of self-government subjects.

m) Political demands (foreign policy orientation), cross-border co-operation, development in the neighbouring countries...)

Creating UTU pays respect to decisive documents, trends and requirements of the EU connected with the reform of the public administration system, an objective of satisfying the criteria of the EU integration. The structuring of UTUs meets the NUTS III criteria (area, population, nodality and homogeneity). Their self-governing institutions possess adequate responsibilities allowing equal partnerships within internal, international and cross-border collaboration. Owing to their internal organisational structure and genuine intra- and inter-regional bonds, they exhibit high flexibility and capacity to form supra-regional NUTS II.

n) Population and optimum number of municipalities

One of the criteria in forming UTUs is to create regions of comparable population sizes. This criterion is primarily applied in outlining territorial and administrative units. UTU is an area fulfilling a range of social, ethno-cultural functions, uniting populations on the basis of ethnic and cultural identity. Some of this variety of very heterogeneous criteria, play much more significant role than the criterion of population. For this reason, the population

of UTU in the Slovak Republic varies within the interval of 266 636 (Gemersko-novohradský UTU) to 717 624 (Nitriansky UTU), which is, on average 447 312 inhabitants per UTU. The size of regions in Europe varies considerably. In Denmark, for example, it is on average 372 000, while their figures range between 45 000 and 600 000. In France, a region has on average 580 000 inhabitants (the interval of 79 000 -2 532 000). In Sweden, there is 360 00 inhabitants on average per one region (the interval of 57 000-1 642000). This shows that the requirement of equal number of population in a region (UTU) is but an auxiliary criterion.

5.2 Characteristics of the proposed UTUs

upper-tier territorial unit districts	number of districts	number of municipal. accord. to SO	population
Bratislavský Bratislava I - V	5	17	452 006
Trnavský Skalica, Senica, Malacky, Pezinok, Senec, Dunajská Streda, Piešťany, Trnava, Hlohovec, Galanta	10	319	714 204
Trenčiansky Považská Bystrica, Púchov, Ilava, Trenčín, Nové Mesto n/V, Myjava, Bánovce n/B., Prievidza, Partizánske	9	276	609 828
Nitriansky Topoľčany, Šaľa, Nitra, Nové Zámky, Komárno, Zlaté Moravce, Levice	7	350	717 624
Žilinský Čadca, Kysucké Nové Mesto, Žilina, Bytča	4	102	310 719
Liptovsko-oravsko-turčiansky Námestovo, Tvrdošín, Dolný Kubín, Martin, Turčianske Teplice, Ružomberok, Liptovský Mikuláš	7	213	376 646
Zvolenský (Banskobystrický) Brezno, Banská Bystrica, Zvolen, Detva, Krupina, Banská Štiavnica, Žiar nad Hronom, Žarnovica	8	216	397 353
Gemersko-novohradský Revúca, Rimavská Sobota, Poltár, Lučenec, Veľký Krtíš	5	299	266 636
Spišský Stará Ľubovňa, Kežmarok, Poprad, Levoča, Spišská Nová Ves, Gelnica	6	203	360 074
Šarišský Stropkov, Svidník, Bardejov, Sabinov, Prešov	5	349	342 400
Košický (Abovský) Rožňava, Košice I - IV, Košice okolie	6	197	403 819
Zemplínsky Snina, Humenné, Medzilaborce, Vranov n/T, Michalovce, Sobrance, Trebišov	7	375	418 431
TOTAL SR	79	2 916*	5 367 740

* The figure includes also city wards of Bratislava and Košice

5.3 Selected data on the proposed UTUs

UTU /district	population	area km2	average registered number of employees	rate of unem- ployment	vitality index	average monthly salary SKK	municipal tax strength SKK/p.c.
Bratislava I	47896	10	167197	3.9	46.15	12746	367588
Bratislava II	113043	92	106413	3.3	67.5	12601	295024
Bratislava III	64403	75	46480	4.07	54.2	11465	122836
Bratislava IV	96376	97	19605	3.1	132.02	12599	36832
Bratislava V	130288	94	15110	3.3	277.06	12058	22748
1. Bratislavský	452006	368	354805	3.66	115.49	12497	144582
Skalica	46550	359	10837	10.7	123.8	9770	29016
Senica	60502	684	12483	11.0	116.7	8596	20808
Malacky	62737	949	7863	10.1	114.0	9657	20303
Pezinok	53280	375	7448	6.1	114.6	9029	19398
Senec	50220	361	6196	4.8	105.6	10158	18497
Dunajská Streda	111100	1075	18755	15.2	125.8	7824	12450
Piešťany	64079	381	14461	7.1	96.9	8841	18926
Trnava	126333	741	30231	9.4	115.7	9955	34876
Hlohovec	45595	267	9279	9.7	115.9	9345	25287
Galanta	93808	641	12169	13.5	109.5	8100	14387
2. Trnavský	714204	5833	129722	9.8	113.9	9097	21488
Púchov	45703	375	15310	9.7	120.9	9226	24068
Ilava	62283	359	15411	6.1	138.9	8955	17419
Trenčín	113563	675	35679	4.7	103.7	8602	23680
Nové Mesto n/V	64424	580	14247	7.7	90.9	8672	17975
Myjava	29938	326	6846	10.1	86.7	8454	13635
Bánovce	38725	462	9539	12.1	116.2	7613	9137
Prievidza	141184	960	34993	8.9	122.7	7392	14513
Partizánske	48428	301	11440	16.6	105.4	7554	22673
Pov.Bystrica	65580	463	12467	9.4	142.6	8596	14521
3. Trenčiansky	609828	4501	155932	9.5	114.2	8289	17861
Topoľčany	74246	597	12954	12.8	107.3	8154	14340
Šaľa	54611	356	9204	17.2	114.6	9626	22044
Nitra	162592	871	41101	11.3	111.1	8558	21046
Nové Zámky	152380	1343	24517	16.5	90.2	7831	14238
Komárno	109027	1100	19809	16.8	93.2	7924	14594
Zlaté Moravce	43773	521	8529	14.6	98.9	8024	9534
Levice	120995	1551	22898	18.2	95.6	8664	25936
4. Nitriansky	717624	6339	139012	15.3	101.6	8357	18124
Čadca	91891	760	12782	13.3	147.6	7408	9025
Kys.N.Mesto	33117	174	5524	16.9	136.2	8187	9216
Žilina	155513	815	51641	9.1	125.7	9295	27511
Bytča	30198	282	4138	7.9	124.4	7230	7656
5. Žilinský	310719	2031	74085	11.8	133.5	8771	18161
Námestovo	53147	690	6439	14.3	253.8	7362	6941
Tvrdošín	33882	479	7282	15.0	210.1	7928	12233
Dolný Kubín	38690	490	9047	15.7	155.5	8467	14033
Martin	97835	736	23562	12.4	120.8	8631	19247
Turč. Teplice	16905	393	3547	8.6	84.8	7637	10012
Ružomberok	59558	647	14007	10.6	114.7	8938	13448
Lipt. Mikuláš	74629	1322	18086	9.0	106.0	8372	35081
6. Lipt- or.-turč.	374646	4757	81970	10.9	149.4	8403	18144

UTU /district	population	area km2	average registered number of employees	rate of unemplo yment %	vitality index	average monthly salary SKK	municipa l tax strength SKK/p.c.
Brezno	66182	1265	13206	14.8	105.9	9084	13412
Banská Bystrica	112810	809	75648	6.0	122.5	9586	35257
Zvolen	67829	759	18870	8.9	109.3	8618	24948
Detva	34104	475	6448	12.2	104.6	8067	8654
Krupina	23034	585	4817	16.3	100.7	7530	9757
Ban. Štiavnica	17006	278	8260	13.0	111.2	8754	9588
Žiar n/H	48509	532	13809	12.5	109.8	8813	15885
Žarnovica	27879	426	5189	15.1	102.9	7897	11705
7. Zvolenský (Banskobystrický)	397353	5129	146253	12.4	108.4	9101	20967
Revúca	40970	730	7781	27.6	112.2	8179	8611
Rimavská Sobota	82106	1471	13778	27.9	113.1	7530	8726
Poltár	23598	505	3966	18.8	89.2	7442	5131
Lučenec	73086	771	14707	21.6	99.6	7698	12025
Veľký Krtíš	46876	849	8757	24.4	13.9	7461	7669
8. Gemersko - Novohradský	266636	4326	48989	19.2	105.6	7664	9110
Stará Ľubovňa	49004	624	7811	13.7	187.4	7085	7206
Kezmarok	59727	840	6933	20.4	217.2	7449	7816
Poprad	101465	1123	25092	15.5	163.0	7743	19836
Levoča	30516	357	5179	22.9	158.5	7551	6918
Sp.N.Ves	89358	587	17236	22.2	179.7	8218	12500
Gelnica	30004	584	3498	19.2	127.9	7418	6453
9. Spišský	360074	4115	65749	19.0	172.3	8146	12083
Stropkov	20328	389	3743	23.3	137.3	7194	9837
Svidník	33143	550	4859	22.1	146.4	7150	7909
Bardejov	74066	937	13603	20.8	154.0	7371	7649
Sabinov	51622	484	5740	20.6	187.6	7202	5431
Prešov *	163241	1134	39815	22.0	151.8	8089	17475
10. Šarišský	342400	3494	67760	21.8	155.4	7753	12139
Snina	39416	805	6554	20.6	127.4	7102	6698
Humenné	64882	754	12181	21.0	145.6	8872	12880
Medzilaborce	12966	427	1742	22.9	75.1	7233	5392
Vranov n/T*	68343	569	11421	24.9	162.3	7616	11903
Michalovce	107743	1019	22911	24.4	129.2	8371	10872
Sobrance	23632	538	2333	20.5	84.1	7533	4038
Trebišov	101449	1074	12692	25.5	122.2	7237	7171
11. Zemplínsky	418431	5186	69834	22.8	120.4	7953	9504
Rožňava	61274	1173	8287	24.0	110.9	7807	9429
Košice I	65747	86	44004	11.4	111.4	9464	45810
Košice II	82356	82	34321	11.1	191.9	13930	81498
Košice III	32170	21	1351	14.6	322.0	7938	8781
Košice IV	60642	56	15490	11.9	97.1	9061	33635
Košice area	101630	1533	7397	18.7	130.0	7975	7416
12. Košický (Abovský)	403819	2951	110850	15.3	160.3	10549	33132
SR	5367740	49030	1444961	14.3	125.,8	9619	28627

* sub-district Hanušovce was included in Prešov District, Sources: Ministry of Interior ,1997, Statistical Office, 1997 and 1998, calculations from MF SR data (tax strength).