

Tensions and Cooperation in a Multilevel System: Integrating District Councils in City Government in Bergen

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ABSTRACT *This article deals with the fact that central–local relations in a multilevel system often seems to create tensions. A district council reform in the city of Bergen, Norway intended to decentralise authority within the political system of the city ended up with a more centralised relationship between central and local levels. With this observation as a point of departure we categorise decentralisation according to the degree of discretion available for the local level concerning a) objectives and b) means to reach the objectives. By combining these dimensions we identify two types of decentralisation; administrative and political. We claim that all central–local relations will exert features of both types. The mere presence of political bodies is therefore not sufficient to characterise a specific relation as politically decentralised. We conclude the article by discussing some conditions for successful multilevel governance. The conditions draw on experiences from the Bergen district reform, but may have relevance in a wider context.*

Introduction

In multilevel systems an important challenge is related to the distribution of power and authority between levels. How *much* authority remains at the central level and how much is transferred varies between political systems. How authority is spread to subunits also varies (Pollitt, 2005: 373 ff). In all political systems with more than one layer both *centripetal* and *centrifugal* forces are operating (Bäck, 2002). The centripetal forces pull power and authority towards the centre of the system, while the centrifugal forces push power and authority towards the system's subunits. Centrifugal forces can

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ISSN 0300-3930 Print/1743-9388 Online © 2007 Taylor & Francis

DOI: 10.1080/03003930701627332

disintegrate a system, but at the same time these forces can increase access from local to central level, and can thereby contribute to decentralisation.

Decentralisation is a concept with a virtually exclusive positive connotation in political discussion in Europe. Christopher Pollitt states in a recent overview article about the concept: 'almost everyone has been in favour of it' (Pollitt, 2005: 371). Since 1992 and the Maastricht Treaty's doctrine of subsidiarity decentralisation of functions to autonomous units has been much preferred in European politics. Reforms with decentralising intentions have been launched in more or less all European countries and at more or less every level over the last decade or so (John, 2001; Denters & Rose, 2005; Pollitt, 2005).

A reform strategy with such common support requires to be studied empirically so that the strong and weak aspects can be revealed and discussed. In this article we will contribute to this debate by studying a reform intended to transfer authority from municipal to sub-municipal level. Our main focus is on the relationship between a municipality and its subunits (districts). The relationship between central and local government and the degree to which local level has been granted autonomy from and access to the state is well documented and discussed in political science literature (see for example Page & Goldsmith, 1987; Page, 1991; Denters & Rose, 2005). Presumably, decentralisation from a municipal level to a lower tier presents local government with similar challenges that central government has to handle in its relationship with the municipalities. There is nevertheless an important difference: power and authority transferred from municipal level to lower tiers are arguably more restricted since these have already been transferred from central government to local government. This pertains especially to important welfare areas, which are considered to be of national importance. Hence, a study of the relationship between a municipality and its subunits must take into account the character of state–local relations and therefore truly explore the workings of a multilevel system.

The District Council Reform in Bergen – An Overview

Similar to several other Scandinavian cities in the late 1990s, Bergen (Norway)¹ decentralised authority to subunits with political bodies.² Between January 2000 and the end of 2004 the city was divided into eight districts. Each district had a district council, which governed the district. The number of inhabitants in the districts varied from 12,000 to nearly 40,000.³ The district councils in Bergen were equipped with a broad competence: They were to provide the most important welfare services such as healthcare, social security and mandatory education, but they were also responsible for green areas and parks, culture and leisure. Decisions concerning 85 per cent of the city budget were formally decentralised to the district councils, which meant that no more than 15 per cent of the budget

remained for the city council to decide on.⁴ Compared to Oslo, the other large Norwegian city which is divided into district councils, the decentralisation in Bergen was more extensive. In Oslo responsibility for only around 40 per cent of the budget is decentralised to district level. The main difference is that in Oslo mandatory education is still the responsibility of the city council. In their comparative study of urban political decentralisation in six Scandinavian cities, Bäck *et al.* (2005: 32) concludes that, in terms of functions, Bergen along with Copenhagen and Stockholm were the most decentralised cities.

The 13 members of each district council in Bergen were appointed by the city council. In being indirectly elected, the Bergen district councils conform to the general rule in other Scandinavian cities that have applied system of sub-municipal councils.⁵ It was never seriously debated in Bergen if the district councillors should be directly elected by the district electorate.⁶ The party composition in each district council reflected the composition of the city council, not the election result in that specific district.

Of the 13 members, three had to be members of the city council. One of the three was the leader of the district council – ‘the district mayor’ – which was a part-time position. This arrangement of overlapping offices was also found in Stockholm. Such arrangements occurred only rarely in Oslo and never in Copenhagen (Bäck *et al.*, 2005: 31). The ten councillors who were not to be members of the city council were appointed by the parties which were given the seats. It was an unwritten law that the councillors had to be local residents, but it was not mandatory that they should live within the territory of the district. The district councils were the lowest level of government in the city of Bergen. In very few of the eight district councils was there any division of the council into sector- or area-based committees. Even though more than 50 per cent of the district councillors in 2003 reported that they aspired for a seat in the city council, they also reported that at the time of the survey their district was their main concern (Aars *et al.*, 2002).

More or less at the same time as the introduction of the district council reform Bergen adopted a parliamentary model (from June 2000). The *city council* is the supreme authority of the city and consists of 67 elected members. The mayor chairs the council, and members are elected for a four-year period. The council makes decisions on major issues concerning the totality of the city budget, the development of the city and welfare services. The city council is divided into four standing committees referring to policy areas, such as welfare, development and physical planning. The *city government* runs the administration and services, makes propositions to the city council and is responsible for implementing decisions made by the council. It cannot act against the will of the majority of the council and consists of five commissioners (in 2007). These commissioners have functions similar to that of government ministers. The chief commissioner is ‘Prime Minister’ of Bergen.

Decentralisation in Bergen was not only introduced at the political level; the administrative system was also decentralised correspondingly with the political system. Each district council had its own administration headed by a district CEO. The role of the district administration was to serve the district council. But the administration was also directly controlled by the city government. In the parliamentary system in Bergen the city government was the head of the city administration and the district administrations were parts of this. Hence, the district administration had two lines of authority (see Figure 1), which for the administrative actors were a source of confusion. They were a part of the district apparatus, but there are also several examples that the city commissioners tried to govern the administrations directly (Fimreite *et al.*, 2003).

District council reform in Bergen was based on territoriality in so far as the districts were territorial units within a larger geographical territory (the city). But the eight districts in Bergen together made up the territory of the city of Bergen and hence the local authority of Bergen. The territorially based subunits complemented each other and did not overlap. Broadly speaking, the district council reform represented a shift from an organisation based on welfare areas (standing committees each with responsibilities for a specific welfare area) towards an organisation primarily based on territoriality. The district councils had what can be called a general competence within their territory. Territoriality had been included in the organisation in Bergen for a long time by the fact that services had been supplied at the sub-municipal level. The new territorial element in this reform was that the districts also became responsible for most decisions connected to the services, not just for supplying them.

The district reform in Bergen was contested even before it was implemented. In the course of the reform period controversies only intensified. The relationship between central and local level turned out to be more than a question of territoriality: The main controversies were about division of authority and power, finally ending with the abolition of the

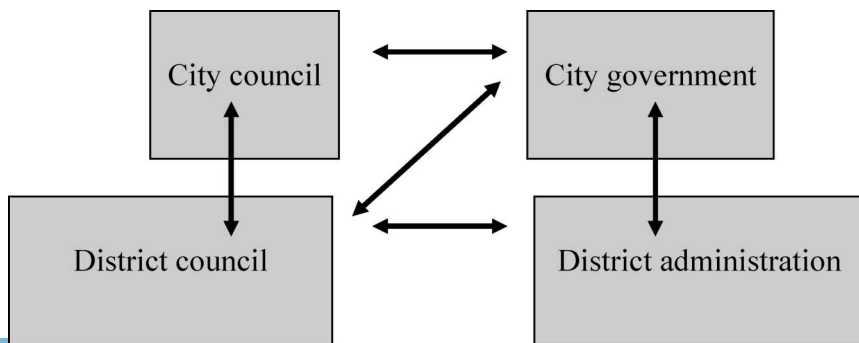


Figure 1. System of government in the city of Bergen 2000-04

district councils in 2004.⁷ As we have already pointed out, several other Scandinavian cities at the same time introduced district councils. But Bergen is the only one where the conflicts between the two levels became so severe that the district level was abolished. In the Swedish cities of Stockholm, Gothenburg and Malmö, conflict between the city level and the district level is seldom mentioned and political conflict is more or less absent. One reason may be that in the Swedish cases the integration between the two levels was more extensive but also more successful. The term 'holistic governance for the whole city' is fairly often mentioned in the ambitions for the Swedish cities (Helgesen *et al.*, 2001: 144, 146). And nearly 50 per cent of the city councillors in Stockholm were, for example, also members in district councils. Whereas overlapping offices in the Stockholm case were considered to fill an important coordinating function, the same institutional arrangement was in Bergen a constant source of conflict between the levels, and eventually regarded as a cause of fragmentation in the city government system. The district councils are still important both as service providers and as political arenas in the three major Swedish cities, while the Bergen reform was put to an end after a few years. The simultaneous introduction of a parliamentary model in Bergen may be one explanation for this (see more later).

In the Danish capital Copenhagen there was an experiment with district councils in four districts for a short period from 1996 to 1999. Development, leisure activities and local community issues were the main functions for the Copenhagen district councils (PLS Consult, 1999). During this experiment the situation was more or less opposite to the Swedish: the district councils were directly elected and a city councillor was not allowed to be a district councillor. The contact and the integration between the two levels were low, as was the level of conflict. The district level was in fact loosely connected to the city level in Copenhagen (Helgesen *et al.*, 2001: 145–146).⁸ The citizens of Copenhagen decided in a referendum in 1998 that the experiment should not continue. But in 2005 the city council in Copenhagen decided to re-establish district councils in all ten territorial districts during the period from 2006 to 2009. These 'new' district councils are designed to bring forward dialogue in the relationship between citizens and the city council more than to provide service (memorandum from the City Council in Copenhagen, 13 October 2005). In many ways these new district councils in Copenhagen resemble the proposals in the Local Government White Paper about *Strong and Prosperous Communities* presented by the British government in October 2006. In this White Paper the government states that they want to 'give citizens and communities a bigger say in the services they receive and the places where they live' (Department of Communities and Local Government, 2006: 2).

In the Norwegian capital Oslo district councils were introduced in 1986. The Oslo districts are responsible for important welfare functions. The level of conflict between the city and the district level are after nearly 20 years

somewhere in between the Swedish and Danish experiences. However a distinct demarcation has been elaborated between city politics and district politics in Oslo which seems to be accepted by councillors at both levels. This can explain why the level of conflict is lower in Oslo than in Bergen and why district councils still are an important part of the government structure in the capital (Helgesen *et al.*, 2001: 145).

The particular fate for the district council reform in Bergen, where the level of decentralising power and authority were among the highest in Scandinavia and where expectations for the reform – in particular when it comes to local participation – were also high, is our main reason for studying this specific decentralisation process. Our assumption is that *decentralisation of authority from the centre to its subunits most likely will create increased need at the centre for control and monitoring; the more extensive the decentralisation is the tighter will this control be*. Given the total abolition of the districts in Bergen, the reform process is a crucial case. Crucial cases can have a broader interest (Gerring, 2004: 347), and the results from Bergen might therefore be relevant for other multilevel systems. Features of the decentralisation process studied here can reveal important factors that must also be taken into consideration in less contested decentralisation processes, as for example the ongoing decentralisation reforms in Copenhagen and in Britain at the moment. We therefore commence with a presentation of the most important results from the evaluation of the reform and proceed to an analytically based discussion about the conditions for successful decentralisation of authority in multilevel systems. Our empirical data are results from an evaluation of this district council reform conducted by the Rokkan Centre at the University of Bergen in 2002/2003. Taking these results as a starting point, we discuss some questions arising from the controversies around the reform in Bergen which are related to decentralisation as a reform strategy. The main question concerns the central level's need for control in a multilevel system and the local resistance to such control.

The District Council Reform in Bergen – An Empirical Description

An important starting point for the evaluation was the ambitious objectives for the district council reform. These ambitions created expectations both at central and local level. The four main objectives of the reform were:

1. Enhanced local democracy;
2. Higher quality in service provision;
3. Higher productivity in service production;
4. Better conditions for the staff.

The evaluation of the reform in Bergen dealt with the workings of the local government system.⁹ District councillors, city councillors, city ministers/governors and higher administrative staff at both levels were our focus and

also our main informants. The most important sources were documents, qualitative interviews and questionnaires.¹⁰ Our presentation is organized around three concepts that generally correspond to the declared objectives for the reform: *democracy*, *effectiveness* and *control*.

Democracy

The district council reform was first and foremost aiming to enhance local democracy (objective 1). Hence, one of the main purposes was to increase citizen participation in local affairs. Through decentralisation of authority citizens were supposedly given greater opportunities to influence local decisions directly, and contact between system and citizens was considered to be an important condition for improved influence.

In 2001 district councillors in Bergen had what must be described as relatively broad contact with their local communities; they had contacts with NGOs and private companies and enterprises. Given the proclaimed objective in the reform, the most important observation was that the councillors had direct contact with individual citizens in their districts. Seventy-three per cent of them had made contact with individuals in their own district five or more times during the previous 12 months. They wanted, and also initiated, more direct contact with local citizens. Whether five or more contacts is regarded as high or low is, of course, difficult to assess, but compared to former types of decentralisation in Bergen contact activity was considerably higher during the last reform period (Klausen & Opedal, 1999). The figures are also higher than in Oslo (the biggest city in Norway) which had introduced district councils in 1986, long before Bergen.

The contact between the political system at the district level and citizens in the districts was also taken care of by a variety of more formal measures: it was compulsory for all councils to have a so-called 'open hour' prior to all official meetings. During these open hours citizens were given the opportunity to meet the councillors and pose questions, but they could also present their particular matters to the councillors. The number of questions and presentations in these meetings ranged from 0 to 11 per meeting during the second year of the reform period (2001). The discussions in the councils were open to the public (as are all local council meetings in Norway). The number of people attending each meeting in 2001 ranged from 1 to 100, with an average of 40. The trend during the reform period was that more people attended council meetings, especially meetings when education and physical planning were being debated. In addition to these rather formal channels several of the councils arranged consultations with the general public about specific issues. Councillors developed what might be called 'surgeries' where they were available for people in a public location (such as shopping malls and market-places) once or twice a week. There were also organised visits by district councillors to institutions such as schools, nursery schools and homes for elderly people.

Another formal feature of the reform became important as a channel for contact between the political system and citizens. The idea behind the system of overlapping offices – three members in each district councils being recruited from the city council – was that district councillors should represent their district in the city council, and the entire city in the district council. This system was designed as a way of integrating eight districts within a single local authority (the city). The vertical contact embedded in the system of overlapping offices is expressed by the fact that the district councils and the administrations at district level assumed the role of mediators between the various levels of city government. Conflicts were brought into the political system at the district level, and by handling these conflicts, district councils and councillors could bring cases and issues up to city level. This particular role for the districts as political bodies was emphasized by the fact that more than 50 per cent of the local councillors aspired to the city council in the next election. But at the same time they were keen to stress that at the moment their district had priority. Councillors representing districts brought information to city level and, consequently, decisions made at district level had impact on the city as an integrated system. On the other hand, their presence in the city council had a disciplinary effect since it also committed them to the city. Hence, the system of overlapping offices played an important integrative role in the district reform in Bergen, but was also important as a measure of contact.

Using democracy as standard, it can be concluded that the reform did have some positive effects. Citizens were more engaged in local political questions after the reform than before. But the most important effect was that the district councils and councillors established themselves in the important role as mediators between citizens and city level. The system of overlapping offices played an important integrative role in the relationship between central and local level, and thus also contributed to establishing closer contacts between system and citizens.

Effectiveness

Higher quality and productivity in service provision were important aims of the reform (objectives 2 and 3). Effectiveness is therefore the second standard that the reform was intended to meet. Effectiveness in this context referred to whether welfare services were adjusted to specific needs in the district (and thereby provision of improved services). But it also referred to whether services from different welfare areas were coordinated in order to suit users with problems not identifiable to only one welfare area, so-called 'wicked issues/problems' (Clarke & Stewart, 1997). Through this coordination higher productivity was supposed to be obtained. For example, did the reform enable districts with a young population to prioritise services for children and families, and districts with older population to spend more

money on care for elderly people? Coordination of service provision between different welfare areas such as education, social services and child care would arguably be easier at district level where organisations were smaller and professionals knew each other personally. Adjustment of services to specific district needs can be defined as a political task. It is the privilege of district councillors to prioritise which tasks to solve and which welfare area to prioritise. Coordinating areas can, however, be defined as more of an administrative task. It is within the competence of the administration to use the available resources in the most appropriate way.

Both of the above-mentioned objectives of the reform were considered important by the district councillors. Seventy per cent of them meant that welfare services provided by the districts became better adjusted to needs in the local communities as a consequence of the reform. City councillors and the city government were not particularly interested in this objective. They regarded coordination between areas as by far the most important objective. Furthermore, district and city councillors agreed that the reform gave better conditions for coordination and also that coordination between welfare areas actually was enhanced after the reform.

As far as the standard of effectiveness is concerned it seems that the positive results outweighed the negative. The most important positive effect was that coordination between welfare areas was made easier with improved services for users as the main result. Hereby the reform contributed to higher productivity in service provision.

Control

Another reform objective was less pronounced than the two mentioned above. The reform was a governance reform as well as a reform oriented towards democracy and effectiveness in service provision. Hence an important question for the actors involved concerned the way in which the reform (re)distributed control in the government system. On the one hand, the reform addressed the question of control via access for the districts (as local communities) to the city level. This access was essential if the districts were to promote their own priorities and decisions at city level. On the other hand, the issue of control forced the question of whether district councils posed a threat to the city as a single local authority. The reform had a built-in conflict between the need for the districts' problems and solutions to be brought up to central level as they were interpreted locally, and the simultaneous need for control over these problems and solutions and interpretations at city level. More generally there was a conflict between autonomy and integration.

Given the objectives emphasised so far in our discussion, the reform was fairly successful. Yet even if a reform succeeds on all its individual objectives, the objectives may be incompatible. Hence, the relative success in

terms of democracy and effectiveness may still have led to the demise of the reform. The question of control in a multilevel system might then be a good place to start searching for the answer as to why the reform caused so much controversy. An important question is what balance was struck between autonomy and integration? Was it mainly a *partnership* relation between mutually dependent partners (city and district level), or was it basically a *hierarchical* relationship with a principal (the city level) and its agents (the districts)?

There are several reasons why the relationship between central and local level became such a critical issue in this reform. First, the reform was implemented in a period of (in Norwegian terms) severe financial stress in Bergen. At central level it was expected that the reform would contribute to better control over finances. Given this expectation the most important role for the districts, at least in the mind of important central actors, became that of implementers of central decisions and not that of autonomous political bodies. District councillors on the other hand expected the reform to equip them with enough authority to set priorities on an independent basis, but felt that the reform had provided them with virtually no such discretion. According to their interpretation they were left the task of handling cutbacks in the city budget. The second reason why central–local relations became so important was controversy over the distribution of tasks between the two levels.

Numerous tasks formally decentralised to the districts were important for the city as local authority. Obviously, it was a distressing experience for political actors at city level to lose control over these tasks. The frustration was accentuated by the fact that strong national government regulation of welfare areas reduces the scope for local self-government in Norway (Tranvik & Selle, 2005; Tranvik & Fimreite, 2006). According to the city councillors and city governors, what little scope was left for local discretion after national regulations had done their part was handed over to the districts. The consequence was that the reform, which was presented as a decentralisation reform, in many ways ended up with more centralisation in the relationship between central and district level in Bergen. When districts were given the responsibilities for the most important local government tasks, it triggered a need at central level to monitor and control the performance of these particular tasks. In this climate of controversy over tasks a majority of the district councillors wanted to carry on with the reform. They wanted even more functions and tasks decentralised (financing welfare services and physical planning were those most frequently mentioned). As we noted earlier, these were issues in which citizens were engaged, particularly planning issues. That was probably the reason why district councillors wanted control over them.

In Norwegian local government welfare issues are very important. One reason for this is that those issues are important for citizens (Rose & Pettersen, 1997). Historically, the legitimacy and power of local

government in an otherwise fairly centralised system is partly due to the fact that it takes care of issues that citizens conceive of as important (Flo, 2004). In Bergen, with two 'internal' levels fighting over welfare issues, the result was that the relationship between them became very tense during the reform. The main arguments for abolishing the district councils concern several factors. The first was that central level needed more control, officially, in 'this time of severe financial stress'. However, this official argument was not the only one to affect the actual outcome of the process. A simultaneously implemented reform in the governance system at city level – the introduction of the parliamentary model – is a second important condition that affected the relationship in this period. In the parliamentary model a city government based on the support of the majority in the city council governs the city (see Figure 1). A basic idea in a parliamentary system is accountability. When the district council reform transferred power and authority to eight districts, and the parliamentary model at the same time emphasised visible power and accountability at city level, conflict was inevitable: The newly appointed city governors at city level needed political issues to bring forward, and it was tempting for them to pick issues that were the formal responsibility of the district councils and councillors. As we stated above, welfare remains the most important area in Norwegian local politics, and politicians need to be engaged in issues that are important for their electorate. After the introduction of a parliamentary system at central level in Bergen it was vital for the city government to control the welfare issues formally delegated to district level. Inevitably, this would create conflicts over competence between levels. The overlapping offices intended to integrate district councils as partners in city government became in this situation a tool for hierarchical control.

To sum up, the relationship between central and local level in Bergen was not dominated by partnership; nor was the relationship a principal-agent relation. In this rather diffuse landscape conflicts over competences eventually became very important. Hence as a governance reform, and from the evaluation standard of control, the district council reform must be declared more or less a failure.

In the next section we discuss these empirical results using the analytical approach to decentralisation suggested by Page and Goldsmith (1987) in their book about central and local relations in Europe.

The District Council Reform in Bergen – Analytical Perspectives

Page and Goldsmith (1987) take the most local level in a relationship as the point of departure and the main elements in a decentralisation process are considered by them to be a) the division of functions between levels, b) degree of autonomy for local level, and c) the profile of the access for local to central level and vice versa.

Functions, Autonomy and Access

The division of functions between levels in a political system is an important aspect of a decentralised relationship. Focus is on which tasks that shall be delegated or decentralised to the local level. The scope of functions taken care of by local level is one dimension. What kind of functions are delegated to local level is another important dimension. The district councils in Bergen were responsible for a major share of tasks normally solved by local authorities in Norway. The eight districts had more or less the same general competence as ordinary local authorities, especially when it came to welfare tasks. Even though features of tasks decentralised were important in Bergen, the possibilities to prioritise between them were restricted by national government regulation. Furthermore, the districts' discretion became eventually even more restricted by performance indicators established by the city level. The districts were neither delegated all functions connected to the welfare areas: service provision and delivery were the decentralised aspects of the tasks, while city level was still in charge of investment, planning and development.

The distribution of functions between levels can be related to the degree of autonomy in multilevel systems. In Page and Goldsmith's version autonomy has to do with the scope for local actors to make their own priorities as to which services to provide and also regarding the standard of services. According to Page and Goldsmith (1987) several factors may influence the degree of autonomy: first, legal procedures and frameworks are important. In Norway, frameworks established by national government are most important here, but the districts in Bergen were also subject to a number of bylaws by the city level that regulated their possibilities to prioritise. The second factor constituting autonomy is freedom to solve tasks that are not assigned to other levels in the political system. The districts in Bergen had very restricted possibilities in this respect. The portfolios of tasks were affirmatively delimited. Hence, the districts were assigned functions according to the *ultra vires* principle. The districts were delegated the responsibilities for specific tasks and were not supposed to take on other tasks. What they *could* do, and also did quite a lot, was to take active part in consultations with city-level authorities. Moreover, autonomy is constituted by a third factor; the types of sanctions and rewards that central level employs to make sure that the local level complies with the wishes of central level. In Bergen this is first and foremost connected to the level of performance within the different areas where authority was decentralised. Performance indicators were used to control the districts' performance levels. Possibilities to provide guidelines for the districts' service production were by this control measure withheld at city level. Furthermore, the city council monitored decisions made by the districts in areas other than welfare (in Bergen parks and leisure) throughout the reform period. The fourth constituting condition for autonomy presented by Page and Goldsmith

(1987) is financial control. Financial independence for the districts was rather limited: they could not impose taxes, and more or less 100 per cent of their income comprised grants from the city level.

For Page and Goldsmith the third aspect of decentralisation is the local level's access to central level. Access is constituted by the contact established between central and local level in a system. Assuming that decisions made at central level are important for the local level, it is of great significance for local level to have channels for feedback to the central level. It is also important to have channels where the local level can influence decisions before they are taken at central level. The two aspects of access are therefore of relevance. First, what is the extent of contact between the levels and second what is the significance of the contact? The latter question concerns whether the central level has the capacity and desire to react to signals from the local level. In Bergen the districts had three channels for communication that gave them access to the central level. First, the system of overlapping offices (discussed earlier in the article) was very important in this respect. This system was political in as much as contact was between political bodies (city and district council). Second, party organisations constituted an important channel for contact: the same parties were represented at city and district level, and contact between different levels in the local parties grew more important during the reform period. The third channel for contact was formal meetings at administrative level. Those meetings had a formal agenda, and city leaders/chief officers at city level and local CEOs took part. The meetings were held regularly, normally twice a month.

The broad extent but limited sorts of tasks and functions transferred to districts, the restricted degree of autonomy, and the political profile of the access from local to central level all in all formed a rather tense central–local relationship in Bergen. As the discussion here reveals, all three elements of a decentralisation process discussed by Page and Goldsmith (1987) were decisive for the way the districts were able to operate. We will use these aspects of the decentralisation process in Bergen as a point of departure and introduce a more general categorisation of decentralisation in multilevel systems.

Political and Administrative Decentralisation

In Bergen most welfare tasks (scope of functions) were decentralised and the emphasis was on the provision of welfare services (type of functions) in the districts' portfolio. The ways in which the districts could handle their delegated tasks were rather restricted by the superior levels of government (state and city). More precisely, the legal framework (from state and city level) restricted district freedom to solve affirmatively delimited tasks. The local level had formal access to central level, but so had central level to local level. This was even strengthened by informal access based on the central

level's superiority in the system. Combined with the features of the parliamentary model these elements gave a 'surplus' of power to central level. The dimensions of decentralisation suggested by Page and Goldsmith (1987) indicate, among other things, that it is important whether the local level has discretion over *objectives*, or if the discretion is restricted to decide only on the *means* to reach the objectives. If the local level only enjoys control over means, it is possible to claim hierarchical control from the centre. Decentralisation is administrative. If, however, the local level controls objectives as well as means, it is more appropriate to claim real multilevel governance, and decentralisation is political. If local level has control over objectives, but not means, powerlessness will be the result locally. If there is neither control over means nor objectives, delegation is the proper notion for the decentralisation process (see Figure 2).

This way of categorising decentralisation differs somewhat from other attempts. In his overview from 2005 Christopher Pollitt points out that decentralisation is not a concept with a universal meaning (Pollitt, 2005: 377). One element of decentralisation most writers can agree on is that decentralisation means that something is 'taken away from the centre', that authority is spread from one or a few to a larger number of actors. The basis for transfer of authority 'to a larger number' can be functions, process, target groups and – as in our case – territory (Gulick, 1937). There can, however, be different ways of spreading the authority; Pollitt discusses, among other forms, political and administrative decentralisation. He defines political decentralisation as the transfer of authority from one level of elected politicians to another (Pollitt, 2005: 374). Arguments in favour of such decentralisation are that decisions will be made closer to citizens, that politicians will be less remote, that citizens will be more active and that decisions based on differences between units will be more legitimate (Pollitt, 2005: 381). Administrative decentralisation is defined by Pollitt as the transfer of authority to managers and administrators (Pollitt, 2005: 374). Among the reasons given for the need to decentralise authority to administrators are to avoid overload, adjust services to local contexts, to be more responsive towards the needs of users or consumers, and faster decision-making (Pollitt, 2005: 381).

The reform in Bergen would definitely represent a political decentralisation given the definitions presented by Pollitt, even though arguments connected to both political and administrative decentralisation can be found

		Discretion over objectives	
		Yes	No
Discretion over means	Yes	Political decentralisation	Administrative decentralisation
	No	Powerlessness	Delegation

Figure 2. Different types of decentralisation. *Source:* Suggested by Audun Offerdal, presented in Sivertsen (2002)

in the objectives of the reform. However, our main argument drawn from the empirical evidence in Bergen is that it is impossible to declare *a single* specific decentralisation reform as political or administrative *per se*. Whether decentralisation is regarded as political cannot alone be decided by the presence of local political bodies (whether or not directly elected). The fact that the districts in Bergen involved district councils with rather wide competence was not sufficient to regard the reform as being based on political decentralisation. When those councils lacked discretion when it came to objectives (and sometimes also means), administrative decentralisation became a more appropriate description of the reform.

The study of the decentralisation process in Bergen we have presented has the limitations of an individual case study. This means that our findings can not automatically be generalised to a wider range of decentralisation processes. Nevertheless it is our opinion – as argued earlier in the article – that the fate for the Bergen reform makes it a crucial case when it comes to decentralisation. Features of this specific decentralisation process can therefore give important guidelines for other multilevel systems where transferring power and authority from a higher to a lower government level is on the agenda.

Particularly important lessons can be drawn from this case for (multilevel) systems where the decentralisation processes concern welfare areas. The new policy for local government recently suggested by the Labour government in Britain (White Paper, October 2006) is a relevant example. The main aims presented in the White Paper are based on the theory of governance called ‘New Localism’ (Stoker, 2004, 2006). The main aims can be summed up as better and more efficient service provision for inhabitants. These aims resemble the main aims in the Bergen reform described earlier in this article. The measure presented in New Localism to fulfil those specific aims is that services shall be delivered locally. Service delivery shall be based on joining up and coordination across different fields of (welfare) services while devolved authority ‘down silos’ is to be avoided (NLGN, 2005: 59). Flexibility to adjust services to local needs is of relevance but so are performance indicators established by higher levels of government to secure a certain standard. Similarities to the Bergen reform are striking also when measures are involved; joined-up service provision, adjustment to local needs, flexibilities – and performance indicators were all, as we have described it, important elements in the district reform. As was the case in the Bergen reform, New Localism implies that power is to be transferred to local bodies with an electoral mandate, not to local managers and networks (NLGN, 2005: 9). Reduced scope for local autonomy as a result of national and regional politics and regulations is, however, also seen as a potential problem for local decision-makers in Britain, as it turned out to be in Bergen.

In Britain local government is said to have improved its service provision over the last few years. Whether this is the result of central government

standards or New Localism in action is a hard question to answer (Stoker, 2006: 24). The think tank New Local Government Network claims in one of its reports on New Localism: 'Overall, this means that we must find ways of higher tiers playing their role appropriately without straying back into command and control' (NLGN, 2005: 61). Lessons drawn from the decentralisation process in Bergen can point to some such ways which can be valid in Britain as well as in other multilevel systems decentralising power. In the final section of this article we will discuss three important challenges to multilevel governance and suggest three conditions that must be met if political multilevel relations are to be successful.

Concluding Discussion

The first challenge for multilevel governance is that – quite paradoxically – decentralisation seems to generate a need for centralisation. When the reform in Bergen was introduced, important aims were (local) democracy and participation at district (local) level. These aims created expectations at district level, and were connected to the role district councillors were supposed to play in local politics; that is to make real priorities, especially within the area of welfare policy. The ability to adjust welfare services to specific needs in the districts seems to be one of the strongest expectations locally. Hence the reform gave rise to anticipation among district councillors that they would be able to develop their local communities through political decisions. The reform did not meet these expectations. First of all the districts were not granted sufficient autonomy to make their own priorities concerning welfare services, at least not in terms of positive priorities. The district councillors were more or less left with the problems of where to make cuts. Tasks decentralised to district level were very important for the city as local authority, and this affected the degree of autonomy granted to the districts. The control measures imposed on the districts served to illustrate the lack of acceptance, at central level, for the division of tasks determined by the central level itself.

After a reform period of four years it seemed obvious that the extent of tasks decentralised, but also the importance of the tasks, increased the need for central control rather than autonomy at the local level. Against this background it can be claimed that the more precious the decentralised tasks are for the central level in a multilevel system, the more the central level will tend to ensure that these tasks are solved corresponding to its own objectives.

But conflict over control in Bergen cannot be fully explained by the division of tasks. The advocates presented the reform as a political decentralisation not only because there were political bodies at local level, but also because real influence over goals and means were transferred. The reform opponents feared it would end up merely as an administrative decentralisation. This also turned out to be the result – a

hierarchical relationship and a reform primarily based on administrative decentralisation, occasionally even delegation. District councils had expectations regarding their own abilities to make decisions over goals as well as the means to achieve them. They were not granted this possibility and in the course of the reform period it became apparent that the political bodies at district level were superfluous.

The degree of autonomy for subunits is also affected by central level's access to local decisions. During the period of the district reform in Bergen there were numerous examples of how the city council as well as the city government made decisions on issues where discretion was formally decentralised to district level. The simultaneous introduction of a parliamentary system *and* a system based on district councils partly explains the strengthening of centripetal forces. The commissioners in the city government were given task portfolios that corresponded with the most important local government tasks in Norway – education, social security and health care. Departments were, in fact, also named according to those tasks. At the same time, responsibilities for the tasks were formally decentralised to the district level. The overlap in competences affected the possibilities for the commissioners to make decisions on important welfare areas as well as the district councillors' opportunities to shape locally based policies. The commissioner for education and the commissioner for health were faced with the fact that district councillors were responsible for a great share of their portfolios. In practice commissioners sometimes forced their access to them when they found it timely. The strong focus on accountability in the parliamentary system had a strong integrative effect on central–local relations.

A relevant question arising from the above observations is whether the need at central level to control the local level when authority is decentralised is contingent on the reform context in Bergen, or if what we have revealed has a broader validity. Recent research on the relationship between central and local government in Norway (Fimreite *et al.*, 2004; Tranvik & Fimreite, 2006) and on delegation at central government level (Christensen & Lægreid, 2002; Fimreite & Lægreid, 2005) indicates that decentralisation of authority provoked the need for more central control over subunits' affairs also in other cases. An element pointed out by the scholars referred to above is that *trust* is an important condition if decentralisation of authority is to be successful in a multilevel system. Trust implies that the system is based on at least a degree of symmetry and mutuality. A trusting relationship between central and local level can be hierarchical as well as based on a partnership – that is not the essential part. What is important is that the central level must show a willingness to accept solutions and decisions made at the local level, irrespective of whether these are precisely in correspondence with their own priorities. If this is a general and valid description of multilevel governance in Norway, *it is important for subunits to consider what tasks they accept to solve on behalf of a superior level in a*

multilevel system. But it is perhaps even more important for the superior level to consider which tasks they decentralise. This first condition means that if the central level is not prepared to accept the consequences of functions being solved locally then multilevel governance can not be successfully implemented.

Decentralisation without access for local to central level is in our opinion problematic. The second challenge for multilevel governance concerns the fact that *local level access from local to central level decision-making assemblies may create lines of conflict in a multilevel system.* Even though the district councils in Bergen operated under heavy budget restrictions and also had to meet other strong regulations, local citizens became engaged in political issues at district level. The profile of the district councils' access to city level is important if this engagement shall be influential on city politics. There were basically two channels for access available to district councillors, the party system and the system of overlapping offices. Through both channels issues brought forward by popular participation at the district level created problems for the central level according to the city councillors' and commissioners' interpretation. The better the districts were operating as political bodies, the more political issues they seemed to create for city-level assemblies to handle. The local character of the district agendas generated political issues that were hard to adjust to the party-based conflict pattern at city level. Political processes at district level often originated in territorially based conflicts. These conflicts were not easily adapted to the cleavages between (nationally based) political parties in the parliamentary system at city level. The engagement at district level enabled district councillors to plead legitimacy among citizens that the city councillors often found wanting, even though they were the ones who were directly elected.

The district councillors' access to city level revealed internal party conflicts stemming from territorially based issues. This potential for internal party rifts led to some episodes of active use of party discipline at city level during the period of the district council reform. Integrating districts into city level thereby accentuated structural conflicts between the two levels. The second condition for a well-functioning multilevel system must therefore be *to take conflicts created by differing interests between territorial-based representation and party representation seriously.* This condition implies an acceptance at central level for the fact that districts (or, more generally, local level) can use authority based on territory in situations and cases where they are normally powerless.

A third challenge for multilevel governance emanating from the previous discussion is that *democracy (as participation) is in process of becoming a separate policy area in local politics.* Objective number one in the district reform was to strengthen local democracy. Democracy, understood as participation and engagement at district level, was enhanced through the reform. At least, the reform provided arenas for involvement at district level, and links between district and city level. Yet district councillors were

often powerless when it came to real local decisions. Mobilisation for local cases, issues and conflicts was, however, mediated to the city level via district councillors. This indirect mobilisation was not always welcomed at city level. In fact issues originating from the districts were often regarded as a disturbance, and as something that fragmented the city as one local authority. Democracy based on district activities was only regarded as a virtue at the central level as long as the engagement did not affect decisions made centrally in any substantial way.

To understand this it is important to see the objectives of the reform – strengthened democracy and better service provision – jointly. In practice these objectives to a large extent were regarded as independent objectives, and hence they were treated as separate activities. An alternative view is that all citizen participation aims to affect the outcomes of politics, for example provision of welfare services (Dahl & Tufte, 1973). Political inputs are intended to affect outcomes, i.e. policies. In the Bergen reform participation was very much regarded as an activity on its own, separate from service provision and policy outcomes. Democracy was in many ways treated as one policy area among several in local politics. The dismantling of the district councils can be understood from this perspective. Even though the district council reform had its shortcomings, also from a democratic and participatory perspective, the district councils must – at least with the democratic standard employed in the evaluation – be said to work fairly well. Nevertheless, the relative success of the district councils in this respect may also have sealed the fate of the reform. A third condition for a well-operating multilevel system therefore is that *democracy (participation) is accepted as an important part of service provision in (local) government*. Both central and local level must be prepared to accept the policy consequences of citizen involvement. A democracy that is separated from actual policy areas will be no more than an empty shell.

Notes

- 1 Bergen is the second largest city in Norway with a population of 235,000. The petroleum industry is important for Bergen, as are maritime and fishing industries. Bergen has a strong research community, with the second largest university in Norway, a business school and a university college. There is a well-established infrastructure between industry, research and educational institutions, and government organisations.
- 2 There was also decentralisation to sub-city level in other European cities – especially in southern Europe – in this period. We will here particularly focus on systems where responsibilities for welfare services were decentralised. The reason for this is first and foremost that consequences for inhabitants are different whether it is decision-making concerning the most important welfare services that are devolved or decision-making concerning leisure activities and area development. Concerns about what is called ‘postcode-lotteries’ – differences in welfare provision according to where in a city people live (NLGN, 2005) – are much more important when welfare functions are on the agenda. The processes connected to decentralisation are therefore presumably of another character when welfare functions are not involved.

- 3 In the literature the term *neighbourhood council* is often used to describe the subunits in the Scandinavian cities. We will, however, use the term *district council*. We will argue that the subunits here have a more formal character and are larger than what is normally associated with the term *neighbourhood*.
- 4 The district councils had, however, no authority to raise local taxes, but this authority is also rather limited for *local government* in Norway. The maximum rate for income tax – which is the most important source of revenue for local government in Norway (44 per cent in 2004, while central government transfer was 37 per cent) – is set by the Parliament. Since 1979 all municipalities and county councils in Norway have used maximum rate (Fimreite & Tranvik forthcoming). Given this regulation of taxation in Norway, it was never considered to give district councils the power to raise taxes.
- 5 The exceptions are an experiment in four (of 25) districts in Oslo and all four districts in Copenhagen which was included in the experiment for the short period it was operative (Bäck *et al.*, 2005: 29).
- 6 Before the decision in Bergen the experiment in Oslo had been evaluated. The turnout was not very high, and the evaluation showed that inhabitants did not feel a strong identity to their district (Klausen & Opedal, 1999).
- 7 From 2008 a renewed district level with eight district councils will be introduced in Bergen. However, the functions for the district councils are in this arrangement limited to consultations and very specific tasks connected to leisure activities (Decision made by the city council, 11 December 2006).
- 8 This short introduction to the Copenhagen experiment emphasises the argument presented in note 4 about different decentralisation processes in systems where welfare responsibilities are decentralised and in systems where other responsibilities are decentralised.
- 9 The results are presented in more detail in Aars *et al.*, 2002 and Fimreite *et al.*, 2003. The presentation here is based on these reports unless other references are given. In this article we will use the evaluation results as 'meta-data' and will not refer directly to interviews or tables reported in the above-mentioned evaluation reports to emphasise points made in the text.
- 10 Data were collected in two time sequences; spring/summer 2002 and autumn 2002/winter 2002–03. There were two surveys, one including all district councillors (response rate 80) and one including city councillors (response rate 63). Furthermore we conducted qualitative interviews with 21 district councillors and with all (at that time) seven city commissioners. Focus group interviews with the eight district CEOs and representatives for the unions in four districts were also conducted. In addition documents, budget proposals and performance indicator reports/monitoring reports were used as background materials, as were already published evaluation reports from the district reform in Oslo and previous experiments with district councils in Bergen. All our data were collected before the abolition of the reform was seriously brought into the debate after the local election in 2003. In the 2003 election the coalition, with the Labour party as the senior partner, lost. This coalition had originally introduced the district council reform. A new coalition, with the Conservative Party as the senior partner, took office, and efforts to abolish the district councils gained momentum.

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