

Paper prepared for the EGPA Conference Permanent Study Group V: Regional and local government Edinburgh 2013

FLANDERS AND ITS QUEST FOR A PARTNERSHIP WITH LOCAL GOVERNMENT

An ex-ante evaluation of the Act on planning burden

Working paper

Tess Poppe Prof. Dr. Filip De Rynck Prof. Dr. Ellen Wayenberg

Department of Business and Public Administration University College Ghent

ABSTRACT

In this paper we analyzed the effects of the Act on planning burden on the central-local relationship. We took a closer look at the Act itself and questioned the choices made by the Flemish government to achieve a partnership with the local level. Secondly, we explored how the Act on planning burden effects local sports policy and integration policy. This resulted in an elaborate analysis of the changes made to be in line with the Act and how these changes shape the interaction between the sectoral Flemish administrations and the local level.

INTRODUCTION

On the 6th of July 2011, the Flemish Parliament approved the 'Act on planning burden', initiated by the Flemish government in its so-called quest for "*a full partnership*" with the local level (Vlaamse Regering, 2009; CEEO, 2010). When a new Flemish government entered office in 2004 it commissioned an audit of all sectoral planning and reporting requirements. Each year municipalities had to draw up approximately 27 plans (on local sports policy, culture or social affairs,...) As a result, more than €40 million of planning burden costs were generated annually (Dienst Wetmatiging, 2007). These planning and reporting requirements were installed by several Flemish administrations, often as a precondition to obtain Flemish subsidies¹. Various recommendations were made by the auditor in order to lift the planning burden (Wayenberg & Poppe, 2013). The Act (or decree) on planning burden is by far the most important and comprehensive step in that process.

The Flemish government considers the approval of this Act as the start of "an important intergovernmental transition as it introduces far-reaching changes to the way the Flemish government steers and controls its local counterpart" (Vlaamse Regering, 2011). As such, it should urge a series of Flemish departments and agencies to (radically) alter their sector-specific way of working. But will this Act truly realize a systemic change in the intergovernmental relations? Three questions are dealt with in this paper. (1) The central question in the paper is: does this transition really affect the nature of intergovernmental relations? And if so, in what way? (2) How are the principles of the Act on planning burden implemented in sectoral legislation and do sectoral subsystems evolve as the Act expects them to do? (3) Is there any difference between those subsystems and can we explain those possible differences?

This paper is based on research conducted within the framework of the Policy Research Centre on Governmental Organization - Decisive Governance (SBOV III), funded by the Flemish government². Our research consist of an ex-ante evaluation of the Act in 10 sectoral systems of central-local relations in Flanders. We use two of them as cases in this paper. The paper is structured as followed. First we reflect on the central-local relation based on international research. In the following section, we elaborate on the principles of the Act on planning burden and how they – are supposed to– affect the central-local relation. The theoretical reflections are followed by a case study on the implementation of the Act in sectoral legislation. To be precise, we analyze if the Act drastically changes sectoral legislation regarding local sports and integration policy and if there're any differences between these sectors.

¹ In the case of local welfare policy, local government has to draw up a plan and meet several requirements without any Flemish subsidies in exchange.

² The views expressed are those of the author(s) and not the Flemish government.

I. CENTRAL-LOCAL RELATIONSHIP

Based on the findings of Wright (2000), Kjellberg (1995) and Batley & Stoker (1991), a higher-level government can opt for three sets of rules to shape its relationship with local government (Wayenberg, 2006). First of all, Wright (2000) distinguishes three types of authority based on the question 'who governs?'. In the co-ordinate authority model each level governs within its respective sphere of authority. They only interact with each other in order to guarantee 'good governance'. In the overlapping authority model, the central and local level govern simultaneously. In the inclusive model local government is given well defined objectives and tasks. Kjellberg's (1995) autonomous model fits Wright's first model. It entails a clear separation of the central and local sphere of government so local actions are, as much as possible, not affected by central organs. The partnership model perceives the central-local relationship as a mutual dependency and cooperation. In the principal-agent model local government is closely supervised by the central government. Like Wright and Kjellberg, Batley & Stoker (1991) recognize a variance of the types of central-local relationships, Batley and Stokers's relative autonomy model gives local government enough leeway in its relation with central government. In the interaction model central and local government are involved in a complex pattern of interrelatedness in which the emphasis is on exchange in order to work together. Whereas in the agency model, local government is perceived as having a completely subordinate relationship to central government and its role is restricted to implementing central policy as an agent with little or no autonomy (Wayenberg, 2003; Wayenberg 2006). In general, all of these authors, however they labeled their concepts, acknowledge three kinds of central-local relations: a minimal dependency of central government, a partnership between central and local government based on mutual dependency and cooperation, and a maximal dependency of central government. We integrated those three approaches into one continuum (Wayenberg, 2003). We use the same continuum further on in the paper to summarize our findings.

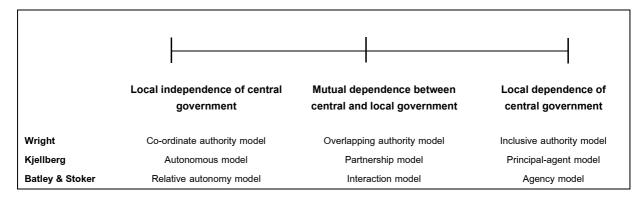


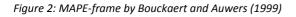
Figure 1: Continuum of central power over local government

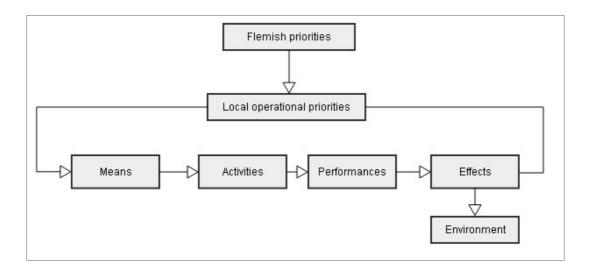
Hesse & Sharpe (1991) classify European countries/regions into different groups of local government systems. We can relate those groups to the figure above. Their first subdivision is the *Franco group*. In these countries local government is considered to cover territorially defined communities and to form structures of territorial interest intermediation at the lower level of government. France, Italy, Spain, Portugal, Greece and Belgium/Flanders are classified under this type (cfr. local dependence). A second subdivision is the so-called *Anglo-group*. Local government has a weak legal and political status but still shapes and delivers public services. Therefore, local government has a more functional than political role. This is the case in the UK and Ireland (cfr. mutual dependency). The third subdivision is *the North and Middle European group* with the Scandinavian countries, Germany and

the Netherlands. Strong emphasis is given to shape and deliver public services, as is the case for the Anglo group, but local government is also perceived and institutionally defined as a de-centralized level of autonomous democratic policy-making (cfr. local independence) (Heinelt & Hlepas, 2006).

In line with the features of the Franco group, the relation of the Flemish government with its local counterpart has long been characterized by a strict and detailed control exercised by the central level (De Ceuninck, Devos, Reynaert et. al., 2005). But as previously stated, the Flemish government expressed his ambition to change this systematically. This change has been labeled by the Flemish government as a shift from a more controlling central government towards an intergovernmental partnership.

At this point of political rhetoric our analysis starts. Does –and in what way eventually– the Flemish approach of a partnership fit the one expressed by Wright, Kjellberg and Batley & Stoker? Is there really a shift in the balance of authority between the Flemish government and its municipalities? Because according to Pratchett (2004) *"local autonomy in federal systems only occur because a higher-level authority delegates some of its sovereign powers and responsibilities. And because local autonomy implies a degree of control over particular policy issues, there will always be a tension between central and sub-central units of government over who has authority in particular spheres".* One of our tools to analyze the nature of the central-local relationship is the **'MAPE-frame'** developed by Bouckaert & Auwers (1999). MAPE stands for Means, Actions, Performances or/and Effects. The frame helps us to understand in what way the Flemish government impacts the policy choices of the municipalities.





We ask ourselves the following questions:

→ In what way does the Flemish government determines the means/input of local government? The term 'means' stands for all personnel, material and immaterial input necessary to exercise certain activities. The Act on planning burden clearly states that there needs to be a shift from input to output steering.

- → In what way does the Flemish government determines the activities of local government? The term 'activities' stands for the actions an organization has to set up in order to deliver certain performances. The Act on planning burden emphasizes the importance of participation by local stakeholders when developing the multi-annual plan.
- → In what way does the Flemish government determines the performances of local government? The term 'performances' or output stands for the products and/or services provided as a result of a certain activity. The first principle of the Act on planning burden states that local government has to have sufficient autonomy to fine tune the Flemish priorities. Consequently, local output needs to fit within the intended effect(s) of those priorities. All depends however on the nature of 'performances': are they formulated in a strict and specific way or do they leave some or a great deal of autonomy to the municipalities?
- → In what way does the Flemish government determines the effects local government should realize? The term 'effects' stands for the outcomes of the performances. The Flemish government needs to steer on effects rather than on input as the Act on planning burden states.

Before we try to answer these questions for two sectoral domains, we analyze the content of the Act on planning burden itself. What are the assumptions of the Act and how is the concept of 'partnership' materialized according to the MAPE-frame?

II. THE ACT ON PLANNING BURDEN

a. In theory: four principles to achieve a partnership

On the 25th of June 2010 the Flemish government approved the order regarding the implementation of a new Policy and Management Cycle (PMC) that should be implemented in the Flemish local governments. The central focus of the PMC is a 6 year planning, budgeting and reporting cycle (see figure 3). The order will come into force on January 2014. In the meantime municipalities are

developing their strategy for the forthcoming 6 years, making their budget choices and implementing the administrative levels of the new PMC. The PMC is considered as the framework for the Act on planning burden since local governments are obliged to formulate strategies and policy goals. This framework of an integrated planning system, which is new for most municipalities, replaces the different sectoral planning cycles.

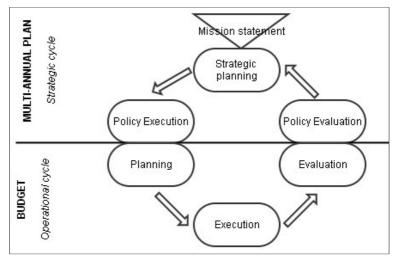


Figure 3: the Policy and Management Cycle (Kaesemans & Gysen, 2012)

So by the same time as the PMC (2014), the Act on planning burden will be implemented in order to drastically reduce the numerous sectoral planning and reporting requirements. 10 different sectoral plans (cultural policy plan, youth policy plan, ...) will by next year be integrated in the new strategic 6 year-plans of the municipalities (see figure 4). However, the Act on planning burden covers 14 sectoral decrees that need to be adapted. The decrees on elderly care, education, environmental policy and childcare policy 'escaped'. The main reason is that four sectoral Flemish ministers decided that he or she would no longer impose any planning or reporting requirements on the municipalities. Has this been a deliberate strategy? It is hard to say but nonetheless it is remarkable to see how certain sectoral ministers try to avoid being involved in planning systems set up by their colleague for internal affairs, who is politically responsible for the Act on planning burden. Furthermore, besides these 14 sectoral regulations there're still plenty of other Flemish funding systems. A study of the University of Ghent, commissioned by the Flemish Advisory council for Administrative Affairs, identified approximately 68 subsidy streams towards the local or provincial level (Christiaens, Vanhee & Lievens, 2013). This certainly puts the impact of the Act on reducing the planning burden in some perspective.

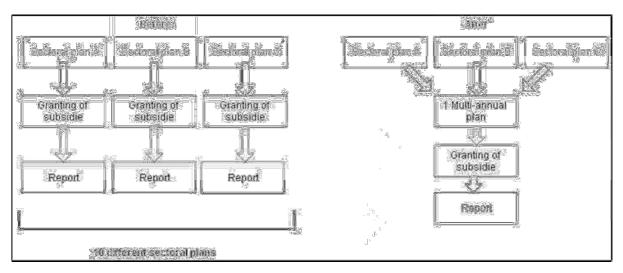


Figure 4: Before and after approval Act on planning burden (Vanreppelen, 2012)

As illustrated by figures 3 and 4, sectoral planning and reporting will all be part of documents developed within the context of the PMC. Consequently, local governments have to apply for subsidization by using the instrument of the PMC and the multi-annual plan. Afterwards, the usage of the subsidies has to be reflected in the annual reporting of the budget. So the former 10 sectoral planning and reporting requirements are now integrated in the new PMC and this should be used as the only source of information on local actions by the Flemish government (Wayenberg & Poppe, 2013). The Act on planning burden sets out four principles.

| 1) | More autonomy for local administrations |
|----|---|
| 2) | Output and outcome steering |
| 3) | The importance of local participation |
| 4) | Limitation of co-financing |

By means of the enactment of the PMC order, the Flemish government aims at moving municipalities towards a more systematic result-oriented planning and management cycles. One of the key characteristics of the PMC system is that it allows individual local government organizations a certain latitude with regard to the set-up of their policy and management systems. Put differently, by implementing this new system Flemish municipalities will dispose of several options to adapt their policy and management systems to their own demands and needs (Demeulenaere, 2012). The multiannual plan consequently will reflect - in theory- the local strategy and priorities for the upcoming legislature. Logically the first step in this planning process is gathering information about the internal and external environment of the municipality. Based on the results of their SWOT-analysis local governments can apply for subsidies of the Flemish government to face up to certain threats or make use of opportunities. The Flemish government however doesn't grant them carte blanche, which marks the start of our analysis of the Act on planning burden. As a result of the Act, the Flemish government identified her policy priorities for each policy domain affected by the Act (Vlaamse overheid, 2012). By doing so, Flanders creates a frame of policy goals. By means of their multi-annual plan, municipalities have to indicate which Flemish priorities they'll adapt and consequently for which goals they want Flemish money. These Flemish priorities needed to be formulated on an sufficient general level so that local governments are still able to fine tune them in compliance with the identified local needs and goals. Because, as stated by the first principle, more policy autonomy has to give leeway to less planning burden (Kaesemans & Gysen, 2012).

The Act on planning burden, secondly, is based on the decision to change the focus of how the Flemish governments interacts with the municipalities: there should be a shift from input steering to more output and outcome steering. The 10 sectoral legislations should be converted in such a way they can only entail requirements regarding "activities, performances and/or certain effects" at the local level. Consequently, demands concerning "the local usage of means or the organizational structure of a municipality" are no longer allowed. For example, sectoral legislation cannot expect the existence of a certain department or the appointment of a civil servant with a specific degree for a specific policy domain (youth policy, sports,...) (Bestuurszaken, 2012).

A third principle emphasizes the importance of local participation. Although local government has been given more autonomy to develop its own strategy, they still have to involve (certain) local stakeholders when drawing up (certain aspects of) their multi-annual plan. Furthermore, municipalities have to indicate how relevant stakeholders were – and will be – involved in the development of the multi-annual plan (Vlaamse overheid, 2012).

The last principle is the one of co-financing. A municipality can be obliged to invest some of its own financial means in relation to the granted subsidy. The demanded financial input may however not exceed the Flemish incentives. The philosophy behind this principle is that municipalities should be given more sense of ownership.

b. In reality: a step towards partnership or phantom autonomy?

Hood (1999) identifies three roles for central governments to adopt in their interaction with the local level: director, detector and effector. The *role of director* means that central government specifies the desired performance or behavior. The director creates a standard or framework for local government to respect when implementing local policy. *The role of detector* refers to the means used by the central government to control the degree of variance from the standard imposed by the central government. So in what way does local government act within the Flemish framework? And *the role of effector* refers to the process whereby all variance or non-compliance is lined-up with the standard created by the director. The following questions guide our analysis:

- \rightarrow Is there a certain content or framework for local government to act within?
- \rightarrow How does local government have to account for the use of the granted subsidy?
- \rightarrow Can the Flemish government or its sectoral administrations in any way affect the choices made regarding the implementation of local policy?

When integrating these three roles and the MAPE-frame into one, we come to the following framework for our analysis:

Table 1: overview MAPE meets Hood

| | Director | Detector | Effector |
|--------------|-----------------------------------|--|----------------------------------|
| Means | Is there any control on the local | In what way does Flanders verify the | In what way does Flanders affect |
| | use of means? | local use of means? | the local use of means? |
| Activities | Is there any control on local | In what way does Flanders verify local | In what way does Flanders affect |
| | activities? | activities? | local activities? |
| Performances | Is there any control on the local | In what way does Flanders verify local | In what way does Flanders affect |
| | performances? | performances? | local performances? |
| Effects | Is there any control on the local | In what way does Flanders verify local | In what way does Flanders affect |
| | effects? | effects? | local effects? |

First we apply our framework to the Act on planning burden in general. By doing so, we can determine if the principles of the Act can result – in theory– in a change of the current intergovernmental relation with the local government into more of a 'partnership'. (see table 2).

Table 2: MAPE versus Hood-framework applied to the Act on planning burden

| | Director | Detector | Effector |
|---|---|--|--|
| М | The use of the Policy and Management Cycle regarding the process of subsidization Possible to ask for co-financing The internal organization of local government is a matter of local autonomy | about the use of subsidiesPossibility after 3 years to evaluate different aspects | Possible to determinate the sub sidy |
| A | Flemish PP ³ can relate to certain activities that need to be taken Use of the Policy and Management Cycle regarding the process of strategic planning It's not possible to ask for extra information/documents outside the instrument of the PMC Local government has to show how local stakeholders were involved when drafting the multi-annual plan | about the process of strategic planning | The Flemish government and its administration will take up a supporting role by publicizing best practices or examples of possible local activities |
| Р | • Flemish PP can relate to certain performances that need to be taken | Possible to control local government on output and using the instrument of benchmarking Possibility after 3 years to evaluate different aspects regarding the policy priorities | It is possible that local government has to adapt its multi-annual plan when it doesn't meet the necessary requirements |
| E | Flemish PP can relate to certain effects that need to be achieved | NO EXAMPLES FOUND | NO EXAMPLES FOUND |

³ PP stands for policy priorities

The MAPE-Hood framework brings us to a critical assessment of the Act itself and the overall choices made by the Flemish government. What kind of partnership dominates? And how is the concept of partnership translated by the Flemish government into the Act in order to *'systemically change the intergovernmental relations'*?

First. Local government has no choice but to implement the new Policy and Management Cycle by 2014. The order regarding the PMC entails a set of rules for the multi-annual plan, the budget and the annual account of local government. Consequently, the order has a very significant impact on the way municipalities now prepare, budget, exercise, follow up and evaluate their policy.

Second. If a municipality wants to receive Flemish funding for its sports, youth, culture,... policy goals, it needs to formulate and implement her local objectives in line with the Flemish priorities. Of course, local government is still 'free' to apply for Flemish money but their precarious financial situation and political pressure urges them to do so. In political practice, nearly all municipalities have to apply for Flemish funding. Our analysis makes it clear that by doing so they (have to) accept the Flemish policy framework.

Third. Another way of exercising control is the possibility to ask for co-financing and earmarking the subsidy. Consequently, Flanders limits local leeway as it not only determines the amount of money that can –or has to– be spend locally but also the way money is spent.

Furthermore, the evaluation of local policy is based on the expenditure of means and performances. Inspired by New Public Management, the Flemish government chose to move result-oriented planning and management up the local agenda. As a result, local objectives need to be SMART specific, measurable, attainable, relevant, and time-bound- in order to formulate specific indicators. These indicators should measure the invested input in order to achieve the local objectives, the generated output and/or the impact of the invested means and actions. If we do the math and assume that only one indicator per Flemish priority is developed, we already get a total of 37 indicators. We however noticed that in several domains more indicators per goal are in a stage of development. This means that municipalities will have to measure and report on much more than 37 indicators. Whereas in the past local government 'only' needed to draw up a sectoral plan, received a subsidy and wrote an annual report on how the means were spend. We suspect that the shift towards performances and the development of indicators could have a considerable stronger impact on the behavior of municipalities than the previous system but it is too early to come to any definitive conclusions at this point. It all depends on how the system will be implemented in practice. This ex-ante evaluation at least indicates that the degree of Flemish control on local policy could increase considerably.

III. SECTORAL IMPLEMENTATION OF THE ACT ON PLANNING BURDEN

In this part of the paper we analyze if and how the Act changes sectoral legislation and consequently the relationship between sectoral administrations and local government. We hereby take into consideration that departments and agencies have their own traditions, cultures and way of working, as well as fundamentally different approaches to local government (Wilson & Game, 2006). The 'centre' is not joined-up and local government experiences a myriad of different cross-cutting and often contradictory relationships with central government departments and agencies (Lowndes, 2002).

We selected the cases of **local sports and integration policy** because both domains have the same budget for 2014-2019: €16.530.000. This allows us to compare the choices made in each sector regarding the implementation of the Act.

a. The case of local sports policy

Since 1995, the Flemish government subsidizes local government for its sports policy. In 2007 the local subsidization was thoroughly revised. The so-called Sports for All-decree (SFA) gave a new impulse to local sports policy by supporting local clubs as one of the most important stakeholders. The SFA-decree of 2007 contained four objectives that needed to be locally achieved and linked central subsidization upon the fulfillment of three requirements: drafting a sports plan, installing a sports council and appointing a qualified civil servant for sports policy.

Due to the Act on planning burden, input steering was no longer allowed within the process of subsidization so the Flemish government reformulated its four priorities for local sports policy. As previously stated, the Act on planning burden intends a shift from input steering to steering the local level on outputs and outcomes (principle 2). Flemish policy priorities can therefore only relate to certain activities that need to be taken, to certain performances that need to be achieved and/or to certain effects that need to be realized. Regarding these 'new' sport priorities a respondent for Bloso (the name of the Flemish sports administration) states that only two out of four priorities actually give some leeway for local government. A total of 80% of the subsidy is hereby earmarked. By doing so, it is the Flemish government --and not the local level- who decides what's important when developing a local sports policy. So the Flemish government continues to have a tight grip on local activities. The priorities affecting the position of the local clubs are in this case deemed to be most important. To illustrate this point: at least 25% of the subsidy is earmarked for the direct financial support of clubs. The distribution amongst clubs needs to be based on several criteria regarding the quality of a club. Local government is hereby 'free' to determine which criteria it will uphold but it needs to publish its subsidization regulation on the local website in order for Bloso to check if these criteria suffice. The demand to publish documents on the website is in contradiction with the Act on planning burden according to which only the PMC should be used as a source of information for the Flemish government (see principle 1).

Secondly, the Flemish government chose to exclude the requirement to appoint a qualified civil servant for sports policy (*principle 2*). This means that civil servants for sports are no longer sure whether or not they can keep their job as municipalities could for example appoint just one civil servant responsible for the whole sphere of leisure, including policy domains such as sports, culture and tourism. The same goes for the local drafting of a sports plan. The Flemish government can no

longer urge local government to draw up a separate sports plan as all local objectives will be integrated into the overall strategic multi-annual plan. Therefore Bloso stressed the importance of reliable data in the PMC. However, the respondent for Bloso is convinced that the information provided by the PMC will qualitatively not suffice to determine how the subsidy has been spend. Bloso currently has a more direct relation with local government as they receive the sports plans and annual reports. In the future, relevant data will be transferred via the Flemish Agency for Internal Affairs (ABB) to Bloso as ABB acts as an intermediary between the Flemish administrations and local government. Undoubtedly, this drastically changes the relations within the field of sports policy. *"Therefore, random visits on site will tell us if budget X was spend on priority Y. We already went on site before but I suspect these visits will increase in number in order to have all the information we need. (...) Furthermore, I feel there's no harm in contacting local governments on a more informal base when we –as Bloso– still have some questions". If a municipality is unable to prove whether or not the financial and substantial requirements regarding the Flemish priorities were respected, it is possible for the Flemish government to raise objections. This can lead to withholding further subsidization of even reclaim granted funds.*

The other two principles are expected not to have the same impact within the field of sports as no significant changes were made. Regarding the importance of local participation and the obligatory involvement of local stakeholders throughout the course of drafting the multi-annual plan (*principle 3*), each local government has to involve a sports council to this end. This advisory council already had to be locally installed as a requirement under the SFA-decree of 2007. The same goes for the principle of co-financing (*principle 4*). For years central-local co-financing has been the rule in the field of sports policy and no big change is foreseen. Local governments will still have to invest 30% of their own means when implementing the Flemish priorities. (Wayenberg, Decramer & Poppe, 2011)

In the scheme below we integrated our findings in the analytical framework, comparing sport legislation before and after the implementation of the Act on planning burden.

| | Director | Detector | Effector |
|---------------|--|---|--|
| Means 2007 | Subsidy is earmarked 50% co-financing At least 1 civil servant for sports policy All 308 municipalities can apply | Annual control of local implementation of Flemish goals Right to check every aspect of the sports plan | Subsidy of an organization which supports local government Subsidy of an organization which coordinates professional councilors in clubs Withholding or reclaiming subsidy |
| Means 2012 | The use of the PMC in process of subsidization 30% co-financing Subsidy is earmarked All 308 municipalities can apply | Use of PMC and comment boxes - overall budget and annual account Possibility after 3 years to evaluate different aspects regarding the subsidy | Subsidy of an organization which supports local government Subsidy of an organization which coordinates professional councilors in clubs Withholding or reclaiming subsidy |

| Table 3: MAPE versus Hood-framework applied | to the County for All desires 2007 and 2012 |
|--|---|
| $IANIP \rightarrow NIAPE VPrsus Hood-trampwork annupa$ | $T \cap T \cap P \cap P$ |
| | |
| | |

| | Director | Detector | Effector |
|--------------------|---|---|--|
| | | | |
| Activities 2007 | Draw up a sports plan Flemish goal: local government has to financially support sport clubs based on local regulation (1), (financially) support sport activities outside clubs (2) and map the needs of sport infrastructure (3) Involve sports council Provide data in order for Bloso to monitor local policy | Right to check every aspect of the sports plan – go on site | Withholding or reclaiming subsidy |
| Activities 2012 | Flemish priority: local government has to financially support sport clubs based on local regulation (1) Publish documents on local website Install an advisory council | Visits on site Informal contacts Compare subsidy regulations of local clubs Possible after 3 years to evaluate different aspects of the Flemish priorities | Information sessions for local stakeholders New website |

| | Director | Detector | Effector |
|----------------------|---|---|--|
| Performances 2007 | Flemish goal: stimulate an accessible sport policy for 4 target groups, identified by the Flemish government (4) | Right to check every aspect of the sports plan – go on site | Withholding or reclaiming subsidy |
| Performances 2012 | Flemish priorities: having a local sports policy with attention to cooperation in order to activate people (2), stimulate professionalism amongst sport clubs (3) and organize an accessible sport policy (4) | Visits on site Informal contacts Compare subsidy regulations of local clubs Possible after 3 years to evaluate different aspects of the Flemish priorities | Information sessions for local stakeholders New website |

| | Director | Detector | Effector |
|-----------------|---|---|--|
| Effects 2007 | – NO EXAMPLES FOUND | Right to check every aspect of the sports plan – go on site | Withholding or reclaiming subsidy |
| Effects 2012 | The Flemish priorities have certain effects in mind but focus on the activities and performances. | Visits on site Informal contacts Compare subsidy regulations of local clubs Possible after 3 years to evaluate different aspects of the Flemish priorities | Information sessions for local stakeholders New website |

The conclusions for the sports sector are quite clear. The Flemish government – supported in particular by Bloso - had and still has an important impact on local policy by in most cases taking on the role of director or detector. There are two specific Flemish priorities which leave little or no room for local input, 60% of the subsidy goes to these priorities. Furthermore, Bloso verifies more or less in the same way as before the Act if local expenditure of means took place within the Flemish framework. It is no longer required to draft up a sports plan but Bloso made it already clear that the new Policy and Management cycle will not deliver the information they need. Therefore, a municipality needs to publish additional information on its website and the number of visits on site are expected to increase. The emphasis of the new decree is rather on the means and actions sometimes performances- to realize certain effects. In other words, the SFA-decree of 2007 is formally adapted to the principles of the Act on planning burden but the legislator and Bloso created some loop holes to maintain the current situation as much as possible. The power position of Bloso as an agency explains most conclusions. Bloso is used to direct the local level on how to organize their sports policy and is used to having a tight grip on the expenditure of the subsidy. Bloso seeks several ways to maintain their impact on local policy because they otherwise fear a loss of quality of the sports sector. This indicates a lack of trust in the local level. So the Act on planning burden doesn't drastically change the way Flanders/Bloso interacts with the local level.

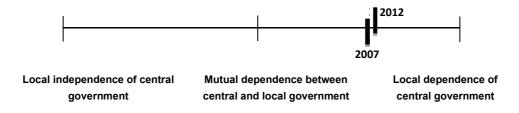


Figure 5: Continuum of central power over local government - case sports policy

b. The case of local integration policy

According to the Flemish government, local government is an important partner in realizing its goals regarding "living together in diversity". The local level is hereby in the best position to identify bottlenecks and tackle integration issues (ABB, 2013). Before the Act on planning burden, 52 municipalities were held responsible for the coordination and implementation of an inclusive policy and the participation of people of a foreign origin. The Flemish government had a contract/covenant with each of these municipalities. All of these contracts contained four strategic priorities and each priority had been subdivided into several more concrete operational priorities. For example: "local government takes initiatives to discourage wedding migration" and "local government as an employer pays attention to equal opportunities". Due to the implementation of the new PMC and the Act, the decree on local integration policy also had to be adapted.

First. The four strategic priorities of the existing covenant were rephrased in order to align with the principles of the Act. A fifth priority regarding the importance of learning the Dutch language within the process of integration was then added. So in order to be granted a subsidy, local government now has to implement five strategic priorities. Three priorities relate to certain activities that need to be taken and two relate to the performances that need to be achieved. These five priorities grant local government more autonomy (principle 1) as they are more focused on the output and outcome of local policy (principle 2). For example, "local government enhances social cohesion by stimulating mutual knowledge, transparency, and respect amongst the population, by stimulating social capital, by facilitating the cooperation of people of diverse origins and a view on life and by consequently dealing with issues of discrimination and racism". According to a respondent of the Flemish administration, local government can now better determine its own operational goals and actions although the basic outlines of the former Flemish priorities remained the same: emancipation, accessibility and diversity. But these priorities are formulated in more general terms so they leave much more room for local choices. Furthermore, the internal organization of the administration will also be left to the autonomy of local government. Consequently, it's no longer required to appoint a civil servant and an alderman responsible for integration policy (principle 2). The adapted legislation emphasizes that the local level has a directional role regarding all matters on integration and diversity. The multi-annual plan needs to clarify how a municipality will take on this role.

In divergence of the local PMC, it is possible for municipalities to apply for a subsidy during the subsidization term and not just by the start in 2014. This exception is necessary according to a respondent of the administration *'in order, for the local level, to react to sudden local needs or political support regarding integration issues'*. However, this doesn't mean that all 308 Flemish municipalities can apply for a subsidy whenever they seem fit. In contrary to the case of sports policy, only municipalities of which 10% of the inhabitants are of a foreign origin are eligible for a subsidy: 115 municipalities in total. The Flemish government chose to install a minimum of the existing subsidy level necessary to implement an integration policy: €50.000. As a consequence, only the 52 cities who currently receive Flemish funding can reapply.

The PMC, the overall budget and its annual account has to provide the administration with the necessary information in order to decide if local actions are in line with the Flemish priorities and requirements. Just like Bloso, the Flemish administration responsible for integration policy communicated the importance of correctly using the instrument of the PMC. If the administration

needs more information in order to decide whether or not the subsidy was correctly spend they can go on site. Following the example of urban policy, a commission of professionals and scientists, ... can be assembled in order to check on site if the data provided via the PMC is complete and truthful. But although the sectoral legislation provides the *possibility* to go on site, no concrete plans have been made in this direction so far. A last source of information is the monitor on local integration. This monitor has been installed by the former Flemish minister on integration in order to provide local government with reliable data based on environmental indicators.

In line with the Act on planning burden, it is possible for the Flemish government to use sanctions when a municipality is unable to prove whether or not the financial and substantial requirements regarding the Flemish priorities were respected. This can ultimately lead to the withdrawal of subsidies or even reclaim granted funds. But our respondent thinks it will be difficult to evaluate how much of the subsidy was spend on a certain priority because the subsidy itself is not earmarked. "And that's okay because our decree aims for an inclusive approach of integration issues."

Local government also has to justify how the target group of the decree was involved when drawing up the multi-annual plan (*principle 3*). Local government is hereby free to choose how it fulfills this requirement whereas in the past the covenant specified how participation needed to be organized. Furthermore, besides the importance of participation during the planning phase, the decree on integration also admitted a Flemish priority concerning a structural participation of the target group in local policy. In line with the philosophy of the Act on planning burden, local government has the autonomy to decide how to accomplish this (*principle 1*).

The last principle regards the matter of co-financing (principle 4). The decree on integration states that the Flemish government decides on the co-financing for the local integration policy. This is all in theory as there won't be any co-financing asked according to the respondents of the administration and the cabinet, *"the decree just leaves the door open for asking co-financing when a new minister takes office"*. Since 2009 no co-financing has been requested of the local level because *"local government already invest its own means without Flanders telling them to do so"* (interview administration).

As previously stated, the four principles of the Act intend to change the relation between the central and local level. In order to prepare local government for these changes, the Flemish administration for integration invested in several tools to inform them. First, civil servants responsible for integration policy were encouraged to deliver input during the development of the new multi-annual plan. These civil servants received training on how to set up a SWOT analysis, how to interpreted data and how to formulate goals. Secondly, there's a brochure explaining all technical aspects of the new PMC, a brochure that shines light on how the Flemish priorities can be interpreted in order to develop a local policy on integration and there is a brochure that gives some comments on the adapted sectoral regulation. And last but not least, a new external agency will –amongst other things– be responsible for the support of local government. The agency will incorporate several organizations who nowadays are responsible of consulting local stakeholders, organizing a helpdesk, bundling best practices, ...

In the scheme below, we fitted all of these changes in our analytical framework.

| Table 4: MAPE versus Hood-framework applied to the decree of 2009 and 2012 on local int | earation |
|---|------------|
| | eg. actori |

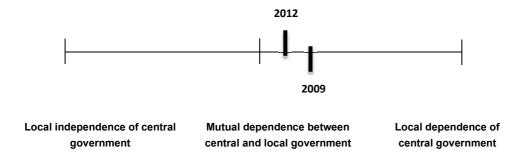
| | Director | Detector | Effector |
|---------------|---|---|---|
| Means | No co-financing Granting of subsidy based on covenant Appoint a civil servant for integration Appoint alderman responsible for integration | Local government reports on the expenditure of means in an annual rapport | Withholding or reclaiming subsidy |
| Means 2012 | List of 115 municipalities who are eligible for subsidy but only 52 can (re)apply At least €50.000/municipality Possible to apply for subsidy after January 2014 Subsidy is not earmarked No co-financing at the moment | Use of PMC and comment boxes - overall budget and annual account Possibility after 3 years to evaluate different aspects regarding the subsidy | Withholding or reclaiming subsidy |

| | Director | Detector | Effector |
|--------------------|---|---|---|
| Atvities 2009 | A directional role for local government SWOT Actively involve minorities, cooperation with other sectors, participation of target group, limit wedding migration and other specific goals to be locally implemented | Local government reports on implementation of covenant Monitor tool | Flemish Institute for Integration supports local government |
| Activities 2012 | A directional role for local government Involve target group Flemish priorities: local government has an active policy regarding the Dutch language (1) and local government pays attention to a divers personnel policy, a correct information policy and an accessible provision of services (2) and local government encourages non-local organizations to actively involve the target group (3) | Possible for visits on site Monitor tool Possible after 3 years to evaluate different aspects of the Flemish priorities | New external agency Training on SWOT, data and objectives Brochures |

| | Director | Detector | Effector |
|----------------------|---|---|---|
| Performances 2009 | Directors role for local government | Local government reports on implementation of covenant Monitor tool | Flemish Institute for Integration supports local government |
| Performances 2012 | Directors role for local government Flemish priorities: enhance social cohesion (4) and a structural participation of the target group (5) | Possible for visits on site Monitor tool Possible after 3 years to evaluate different aspects of the Flemish priorities | New external agency Training on SWOT, data and objectives Brochures |

| | Director | Detector | Effector |
|-----------------|--|---|---|
| Effects 2009 | Directors role for local government Emancipation, accessibility and diversity | Local government reports on implementation of covenant Monitor tool | Flemish Institute for Integration supports local government |
| Effects 2012 | Directors role for local government Emancipation, accessibility and diversity | Possible for visits on site Monitor tool Possible after 3 years to evaluate different aspects of the Flemish priorities | New external agency Training on SWOT, data and objectives Brochures |

We can conclude that the Flemish government grants the local level more autonomy to develop a local integration policy. The decree reconfirms the directional role for the municipalities as they're supposed to take the lead in identifying and tackling local integration issues. In order to adequately play this role, the Flemish priorities have been reformulated on a more general level. As a consequence the subsidy still isn't earmarked and municipalities are now free to choose how they organize local participation. The Flemish government itself will take on a more supporting role as it creates a new external agency – a merge of several existing organizations– which will be responsible for the support of the local level. Furthermore, the PMC will be the main source of information to check if local objectives fit within the Flemish framework.



When we compare our two cases with each other, we conclude that there's a difference in how the Act on planning burden is implemented in sectoral legislation. Although all four principles of the Act are integrated in both domains, they are 'interpreted' differently.

First. The local level doesn't really have more autonomy to fine tune the Flemish priorities for sports. Because of a lack of trust in the local level, the Flemish government and Bloso keep holding on to two stringent formulated priorities. In order to guarantee local implementation of these priorities, the subsidy is earmarked. This is not the case for local integration policy. The Flemish priorities are developed in such a way they leave more leeway for municipalities to develop and implement policy based on local needs and opportunities.

Second. Bloso hasn't yet come to terms with a shift from steering on input to steering on output and outcome. In line with the Act it is no longer possible to require the appointment of a civil servant and to draw up a separate sectoral plan. In reaction to these changes Bloso will probably increase the visits on site to see with their own eyes how Flemish money is spend. The Flemish administration responsible for integration however believes that the PMC will be the main source of information.

We identify another difference between the cases based on the third principle of the Act. The Act on planning burden emphasizes the importance of local participation. So in order to receive Flemish money for a local sport policy, municipalities still need to install an advisory sports council. This is yet another example of how the Sports for All-decree of 2007 didn't drastically change. The local level is on the other hand free to choose how it involves the target group when developing and implementing their integration policy.

A last difference covers the principle of co-financing. The Flemish government won't ask any additional financial means to fund the implementation of the Flemish priorities. There's no need to explicitly request co-financing because experience shows that local governments already invest more than granted by Flanders. Although the latter is probably also the case for sports policy, a 30% co-financing is requested from the local level.

A possible explanation for these differences is the influence of Bloso. The sector of integration doesn't have to deal with the manoeuvres of an agency who tries to maintain its current power position. Another explanation is the earlier use of the covenant as an instrument to shape the central-local relation. The use of covenants is said to stem from an increasing hesitation of governmental bodies to solely limit themselves to unilaterally imposing regulations (Wayenberg, 1999). As a consequence, the policy domain of integration was already characterized by a more voluntary way of steering and a higher degree of local responsibility. Whereas the use of legislation is the most direct instrument of central control of local authorities (Wilson & Game, 2006). So it isn't much of a surprise that the current Sports for All-decree still dictates local government how to organize their local sports policy as Bloso upholds a hierarchical position over the local level. We can therefore conclude that the notion of a partnership as perceived by Wright (2006), Kjellberg (1995) and Batley & Stoker (1991) is more present in the case of integration policy than sports policy.

CONLUSION

The regionalization of Belgium increased the degree of centralism in the intergovernmental relations within the region of Flanders. The Act on planning burden is one indicator of the political system wanting to change this relationship. Under the heading of 'a partnership with municipalities', the Act has been announced as a major step towards more autonomy for the local level. In this paper we developed a research method to test the nature and the degree of this shift ex-ante. What kind of change can we observe and is it reasonable to expect intergovernmental relations to shift significantly and in which direction?

Our analytical framework (MAPE-model meets Hood) was useful in this respect. The central observation is that the nature of the impact of the Flemish government could change in such a way for municipalities to become even more the object of steering by the Flemish government and, finally, ending up to be more dependent. Municipalities are obliged to introduce and use a whole new concept of the Policy and Management cycle by 2014 which will definitely have a great impact on how they prepare, budget, implement, follow up and evaluate their policy. The Flemish government abolished bureaucratic sectoral planning procedures but created at the same time a new framework. This consist of several Flemish priorities for each of the 10 policy domains within the realm of the Act on relieving sectoral planning burdens. If local governments want any subsidies for their related policies, they have to accept this framework and integrate those policy goals and targets in their local policy strategy. Due to their financial restraints and budget cuts, nearly all of the municipalities have to sign up for those Flemish subsidies and by doing so, they accept the Flemish policy goals also as their local targets. Next, municipalities can be held accountable for the outputs and outcomes so now the Flemish government is developing a whole set of indicators to evaluate local performances. Those indicators could have a very important impact on the content of the local policies and the behavior of municipalities: meeting the indicators could become the real policy goal. We say 'could' because at this moment it's not clear how these indicators will be used in the practice of intergovernmental control and accountability relations. The planning burden could be replaced by an 'indicator burden'.

The two case studies however leads us to a more contingent conclusion, dependent upon the history of the intergovernmental sectoral relations; the influence of relevant stakeholders and their cultural mindsets. The same framework of the Act on planning burden is, in its effects on intergovernmental relations, molded by those variables. One of the most interesting variables is the strategy of central administrations and agencies. The case of sports policy made it clear that public administrators could play a very influential role in preserving their former position. Whatever the legal framework, they develop their strategy based on maintaining their position of power. Part of that strategy is to develop indicators at the central level with a high potential of steering the behavior of municipalities. So, if there was still a need for some evidence, this shows that management is not (politically) neutral. Old or new public management, power is what matters.

REFERENCES

Agentschap voor Binnenlands Bestuur, (2013), *Lokaal integratiebeleid: een korte toelichting bij de regelgeving*. Brussel.

Batley, R. & G. Stoker, (1991), *Local government in Europe: trends and developments*. Basingstoke: McMillan.

Bouckaert, G. & T. Auwers, (1999). Prestaties meten in de overheid. Brugge: Die Keure.

Christiaens, J., Vanhee, C. & D. Lievens, (2013), *Overzicht en verkennende analyse van de Vlaamse sectorale geldstromen naar de Vlaamse lokale en provinciale besturen*. Studie in opdracht van Vlabest, Gent, Universiteit Gent.

Commissie Efficiëntiewinst voor de Lokale Besturen, (2010), *Rapport met aanbevelingen*. Brussel, Vlaamse overheid, p. 8.

De Ceuninck, K., Devos, C., Reynaert, H. Staelraeve, S., Steyvers, K., Valcke, T. & D. Verlet, (2005), *Centraal-lokale relaties in Vlaanderen: verdeel en heers*? In: Res Publica (1), pp. 19-35.

Demeulenaere, E., (2012), *Managing performance in Flemish local governments*. Research proposal for the 2012 EGPA Symposium for Doctoral Students and Junior Scholars. Leuven.

Dienst Wetmatiging, (2007), Administratieve lastenmeting planverplichtingen Lokale besturen: finaal rapport. Brussel.

Heinelt, H. & N.-K.Hlepas, (2006), *Typologies of local government systems*. In: Henry Back, Hubert Heinelt and Annick Magnier (eds.), The European Mayor. Wiesbaden: VS Verlag für Socialwissenchaften, pp. 21-42.

Hesse, J.J. & L.J. Sharpe, (1991), *Local government in International Perspective: some comparative observations.* In: Hesse, J.J. & L.J. Sharp (eds.): Local Government and Urban affairs in International Perspective. Analyses of Twenty Western Industrialized Countries, Baden-Baden, pp. 603-621.

Hood, C., Scott, C., James, L., Jones, G. & T. Travers, (1999), *Regulation inside government*. Oxford University Press.

Kaesemans, B. & J. Gysen, (2012), *Beleidsplanning, -monitoring en –evaluatie*. Uitgeverij Politeia, Brussel.

Kjellberg, F., (1995), *The changing values of local government*. In: The annals of the American Academy of Political and Social Science, pp.40-50.

Lowndes, V., (2002) Between rhetoric and reality: Does the 2001 Whitepaper reverse the centralising trend in Britain. In: Local Government Studies 28 (3), pp.135-147.

Pratchett, L., (2004), *Local autonomy, local democracy and the 'new localism'*. Blackwell Publishing, Oxford, USA.

Vlaamse Regering, (1995), Bakens voor de 21e eeuw – Regeerakkoord, Brussel.

Vlaamse Regering, (2009), *De Vlaamse regering 2009-2014. Een daadkrachtig Vlaanderen in beslissende tijden. Voor een vernieuwende, duurzame en warme samenleving*. Departement Diensten voor het Algemeen Regeringsbeleid - Afdeling Communicatie. Brussel.

Vlaamse Regering, (2011), Beleidsbrief Binnenlands Bestuur: Beleidsprioriteiten 2011-2012. Brussel.

Wayenberg, E. & T. Poppe, (2013), *Op de Vlaamse weg naar meer lokaal bestuur: het Planlastendecreet*. In: OCMW Visies, nr.2, pp.27-31.

Wayenberg, E., (1999). Covenants as a steering instrument in (Flemish) intergovernmental relations:A focus on the incentives towards successful implementation enclosed within IGR model based policyprograms.EurolocSummerschoolonLocalGovernmentStudies.

Wayenberg, E., (2003), Vernieuwingen in de Vlaamse centrale-lokale verhoudingen: op weg naar partnerschap? Een kwalitatieve studie van de totstandkoming en uitvoering van het sociaal impulsbeleid. Proefschrift tot verkrijgen graad Doctor in de Sociale Wetenschappen. Katholieke Universiteit Leuven.

Wayenberg, E., (2006), *The Flemish government's responsibility for local government modernization*. In: Public Management Review. No.8 (1), pp. 47-65.

Wayenberg, E., Decramer, A. & T. Poppe, (2011), *Monitoring van het lokaal Sport voor Allen-decreet*. Studie in opdracht van Bloso. University College Ghent.

Wilson, D. & C. Game, (2006), *Local government in the United Kingdom*. In: Government beyond the centre. Basingstoke: Palgrave Macmillan.

Wright, D.S., (2000), *Models of national, state and local relationships*. In: L.J. O'Toole, American Intergovernmental Relations: foundations, perspectives, issues, pp. 74-88. Washington: Congressional Quarterly.

Bestuurszaken, (2012), Minder planlasten voor lokale besturen, www.bestuurszaken.be/planlasten

Vanreppelen, J., (2012) Participatie bij de opmaak van een meerjarenplan: een inleidend kader. <u>www.integratiebeleid.be/sites/default/files/bestanden/Participatie_bij_de_opmaak_van_de_strategi</u> <u>sche_meerjarenplanning_VVSG.pdf</u>

Vlaamse Overheid ,(2012), Vlaamse Beleidsprioriteiten 2014-2019, www.bestuurszaken.be/sites/bz.vlaanderen.be/files/40466%20herwerking%20broch%20planlasten% 20LR.pdf