

Slovak Republic (Slovenská republika)



Capital: Bratislava

Inhabitants: 5400.998 (2007)

Area: 49.034 km²



Slovakia is located in the middle of Central Europe; it has a population¹ of 5,400,998 inhabitants on an area² of 49,034 km². The capital is Bratislava, with a population³ of 425,533. Average population density⁴ is 110 inhabitants per km². On the regional level (Eurostat's NUTS 3), the region of Banska Bystrica has the lowest population density of 69.9 per km², and the region of Bratislava has the highest population density of 291.8 per km².

Until 1992 Slovakia had been part of Czechoslovak Federative Republic. The Constitution of Slovakia of October 1992⁵ stipulates Slovak Republic (from 1.1.1993) as an independent parliamentary

democracy with a standard democratic division of powers between legislative (Parliament, single chamber of 150 seats, proportional representation); executive (President, directly elected; and government, Prime Minister and 16 ministers) and judicial (Constitutional Court and several tiers of judiciary).

1.1. Origin and Development of LG⁶

Until its independence in 1993, the territory of Slovakia had been part of different larger state units. If oldest written documents are considered, already in 5th and 6th century large settlements had been formed, to which surrounding areas gravitated. Later, as part of Austro-Hungarian Empire, administration of local matters on the territory of Slovakia was more or less centralised, until 1860, when a reform of public administration formed 18 free royal cities and 164 district cities. In 1918, the Czechoslovak State was formed, which initially kept all previous Austro-Hungarian administration laws in place (different in Czech and Slovak republics), to replace them later with a unified dual system of territorial administration based on the one in Czech republic. This strengthened state power and reduced local self-government to a

¹ As of 31.12.2007, Office of Statistics of Slovakia

² As of 31.12.2006, Office of Statistics of Slovakia

³ As of 31.12.2006, Office of Statistics of Slovakia

⁴ As of 31.12.2006, Office of Statistics of Slovakia

⁵ Official website of the Slovak Parliament www.nrsr.sk

⁶ Belajova, Balazova (2004): Economics and Management of Local Government, University of Agriculture, Nitra



merely formal level. This process continued until 1947, when the communist party took over. Under this regime the dual system of public administration (state and local self-government) was completely eliminated. The whole public administration system was state-controlled, organised in three levels, with government units in towns, districts and regions – all operating as long arms of central government. Between 1945 and 1989 several territorial reforms were undertaken without significant impact on the system of local government.

1.2. Most significant reform of PA

Local self-government in its true sense was renewed only after the fall of communism in 1990, the so-called 'velvet revolution'. This long-term reform process, divided into 3 phases, started in 1990, with its last part (financial decentralisation) taking off in 2005. Phase 1 laid foundations for the present dual system of public administration, where state and local self-government share and independently take care of assigned public administration responsibilities. In 1992, Czechoslovakia was divided into two separate countries, Czech Republic and Slovak Republic. In the new constitution of Slovakia existence of independent self-government regulated by specific laws is inherent. From 1996 to 2000, reform phase 2 did not fulfil its aims completely and thus did not contribute much to strengthening self-government, but had been more focused on the new territorial organisation of the local state government. Phase 3 of the reform (2000-2004) focused on creating a regional tier of self-government, on decentralisation of functions from the state onto self-government and deconcentration of function from central state bodies onto local state bodies. A symmetrical model of public administration was created, where state and self-government bodies operate in the same territories and tiers of

government. A financial decentralisation and modernisation of public administration began, but were not carried out fully in this phase. In 2005, financial decentralisation began, which focused on tax sharing and own tax levying powers for self-government.

2. Territorial Organisation

The present dual and symmetrical model of public administration consists of both state and self-government. State government operates in two tiers – national and district offices plus specialised state agencies of different kinds. Self-government operates in two tiers – local and regional – independent of each other. Regional tier of self-government consists of eight regions (see table 1); local tier of self-government consists of 2,892 local governments (138 cities and 2,753 villages)⁷. The capital city Bratislava and the eastern metropolis Kosice are governed by a separate law.

Table 1: Regional self-government⁸

Region	Citizens	Area km ²
<i>Bratislava</i>	606 753	2052
<i>Trnava</i>	555 075	4148
<i>Trencin</i>	599 847	4502
<i>Nitra</i>	707 305	6344
<i>Zilina</i>	695 326	6788
<i>Banska Bystrica</i>	655 762	9455
<i>Presov</i>	800 483	8993
<i>Kosice</i>	773 173	6751

For the purposes of Eurostat, Slovakia is divided into five NUTS area levels, NUTS 1 being the whole territory of Slovakia; NUTS 2 being four large regional units (Bratislava, West Slovakia, Middle Slovakia and East Slovakia); NUTS 3 being the eight

⁷ As of 31.12.2006 Office of Statistics of Slovakia

⁸ Official website of the Union of Cities of Slovakia
www.unia-miest.sk



regional self-government territories (see table 1); NUTS 4 being 79 state government districts; and NUTS 5 being the local self-government level (2,892 local governments).

The territorial organisation of Slovakia has been subject to many political debates and changes. Even the current system of eight administrative regions and four NUTS 2 regional units does not copy the traditional ethno-cultural division among different territories of Slovakia. The most recent change, in 2006, was the abolition of eight regional state governments and the transfer of their powers to 79 district state offices. This change was meant to save administrative costs. It, however, did not have the expected financial impact, since most of the agenda and employees were transferred elsewhere rather than eliminated. In the light of this, further political debate, and possibly changes, may be expected.

3. Local Democracy

3.1 Local political system

Parliamentary, regional and local elections are based on proportional representation with closed list ballot with an option of preferential votes, and all provide a four-year mandate. The President of Slovakia is elected in a direct ballot for five years.

Parliamentary elections are held in one constituency and administered using parishes, which facilitate the most convenient access to election rooms to all citizens. In the *September 2006 general election* 45 to 62%⁹ of eligible voters participated. After eight years of right-democratic orientation of politics, a switch to left-democratic orientation took place.

⁹ Official website of the Office of Statistics of Slovakia www.statistics.sk (scale of participation according to districts)

The regional self-government elections are held in eight regions. The nationally registered political parties and independent candidates submit in each constituency the lists of their own candidates. Chairmen of regional offices are elected directly and independently from regional council members in the same election.

The *October 2005 regional election* was held in two rounds. Average participation in the first round was from 12 to 27% and in the second round from 7% to 16%¹⁰. The 2005 regional election might have been an indication of the shift in citizens' preferences, since the elected representation is mostly of those democratic-left and nationalist political parties, which won the general election in 2006. In addition, wide and unusual political coalitions were formed in each region¹¹.

Local self-government elections are held in cities and villages. The nationally registered political parties and independent candidates submit lists of their own candidates in each constituency. Mayors are elected directly and independently from council members in the same election.

In the *December 2006 local elections*¹² 47.6% of the electorate took part, with participation increasing in urban and decreasing in rural areas in comparison with the previous election. Most *mayoral seats* were taken by independent candidates (895 among 2,892). The ruling party SMER (social-democrat) and the

¹⁰ Official website of the Office of Statistics of Slovakia www.statistics.sk

¹¹ Elected council members: 23.05% democratic-christian coalition, 12.86% hungarian coalition; 9.46% independent candidates; 8.25% christian-left democratic-right democratic-slovak national coalition; Elected chairmen: Bratislava: independent, Trnava, Trencin, Nitra, Zilina, Presov: left democratic-slovak national coalition; Kosice: left democratic; Banska Bystrica: christian-left democratic-slovak national coalition.

¹² Source: internet version of the daily newspaper SME.sk consulted on April 20, 2008



ruling left-democratic coalition won 616 mayoral seats, followed by the minority Hungarian Coalition Party with 251 mayoral seats. In *councils*, most successful was the ruling party, followed by independent candidates, and the opposition Christian Democratic Movement. Although the ruling party won quantitatively on the local level, local mayoral and council representation does not tend to copy that of the Parliament. Rather, local political influence is reflected, the influence of independent candidates is strong, making local issues prevail.

The comparison between local and regional elections shows that local elections and the candidates competing are closer and more interesting to the people, shown in participation rates. Also, the short history of regional self-government along with little information and awareness of it may keep this election from being interesting to voters.

Executive on the regional level is carried out by regional offices created by and accountable to elected regional councils. Regional offices are headed by directors who are appointed by and accounting to the chairman. Executive on the local level is carried out by city offices created by and accountable to local elected councils. Large city offices are headed by city managers, appointed and dismissed by the mayor. In villages, executive is headed directly by the mayor.

Control function is maintained by chief controller, appointed and dismissed on the mayor/chairman recommendation by the city/regional council for a six-year-term. The latest reform of public administration allowed for control by the state, by the Supreme Control Office, a special control body of the state.

3.2 Citizen participation

Citizens' primary right to participate in public administration and to receive public information is stipulated in the constitution. The key right is to cast a vote in all public elections, which are direct, universal, equal, free and secret. The Constitution also stipulates a right to freely express one's ideas and receive public information from public bodies on all administrative levels.

Further laws¹³ specify ways in which information should be provided as well as ways in which citizens can participate in public administration. *Two special laws on information* guarantee and regulate free access to public information and to environmental information. *Two special laws on local self-government* open direct ways in which citizens can participate in public administration, them being public gatherings, local referendum and elected local bodies (mayor and council), the latter being the prevalent model of administration in cities and villages.

In addition, citizens have a legal right to participate in the work of these elected local bodies, by means of boards and commissions required by law to operate alongside all councils, and by having the opportunity to comment on local ordinances before they are approved by the local council. The latter is a relatively new legal addition (2004) and long-term practical functioning is yet to be determined. On the contrary, boards and commissions, as traditional means of citizen participation operate well in most cities, involving citizens in an advisory and consulting role. Most of the same applies to regional self-governments and is stipulated in a *separate law on regional self-government*.

¹³ Staronova, Sicakova-Beblava (Editors) (2004): Public Policy and Local Democracy, Four Principles of Administration, Institute of Public Policy



Several other laws regulate access to public information and citizens' input into public administration. For example, the planning law, which stipulates the responsibility of cities and regions to consult long-term territorial development plans before they are approved. Another example are three laws on citizen associations, citizen gatherings and petitions known as "the participation triade".

Beyond laws¹⁴, regions and most large cities have already implemented a variety of citizen information, communication or public relations tools. Communication visions and plans, customer centres, citizen panels, citizen surveys, public meetings, publications, web sites and portals, local newspapers and publications, local TV stations, visitor centres, etc. In general, there is a trend towards strengthening good communication with the community and recognising importance of building and maintaining good 'public relations'. Access to information technologies, especially e-mail and internet has notably helped these efforts, and presently a majority of cities, even many villages maintain a government website.

4. Central-Local Relationships

4.1 General Issues

The present dual and symmetrical model of public administration means that public matters are governed by both state and self-government in mutual independence (dual), and that territorial units in which state and self-government operate have the same boundaries (symmetrical).

The constitution creates a well-intended democratic self-government system, which is independent from the state and local government tiers are independent of each

other. Both tiers of self-government have discretion over functions and finances assigned to them by law (no ultra vires). The constitution guarantees the existence of self-government, while other ordinary laws regulate its operation. Local authorities' rights and obligations can only be regulated by laws passed by the Parliament. The self-government system operates on the principle of functions being allocated to the lowest and most effective level. Local and regional self-government operates independently and cooperates appropriately in matters of common interest. Local self-government is not subordinate to regional government; the only legally binding responsibility towards regional self-government is to provide statistical data that it collects.

Local and regional self-governments carry out two types of functions. Own functions are assigned to them by national legislation – and self-government authorities carry full responsibility for administering them and raising funds to finance them. Regarding delegated functions, self-government is responsible for these functions for the state. For most of the delegated functions assigned to local and regional self-governments state funds are provided (for 2008 it is 29 mld. from a 348 mld. state budget)¹⁵; and they are also subject to state regulation and control. District state offices are the appeal body for local government in all disputes involving delegated functions.

On the local tier of self-government, where carrying out the delegated functions is challenging due to a lack of capacity, joint village offices can be formed. These offices represent a voluntary association of two or more villages to jointly take care of agreed administrative tasks related to the delegated functions. A variety of organisational and co-financing models can

¹⁴ Dienerova (2008): Communication for Local Governments, Municipalia

¹⁵ Official website of the Ministry of Finance www.mfsr.sk



be used in forming joint village offices, based on mutual agreement of villages.

This relatively simple, democratic and transparent model of public administration does not provide much scope for central-local conflict, with only several areas, which have had potential to cause problems or confusion. One is the financial decentralisation as part of the reform of public administration. Since many of the functions that had been decentralised to self-government (e.g. social services and elementary schools) were in financial difficulties, often under-financed and thus acquiring debt, their decentralisation to self-government had put a strain on self-government budgets. Second is the division of functions carried out by self-government into own and delegated. This arrangement can be complicated in organisational terms and can be confusing for service users. Third is related to the abolition of the regional tier of state government, which was effected mainly to save costs.

4.2 Local Government Supervision

Supervision of self-government is done by two authorities, them being the self-government appointed internal chief controller and the central and independent external Supreme Control Office.

The chief controller is appointed and dismissed by each local and regional council based on recommendation from the mayor (chairman) for a six-year-term. The chief controller inspects financial operations, accounting, local property management, as well as provides an expert opinion towards local budget and financial statements. He is accountable to the council, to which he also submits all control results. Between 1990 and 2006 the chief controller had been the only control body to inspect administration of

the own local and regional self-government functions.

The state regulates and controls all delegated functions of local and regional self-government and all ear-marked state subventions to self-government. This is carried out by the particular ministries responsible for the delegated functions concerned.

Since 2006, all local and regional self-governments can be subjected to control by the state control body Supreme Audit Office (SAO). The SAO has the right to carry out announced controls of finances, property management, effectiveness and efficiency of any local or regional self-government.

If the capacity of a local or regional self-government to provide public services is threatened, the self-government is by law required to enter a 'stabilising regime'. If stabilising measures fails to revitalise the self-government authority, the Ministry of Finance has the right to appoint a "compulsory administrator" who shall take over financial management of the self-government and is entitled to request that the self-government approves a consolidation programme that may include organisational and personnel measures.

4.3 Protection of Self-Government Rights and Interests

Every self-government authority is a separate and independent legal entity, and as such can utilise the state judicial power in the same way as any other legal entity or individual in the country, without special limitations or rights. In justice and in courts, self-government is represented by its statutory bodies. Statutory bodies of local self-government are the elected Mayor and elected City Council; statutory bodies of regional government are the



elected Chairman and elected Regional Council.

Associations assume the role of protecting self-government rights and interests, collecting and disseminating best practices, exchanging experience and developing self-government capacities. Although associations don't have formal legal powers, they lobby and negotiate with the government to protect rights and best interests of self-government. The state accepts them as partners in the policy making process (commenting on bills, organising events, campaigns, etc.). There are two associations of legal entities: Association of Cities and Villages of Slovakia, and Union of Cities; and four professional associations of individuals: Association of City Managers, Association of Financial Officers, Association of Chief Controllers and Association of Communicators.

5. Local Responsibilities¹⁶

Local and regional self-governments operate a dual system of own and delegated functions, as described above. This is a relatively clear-cut system, which states exactly the decentralised or de-concentrated status of a service and does not provide room for speculation. However, on many issues local and regional self-governments have to co-operate and coordinate their activities.

Own responsibilities of local self-governments:

- Managing tangible and non-tangible property
- Preparing and approving budget and financial statements

- Deciding and administering of local fees and taxes
- Regulating local economic activity
- Constructing and maintaining local roads, pavements and public spaces
- Public services: water, wastewater, cesspits, waste, cleanliness, greenery, illumination, public transport
- Maintaining local cemetery, public sport and cultural amenities
- Taking care of cultural heritage
- Creating and protecting healthy environment
- Providing conditions for healthcare, education, culture, art, sport and civic activity
- Protecting customers, regulating markets, regulating opening times for businesses
- Preparing and approving territorial plans, plans for developing local life in different areas including local housing and its conditions
- Investing and entrepreneurship for local development and public services
- Creating, cancelling and managing own budgetary and subsidised organisations and legal entities
- Organising local referendums
- Maintaining public order
- Protecting cultural and natural values
- Providing social help

Delegated responsibilities of local self-governments:

- Birth register
- Construction permitting
- Healthcare (health centres)
- Preschools, elementary and art schools
- Social services
- Theatres
- Sports
- Water management
- Roads

Own responsibilities of regional self-governments:

¹⁶ Belajova, Balazova (2004): Economics and Management of Local Government, University of Agriculture, Nitra



- Creating programme of social, economic and cultural development of region
- Planning activities in region
- Preparing and approving regional territorial plans
- Effective using of regional human, natural and other resources
- Investing and entrepreneurship for regional development and public services
- Creating, cancelling and managing own budgetary and subsidised organisations and legal entities
- Creating and protecting healthy environment
- Creating conditions for development of education (especially middle)
- Creating conditions for cultural activities and protection of historic sites
- Coordination of tourism development
- Coordination of sport development and care for children and youth
- Cooperation with citizens in creating social and economic development programmes
- Taking part in solving regional problems
- Cooperation with territorial authorities in other countries

Delegated responsibilities of regional self-governments:

- Regional roads
- Streetcar and trolleybus tracks
- Bus transport
- Civil defence
- Social help
- Territorial planning
- Middle and special schools
- Sport
- Theatres
- Public education
- Healthcare
- Regional development

6. Local Finance and Management

Fiscal decentralisation was the last part of the decentralisation reform process and began in 2004 (the transition year for fiscal decentralisation). The aims of fiscal decentralisation¹⁷ were: independence, accountability, justice, transparency and stability. Decentralisation provides more financial discretion to self-government, yet builds systems that allow for more transparency, better financial planning and implementation of modern financial management tools.

The state budget¹⁸ for the year 2008 expects to have an income of 348 mld. Sk, and expenditure of 380 mld. Sk, with a deficit of 32 mld. Sk. The direct subvention of the state to the regional and local level of self-government is 29 mld. Sk (local subvention 17.8 mld. Sk and regional subvention 11.2 mld. Sk). This subvention is for financing delegated functions of the state only. For further illustration, 16.6 mld. Sk from the local 17.8 mld. Sk finance pre-school and primary education, while the remainder finances state birth register, register of citizens, construction office, transport and environment functions. The regional subvention finances only middle education. All other functions of both tiers of self-government are financed from their income.

6.1. Local Government Income

Self-government is presently financed by a combination of central tax-sharing, own tax and fee collection, service and administrative charges, investment, property and business profits, financial operations, grants, transfers and loans.

¹⁷ Official website of the Ministry of Finance SR
www.mfsr.sk

¹⁸ Official website of the Ministry of Finance
www.mfsr.sk



Tax-sharing: The share of centrally collected individual income tax (the only centrally collected tax decentralised onto self-government) is calculated using a formula. The formula is different for local and regional self-government and is based on a set of indicators and correction factors, which take into account the different functions of both tiers of self-government. 70,3% of the individual income tax goes to local self-government (cities and villages) and 23,5% to regional self-government. 6,2% remains in the state budget (Table 3). The formula system disallows room for central political interference.

Table 3: Individual income tax sharing

Tax share (ths. Sk)	%	2005	2006	2007
Total Income				
Tax	100	33418	35302	38784
Local Share	70,3	23500	24817	27265
Regional Share	23,5	7854	8296	9114
State Share	6,2	2063	2188	2404

Local and regional self-government also have own taxing powers.

Since 2005 local self-government has full discretion over levying the real estate tax. This tax income is local self-government tax income in full. If a local self-government so decides, it can (but is not mandated to) collect other local taxes for the following: dogs, public space usage, tourist accommodation, vending machines, slot machines, car entrance into historical city centres, nuclear appliances. Local self-government is obliged to collect local fees for household and small construction waste.

Regional self-government has full discretion over administering and collecting the motor vehicles tax. This tax income is

regional self-government tax income in full.

Regulation: Financial management of both tiers of self-government is regulated by several pieces of legislation. Two key legal requirements attempt to prevent financial mismanagement, them being the regulation of the size of self-government debt¹⁹ and compulsory administration, as described above. The law stipulates that self-government debt cannot be higher than 60%, and annual debt service including interest cannot be higher than 25% of the total current revenue in the previous fiscal year.

Budget: Each self-government authority is required to prepare a three-year budget (3 yearly budgets), which consists of current budget, capital budget and financial operations, using a unified legally binding system of budgetary classification²⁰. Budgeting by item is used in most self-governments, however, from 2009, it will be mandated by law to use programme budgeting.

6.1. Local Government Personnel and Management

Employment in public administration is regulated by three key laws²¹, one of them regulating the state service, the second regulating self-government employment and the third regulating some aspects of remuneration. All employees in the state service, including the president, the members of government and parliament have to fulfil given legal requirements to be accepted for state service, them being relevant qualifications, election process,

¹⁹ Law no. 583/2004 Zz on Budgeting Rules for Territorial Self-government

²⁰ Law no. 583/2004 Zz on Budgeting Rules for Territorial Self-government.

²¹ Law no. 312/2001 Zz on State Service; Law no. 552/2003 on Work in Public Interest; Law no. 553/2003 on Remunerating Selected Employees for Work in Public Interest



appointment and service promise. As part of the modernisation of public administration a Civil Service Office was established in March 2002, the function of which was to create a system in and support professional state service. This institution was, however, cancelled by the government in May 2006, shortly before election, on grounds of not fulfilling its purpose.

Employment of people 'working in public interest' (which includes both levels of self-government) is regulated by the second law and stipulates rights and obligations of all public employees. Some of them are related to conflict of interest and forbid or limit business activities of elected representatives and managers of departments. All elected representatives and managerial employees submit property tax documents on a yearly basis and these can be made public. However, the fact that elected representatives are appointed to boards of municipal businesses provides room for corruption or lack of transparency.

A separate law on remuneration divides public employees into categories, which specify levels of qualification²², levels of salary and other bonuses. All self-governments are required to announce and hold selection processes and are able to specify other special requirements for a post, if applicable.

The Constitution guarantees the right to vote and be elected, which eliminates the possibility to set qualifications or other requirements for elected representatives. A survey in Nitra²³ region may serve as an example of the structure of local elected representatives. 95% of rural mayors are

men 55 or older, with higher or middle education in a technical or agricultural field. Mayors of cities are all men with a university degree. In councils, there is a 12 - 18% representation of women. The average age of councillors in rural areas is 40 - 50, in cities it is 35 - 40. Rural councillors usually have middle education, urban ones have university education, with teachers and doctors prevailing.

A survey of corruption perceptions on the local level for Transparency International Slovakia²⁴ shows that clientelism (46%) and nepotism (44%) lead in peoples' perceptions of corrupt behaviour. 8% of citizens think that corruption among local mayors, councillors and local employees is 'very widespread', 30% of citizens think that corruption is 'quite widespread' and an additional 27% think it 'exists but can not judge how widespread it is'.

Transparency International Slovakia recommends²⁵: changing legislation on conflicts of private and public interests and to municipal control; strengthening information provision and participation mechanisms; as well as strengthening the ethical infrastructure.

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²² Qualification levels: elementary, middle, middle professional, higher professional, university degree level 1, university degree level 2

²³ Belajova (2004): Possibilities and Abilities of Local Self-Government to Affect Rural Settlement Development, University of Agriculture, Nitra

²⁴ Focus Survey for Transparency International Slovakia, as cited in Pirošik, Sicakova-Beblava, Pavlovic (2004): Decentralisation and Corruption, Transparency International Slovakia

²⁵ Pirošik, Sicakova-Beblava, Pavlovic (2004): Decentralisation and Corruption, Transparency International Slovakia