

LOCAL GOVERNMENT SUSTAINABILITY IN THE COMPARATIVE INTERNATIONAL PERSPECTIVE

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Introduction

A review of some of the available literature on theoretical bases of international comparisons of sustainability of local governments reveals that the topic has received little attention, lacks any deeper analysis and consequently also, conceptual clarity. So far, the attention has mainly concentrated on environmental aspects of sustainable development. Now, however, the focus is shifting and new approaches are emerging whereby sustainability is effectively integrated into other spheres of economic and social development.

This paper seeks to identify:

1. Some of the aspects of the theoretical bases of assessment of sustainability of local authorities.
2. Analyse the sustainability of local and regional governments in the European Union.

Different approaches to sustainability

Past and current practice of applying the sustainable development approach has led a growing consensus that the environmental concerns have received disproportionate attention in comparison with other aspects of sustainability, and a broader and more balanced view of the concept is needed. This is at least what more recent interpretations of the concept of sustainable development suggest. It is increasingly evident that sustainability is no longer interpreted in the ecological sense only, i.e. in reference to the natural environment/nature, but is rather placed in the integral or societal context (*Tafel et al 2000, 4*). Furthermore, in recent times, the concept of sustainability has integrated a strong social dimension as one of its essential elements. The sustainability concept which originates from the attempts to curb human activity is back at its original starting point - the primary focus on the individual/human being.

Over time, as the concept evolved, a dimensional aspect was added to it. Proceeding from multi-dimensionality as an inherent component of sustainability, we can distinguish the following three dimensions: **economic, social, and environmental** which are referred to as core dimensions of sustainable development. One of the possible answers to the question which of the combination of dimensions to prefer is provided by the system-theoretical approach which attempts to identify the essential sub-systems constituting human society.

In a systems view these include individual development, social system, government, infrastructure, economic system, resources and environment. These, in turn, can be

aggregated to three essential subsystems: **human system** (which is composed of social system, individual development and government system), **support system** (composed of infrastructure and economic system) and **natural system** (composed of environment and natural system) (Bossel 1999, 17-19).

Whereas the **social dimension** encompasses individual characteristics like skills, levels of commitment, experiences, attitudes and the **environmental** one all ecological processes and their constituent elements, the **economic** dimension is associated with economic processes, their underlying logic and dynamics. A fourth implicit dimension relates to the **institutional** domain which can be defined as an interpersonal set of rules and decision-making mechanisms (Tafel et al 2000, 9).

Local authorities can be more sustainable internationally if they join associations of local authorities and use their representative bodies to promote the voice of local government. Individual local governments would find it difficult to engage in international communication or cooperation on their own, but they can do this if regions across Europe are brought together. And this is what the Council of European Municipalities and Regions, and the Committee of the Regions particularly do.

Local authorities in the European Union – multi-level local government system

In 2006, the local public sector in the European Union consisted of 89 219 territorial governments organised in one, two or three tiers of local government. Comparing different levels of local government we have to take into consideration both the size of the country as well as the form of governance, i.e. whether we deal with a federal or a unitary state. The European Union has 88 002 first-level local governments (see Table 1) with 80% of them in just five countries: nearly half of the total number of municipalities in the EU, i.e. 41% - in France, 16% in Germany, 9% in both Spain and Italy and 7% in the Czech Republic. The European Union has also 1 125 second tier and 92 (123 with Federal States) three tier local governments system.

In **federal states** the absence of the “regional level” can be explained by the existence of federal states (Dexia 2004: 6-8, Dexia 2006):

- Germany has after reunification sixteen federal states (*Länder*) and two tiers of local government;
- Belgium that became a federal state in 1993 has two types of federal entities – communities and regions, and two levels of local government;
- Austria has nine federal states (*Länder*) and one-level local government.

In **unitary states**, three different types of local government systems can be found: (see Table 1):

- Five countries have three levels of local government arranged hierarchically among them Spain, France, Ireland, Italy, Poland;

- Nine countries have two levels of local government arranged hierarchically, i.e. Denmark, Greece, Hungary, Latvia, the Netherlands, the Czech Republic, the United Kingdom, Slovakia and Sweden;
- Eight countries have a single-tier local government system, among them Cyprus, Estonia, Finland, Lithuania, Luxembourg, Malta, Portugal, Slovenia, the majority of them small countries in terms of population.

Table 1: EU Member States' administrative-territorial structure 2003-2006

<i>Country</i>	1st level 2003	1st level 2006	2nd level 2003	2nd level 2006	3rd level 2003	3rd level 2006
Austria	2 359	2 358				(9)
Belgium	589	589	10	10		(6)
Germany	13 854	12 431	323	323		(16)
Cyprus	389	377				
Czech Republic	6 258	6 248	14	14		
Denmark	271	2710	13	13		
Estonia	241	227				
Finland	448	432				
France	36 565	36 784	96	100	22	26
Greece	1 033	1 034	50	50		
Hungary	3 158	3 145	19	19		
Ireland	85	85	29	29	8	8
Italy	8 100	8 101	103	103	20	20
Latvia	547	527	26	26		
Lithuania	61	61				
Luxembourg	118	116				
Malta	68	68				
Netherlands	496	458	12	12		
Poland	2 489	2 478	373	314	16	16
Portugal ¹	278	308				2
Slovakia ²	2 920	2 891	8	8		
Slovenia	193	210				
Spain	8 106	8 110	50	50	17	17
Sweden	289	290	21	20		
United Kingdom	434	404	36	34		3
TOTAL	89 355	88 002	1 183	1 125	83	92 (123³)

Source: (*Dexia ... 2004*: Appendix 1; *Dexia 2006*)

Division of territories into different levels does not necessarily mean absence of special arrangements like a special legal status or consideration of local circumstances.

¹ Portugal has 4 259 infra-municipal units.

² Excluding the capital's districts.

³ Total including Federal States.

The average population size of a municipality in the EU is 5,1000 inhabitants: in six Member States the number of inhabitants per municipality exceeds 30,000 being equal to 135,700 in the United Kingdom; 60,500 in Lithuania; 44,900 in Ireland; 36,000 in Portugal; 32,200 in the Netherlands and 30,700 in Sweden; in nine Member States the number of inhabitants per municipality remains below 5,000, i.e. in Spain, Latvia, Luxembourg, Austria, Hungary, Slovakia, Cyprus, France and the Czech Republic; the smallest number of inhabitants per municipality, i.e. less than 1,600 can be found in France and the Czech Republic.

Co-existence of different categories of first-level local governments

Ten new Member States (except for Malta) and Greece have different types of municipalities. Quite a common practice in Europe is to distinguish between rural (non-urban) and urban municipalities (towns, cities). This is the case with Cyprus, Estonia, Hungary, Latvia, Poland, Slovakia and Slovenia.

In Greece, the type of the municipality is dictated by the number of inhabitants: *koinotita* has less than 10,000 and *dimos* more than of 10,000 inhabitants.

Local governments with the status of first- and second-levels of local government

In eight Member States of the European Union municipalities have also the status of second-level local government:

- in Germany, 118 urban municipalities (*Kreisfreie Städte*) are cities which also constitute a district in their own right;
- in Denmark, Copenhagen, Frederiksberg and Bornholm have the status of a municipality and of a county;
- in Italy, the cities with a potential of developing into a metropolis (Torino, Milan, Venice, Genova, Firenze, Rome, Bari and Napoli) have simultaneously the status of a municipality as well as of a province. To date, this status has been granted to Venice only;
- in Hungary, 22 towns (country centres and cities with populations of more than 50,000 inhabitants determined by the Parliament) have been conferred special legal status; those that are county seats also exercise county rights;
- in Latvia, seven cities subordinated to the central government, so-called republican cities (incl Riga) have the status as city and regional government;
- in Poland, 65 big cities have the status of *a powiat*, i.e. that of a county;
- in the Czech Republic, Prague has the status of a municipality as well as of a region;
- in Sweden, Gotland has the status of a municipality and of a county (shire).

Combination of the status of a city and federal state

In three federal states certain cities combine for historical reasons as well as due to being the capital city the status of a city and a state, among them:

- in Germany – Berlin, Bremen, Hamburg are states in their own right, termed *Stadtstaaten* ("city states");
- in Austria – Vienna is the capital of Austria as well as one of the nine states;
- in Belgium – Brussels - Capital Region is also one of Belgium's regions.

Cities with a special legal status

In France, Hungary, Poland, the Czech Republic and Slovakia the capital cities (and sometimes also bigger cities, like in the Czech Republic) have been conferred a special legal status which frequently implies a different type of institutional arrangement compared to other municipalities.

Mixture of local government levels

In the United Kingdom, there is no single system of local government due to which the local government landscape is variegated. The UK is made up of constituent countries England, Scotland, Wales and Northern Ireland, each of which has a different local government system: some areas have only one level of local government; there are unitary local authorities in some rural areas and districts in urban areas; the rest of the country's territory has two levels of local government: Scotland and Wales have single purpose unitary authorities and regions; Ireland has districts and regions; the territory of England is divided into districts and shire counties.

Reforms related to municipal mergers

The cross-national variations in terms of the number of municipalities as well as the size of the population per municipality can be explained, on the one hand, by historical reasons and geographical peculiarities; on the other hand, however, by the policies designed and implemented to reduce the number of municipalities and increase the number of inhabitants per municipality. To offset the disadvantages associated with small municipalities (limited tax base, lack of funds for using the full range of powers vested with them), the policy of amalgamation of municipalities was introduced. This means in practice merging the municipalities that have over the past decade been effectively pursuing inter-municipal cooperation.

The reform process aimed at local government mergers, which was first initiated in the 1960s in Belgium and Germany and soon afterwards in France (relative to second-level local governments also in Denmark and the United Kingdom) has since then expanded into several European countries. The most recent additions in the list of reform countries concern Estonia, Greece, Latvia and Lithuania, Denmark and

Finland. The policy has been particularly effective in countries where mergers were made mandatory. The best results were achieved in Germany where the number of municipalities fell from 25,000 to 8,500; in Austria, respectively, from 3,999 to 2,358; in Greece from 5,343 to 1,034; in Lithuania from 581 to 61; in the Netherlands from 811 to 458; in the United Kingdom (where some of the districts were abolished); in Sweden from 2,500 to 290 and in Estonia from 241 to 227. There have been no substantial changes in the number of municipalities in other countries.

Inter-municipal cooperation

The main driving force behind inter-municipal cooperation has been the need of small municipalities to pool resources to fully exercise their powers and duties. This instrument has frequently been interpreted as substituting and complementing the policy of mergers. Inter-municipal structures are in legal terms not considered local authorities *stricto sensu*.

Local authorities may, depending on the country, initiate inter-municipal cooperation whereby taking account of local identities, or on a voluntary basis. It can, however, be also required by law. France, Hungary, Estonia and the Czech Republic apply monetary incentives. In some countries and relative to some of the powers, cooperation has been prescribed by law. This is the case with Finland, Austria, Ireland and the United Kingdom, but also with small municipalities in Hungary and municipalities lacking the required infrastructure in Latvia.

Inter-municipal cooperation is particularly well developed in:

- Austria (1,000 cooperative arrangements).
- Finland (250 cooperative arrangements).
- Hungary (1,430 cooperative arrangements).
- Luxembourg (70 cooperative arrangements).
- Czech Republic (582 cooperative arrangements).
- Sweden (55 cooperative arrangements).

France having the largest number of municipalities, it seems quite obvious that inter-municipal cooperation schemes are also most numerous and their legal forms and financing mechanisms most varied (some of them have the right to collect taxes).

New trends - regionalization of local governments

Eight Member States of the EU have local authorities which are called regions. Regions constitute the 3rd level of local government in Spain, France, Ireland, Italy and Poland and the 2nd level of local government in the Czech Republic, the United Kingdom and Slovakia. Finland's 19 regional councils are, in effect, *ad hoc* inter-municipal structures.

The regional level has within the past decade been frequently reformed with the scope of the reforms, methods used and results achieved varying substantially across countries. For instance, in Portugal the government's efforts to create a decentralized regional level failed completely since the respective proposal was voted down by Portuguese people in the 1998 national referendum. Belgian regionalisation movement extended beyond the scope of territorial decentralisation and finalized in 1993 with the creation of two categories of merged entities – regions and communities. The territorial regionalisation tendency in Europe is also observable in creating additional levels of local government or granting more powers.

Newly created regions

Over the past years, regional local authorities have been created in five countries: Ireland (1994), the United Kingdom (1998 and 1999), Poland (1999), the Czech Republic (2000) and Slovakia (2002). The logic underpinning the corresponding efforts has been different. In some countries this occurred due to historical developments or geographical factors. Thus, the contemporary regional division in Poland corresponds largely to the situation prior to 1946. In the United Kingdom the regional policy, which is termed "*devolution*", assumed a more concrete nature when in 1998 and 1999 regional councils were formed in Northern-Ireland, Scotland and Wales. In some other countries, i.e. in Ireland, the Czech Republic and Slovakia the addition of the regional level has taken place in accordance with the EU's regional policy: the boundaries of territorial administrative units coincide typically with the borders of statistical and planning regions belonging to the nomenclature of territorial units for statistics.

New planned regions

Judging by the plans under consideration, the efforts to create a regional level have been continuing. This concerns, in particular, five countries: United Kingdom: analyses have been conducted with a view to reorganising the eight regional development agencies (RDAs) into regional councils in England; Hungary: there are plans to transform seven statistical planning regions into local governments; Latvia: plans include replacing the counties by regions; probably on the basis of the current seven statistical planning regions; Lithuania: plans relate to the creation of regions that would assume the powers currently vested with provinces - the deconstructed local agencies subordinated to the central government; Slovenia: the possibility to create a second level of local government was introduced into the constitution in 2004.

Spain, France and Italy: The legislatures have intervened on different levels in support of empowering the regions and expanding their funding schemes. The movement continued in 2005 in France. Most progress in empowering regions further was achieved in Italy as well as in Spain relative to autonomous regions. The reform process embarked on in the 1990s broadened regional competences and at the same time enhanced their financial independence. Transfer of authority to regions is reflected in substantial budget increases.

Powers and responsibilities of local authorities

Local authorities have typically three sorts of powers: their own powers to deal with issues of local interest which have typically been laid down under the Constitution or local government acts; powers used on behalf of the state, e.g. maintenance of civil status registry, organisation of elections. Tasks performed in the name of the state are sometimes extended to the remuneration for teachers (Netherlands, Finland, Sweden, Denmark, Estonia) or interventions on behalf of employees (Lithuania); authority delegated to local authorities by other levels of government (central government or federal states).

In practically all countries local governments fulfil the following basic functions:

- supply of drinking water and sewage treatment;
- collection and recycling of household waste;
- culture, tourism and sports;
- education: maintenance of buildings of primary and secondary (in some countries also vocational) schools; and remuneration of teaching staff (in slightly under 50% of the countries, among them in Denmark, Spain, Estonia, Finland, Hungary, Italy, Latvia, Lithuania, Poland, the United Kingdom, Slovakia, partly also in Slovenia and Sweden);
- social work services: provision of assistance to people with disabilities, children, families, elderly, people with coping difficulties, etc;
- electricity and heat supply (e.g. in Denmark, Finland, Portugal and in most new Member States);
- health care: prevention, free of charge medical care for the less privileged groups of the population; in some countries the responsibility for health care is extended to hospital management (Denmark, Spain, Hungary, Italy, Poland and Sweden);
- housing: dealing with rental apartments, erecting social housing; provision of housing and heating allowances (in new Member States);
- homes for the elderly;
- local roads and local public transport;
- town and rural planning and economic development.

Local authorities are in most cases responsible for the delivery of basic services to the population, and upper-level local authorities for performing supramunicipal tasks. This is quite widespread, however, that certain responsibilities, e.g. for education, health care, social work or environment are shared between several local government levels, including sometimes the state.

In the education context, for instance, responsibility for primary education is vested in municipalities, for upper secondary education with upper-level local authorities and for university education with the central government.

Some aspects of theoretical bases for appraisal of local government sustainability

There are numerous ways how local authorities can collaborate, for instance:

- municipalities can delegate certain powers to one joint authority which can then exercise these powers in its own name;
- local authorities can allocate staff to other local authorities;
- local authorities can exercise joint leadership of a joint authority based on the agreement concluded between several municipalities;
- local authorities can establish a structure in the form of an independent entity with its own financial resources for the implementation of joint activities.

Based on the analysis above, we may well conclude that one of the possibilities to engage in broader assessment of the sustainability of local governments would be to proceed from the fundamental principles and benchmark indicators – institutional, economic, social and environmental.

Institutional:

- Organisational and management structure, number and professional qualifications of the staff of associations of local authorities:
 - National associations.
 - Regional associations.
- Local authorities and regions and their representation at the international level.
- Organisational structure of international representations of local authorities:
 - Local authorities and the Council of Europe (CLRAE – the Congress of Local and Regional Authorities of Europe).
 - The Committee of the Regions of the EU, etc.
- Indicators of institutional sustainability of local authorities:
 - ability to pool the interests of local authorities and regions
 - ability to represent the interests of local authorities and regions
- Application of the subsidiarity principle:
 - bringing state and local authorities closer to the citizen;
 - strengthening supervision over law enforcement;
 - considering local and regional specificities;
 - launching new local initiatives;
 - stimulating local initiative in community matters;
 - increase / decrease in autonomy.
- Dissemination of information:
 - to membership / local authorities;
 - to the government;
 - to the general public through the media.

- Consideration of the interests of the state as a whole:
 - consideration of regional interests;
 - consideration of transboundary interests;
 - implementation of laws (service provision in the field of education, culture, social welfare, etc);
 - clarifying government policy;
 - performance of tasks imposed by the central government;
 - distribution of grants and funds; payment of wages;
 - oversight of law enforcement, feedback.
- Pooling of local interests:
 - collection and dissemination of information about the developments in the town/municipality;
 - public debate involving all interested parties/stakeholders;
 - establishing priorities and developing public relations;
 - ensuring sustainable livelihoods;
 - informing the central government of local developments.

Economic:

- Economic indicators of local authorities and regions used for local government sustainability appraisal:
 - competitiveness of local authorities and regions;
 - application of the principle of fairness.
- Providing regions and local population with necessary services:
 - education;
 - social welfare;
 - health care;
 - public utilities;
 - culture.
- Management of local government assets:
 - maintenance of schools and local agencies;
 - engagement in profit-making business activities;
 - supervision of the use of land;
 - asset maintenance and disposal.
- Delivery and regulation of local government services:
 - in an agreement between the inhabitants of the municipality and enterprises the local authority fixes stable and clear rules;
 - physical planning;
 - public order;
 - public services and amenities;
 - use of dwellings;
 - keeping of animals, etc.
- Employment of local government staff:
 - frequently, municipalities also serve as the most important employer in the region providing employment opportunities for the staff in schools, libraries, boiler houses, or also for maintenance workers.

- Economic activities (leases and rental agreements, contracts).
- Proprietary income (marketplaces, advertising).
- Subordinated agencies (heating, water, waste, maintenance).
- Environment (maintenance, sanctions).
- Loans.
- Education.
- Culture.
- Third sector support.

Social:

- Social indicators of local authorities and regions used for local government sustainability appraisals:
 - level of income;
 - number of inhabitants living above the poverty line;
 - inflow of foreign funds and resources.
- Security of local authorities and regions.
- Local authorities' role as employer.
- Local authorities' role as distributor of grants and funds.

Environmental:

- Environmental indicators of local authorities and regions used for the assessment of sustainability of local governments:
 - inflow of foreign resources;
 - use of own funds.
- Waste management:
 - situation of waste management in the open international market;
 - internal competition;
- Water supply and sewerage:
 - water quality;
 - meeting requirements for sewerage systems.
- Capacity to administer foreign-funded projects:
 - administration capacity;
 - participation capacity;
 - co-financing capacity.

Methods for rough assessment of local government sustainability in the international context

As of today, we still lack a common understanding of most appropriate indicators that should be used for drawing international comparisons of sustainability of local authorities, i.e. how many and which indicators to choose, how to measure them and how to arrive at the sustainability index. What should the weight of different indicators be so as to convey the international dimension of the framework of assessing the performance of our municipalities?

In the following, we will describe one possible method for international comparisons of sustainability of local governments. In choosing the indicators, we proceeded from the above conclusions as well as the information which was readily available.

The partial indicators of sustainability used in the present paper include:

- Number of municipalities per 1,000 inhabitants.
- The population of the country.
- Average number of inhabitants per municipality.
- GDP per capita.
- GDP per municipality.

Table 2. International comparison of sustainability of local governments (I)

	Municipalities per 1,000 inhabitants	Population	Average number of inhabitants per municipality	GDP per capita	GDP per local municipality	TOTAL
Germany	0,172	1,000	0,864	0,503	0,007	2,547
France	0,617	0,724	0,314	0,495	0,025	2,174
Luxembourg	0,295	0,005	0,725	1,000	0,005	2,031
Spain	0,207	0,481	0,961	0,329	0,013	1,990
Italy	0,142	0,703	0,718	0,421	0,007	1,992
Austria	0,291	0,099	0,667	0,521	0,011	1,589
UK	0,008	0,715	0,038	0,541	0,000	1,302
Malta	0,170	0,005	0,879	0,210	0,017	1,281
Czech Republic	0,609	0,125	0,314	0,124	0,099	1,271
Estonia	0,176	0,017	0,927	0,090	0,040	1,251
Cyprus	0,556	0,009	0,353	0,295	0,038	1,251
Hungary	0,318	0,122	0,627	0,116	0,055	1,238
Latvia	0,239	0,029	0,843	0,072	0,067	1,250
Slovakia	0,542	0,066	0,373	0,084	0,128	1,192
Finland	0,086	0,063	0,440	0,521	0,003	1,113
Denmark	0,054	0,064	0,259	0,663	0,002	1,041
Poland	0,075	0,470	0,329	0,102	0,015	0,990
Greece	0,102	0,129	0,500	0,248	0,008	0,987
Belgium	0,058	0,125	0,293	0,495	0,002	0,974
Netherlands	0,032	0,195	0,158	0,535	0,001	0,921
Sweden	0,035	0,108	0,166	0,551	0,001	0,861
Slovenia	0,097	0,024	0,495	0,210	0,009	0,835
Ireland	0,032	0,046	0,114	0,599	0,001	0,792
Portugal	0,028	0,122	0,142	0,246	0,002	0,539
Lithuania	0,016	0,045	0,084	0,072	0,005	0,222

The indicators selected will be used as follows:

Positive indicator from the point of view of sustainability of local governments in the international perspective: maximum 1 (the highest-ranking country), absolute minimum 0 (the phenomenon does not exist).

Negative indicator from the point of view of sustainability: absolute maximum 0 (the problem does not exist), minimum –1 (country with worst indicators).

Indicator in case of which both **positive** and **negative** values are feasible: maximum 0.5; minimum –0.5, where 0.5 denotes the highest value and –0.5 the lowest value.

Other indicator impacting sustainability in which case **neither the lowest nor the highest value can be considered positive**. Median value 0, significant deviations in either direction up to –1 (in case of the the largest deviation; in case of the smallest deviation it is possible to have any value between 0 and –1).

Table 3. International comparison of sustainability of local governments (II)

	Municipalities per 1,000 inhabitants	Average number of inhabitants per municipality	GDP per capita	GDP per municipality	TOTAL
Luxembourg	0,295	0,725	1,000	0,005	2,026
Germany	0,172	0,864	0,503	0,007	1,547
Spain	0,207	0,961	0,329	0,013	1,510
Austria	0,291	0,667	0,521	0,011	1,490
France	0,617	0,314	0,495	0,025	1,450
Italy	0,142	0,718	0,421	0,007	1,288
Malta	0,170	0,879	0,210	0,017	1,276
Cyprus	0,556	0,353	0,295	0,038	1,242
Estonia	0,176	0,927	0,090	0,040	1,234
Slovakia	0,542	0,373	0,084	0,128	1,127
Latvia	0,239	0,843	0,072	0,067	1,221
Czech Republic	0,609	0,314	0,124	0,099	1,145
Hungary	0,318	0,627	0,116	0,055	1,116
Finland	0,086	0,440	0,521	0,003	1,050
Denmark	0,054	0,259	0,663	0,002	0,977
Greece	0,102	0,500	0,248	0,008	0,858
Belgium	0,058	0,293	0,495	0,002	0,849
Slovenia	0,097	0,495	0,210	0,009	0,810
Sweden	0,035	0,166	0,551	0,001	0,753
Ireland	0,032	0,114	0,599	0,001	0,746
Netherlands	0,032	0,158	0,535	0,001	0,726
UK	0,008	0,038	0,541	0,000	0,587
Poland	0,075	0,329	0,102	0,015	0,520
Portugal	0,028	0,142	0,246	0,002	0,417
Lithuania	0,016	0,084	0,072	0,005	0,177

After selecting indicators and deciding whether we have a positive, negative or other indicator (at which all indicators are considered equally important), all the indicators will be converted in the way described above. The results will thereafter be summed and rankings will be produced according to each category of indicators.

For the presentation of comparative data on local government sustainability consolidated data can be used (the available data contained in the table date back to 2001). The analyses and comparisons of indicators below are based on the indicators available for EU Member States (see Table 2).

Presuming that local authorities with bigger populations have a broader tax base and better conditions for fulfilment of their obligations, it seems but natural that countries with bigger populations like Germany, France, Spain, etc are in this respect much better positioned compared to small states like Cyprus, Estonia, etc. Tiny Luxembourg with its impressive indicators in an exception, in particular thanks to its high per capita GDP. Estonia holds the 10th place in the ranking.

However, eliminating the population-related data we get a more accurate basis for international comparisons of sustainability of local governments (see Table 3). Luxembourg ranks now first and the United Kingdom falls from the 7th place to the 22nd. Estonia's position remains relatively unaffected since there are other factors that come into play (average number of inhabitants per municipality), and accordingly, moves only one place up to ninth in the new ranking.

Conclusion

This paper seeks to identify: 1. Some of the aspects of the theoretical bases of assessment of sustainability of local authorities. 2. Analyse the sustainability of local and regional governments in the European Union. Over time, as the concept evolved, a dimensional aspect was added to it. Proceeding from multi-dimensionality as an inherent component of sustainability, we can distinguish the following three dimensions: economic, social, and environmental which are referred to as core dimensions of sustainable development. Past and current practice of applying the sustainable development approach has led a growing consensus that the environmental concerns have received disproportionate attention in comparison with other aspects of sustainability, and a broader and more balanced view of the concept is needed. In 2006, the local public sector in the European Union consisted of 89 219 territorial governments organised in one, two or three tiers of local government. Comparing different levels of local government we have to take into consideration both the size of the country as well as the form of governance, i.e. whether we deal with a federal or a unitary state. The European Union has 88 002 first-level local governments 1 125 second tier and 92 (123 with Federal States) three tier local governments system. Based on the brief discussion above, we can conclude that we have at our disposal a range of indicators that can be used for assessment of sustainability of local governments in the international context. One way to do this would be to proceed from institutional, economic, social and

environmental benchmark indicators. In this paper, we proposed a somewhat simplified approach which utilises for rough international comparisons of local government sustainability only partial indicators such as the number of municipalities per 1,000 populations; size of the population of the country; average number of inhabitants per municipality, and GDP per capita and municipality. Assuming that local authorities with a larger number of inhabitants benefit from a broader tax base and hence, are better placed to perform their tasks, we get higher sustainability rankings for countries with larger populations. Further, elimination of population data renders us a more accurate basis for international comparisons of sustainability of local governments. International analyses of sustainability levels presuppose continued systematic efforts and analyses of local authorities' rights and responsibilities, on the one hand; and of funds and resources allocated to them, on the other. What matters here is which dimensions of local government we want to highlight and use for international comparisons of their performance in the sustainability context.

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