

Decentralisation: What Does it Contribute to? The Added Value of Decentralisation for Living Conditions in Core Cities of the EU

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Abstract. *This paper investigates the effects of decentralisation on living conditions in core cities of the European Union. It uses data from the Urban Audit to investigate whether the level of local expenditures relative to central government expenditures has any impact on the subjective appreciation of local living conditions as measured in the Urban Audit Survey in 75 cities as well as the actual quality of local living conditions as measured by comparative crime, traffic, urban space and health statistics as measured in 560 cities. It investigates the impact of decentralisation on these living conditions controlling for background factors such as population density, median income of households and unemployment in the cities.*

The analyses show that decentralisation does have an added value in explaining citizen's satisfaction with regard to public and green space, public transport, health care, reduces actual crime and increases feeling of safety.

This research is novel, because it is one of the first to present the outcomes of comparative statistical analyses in which positive impact of decentralisation on social living conditions on the local level is found.

Raktažodžiai: *decentralizacija, gyvenimo sąlygos, Europos Sąjunga, miesto auditas.*

Keywords: *Decentralisation, living conditions, European Union, Urban Audit.*

Introduction

This paper aims to contribute to the discussion over the merits of decentralisation by presenting a comparative empirical analysis on the effects of decentralisation on the living conditions in core cities of the European Union. This is relevant, because living conditions are of utmost importance for the city's inhabitants and the impact of decentralisation remains a contested subject. Whereas in the 1950s almost everyone pleaded in favour of centralisation, since the 1960s the cons of centralisation are emphasised and in the 1990s

decentralisation even became a crucial aspect of what was called “good governance”. The supposed merits of decentralisation are well-known and amply described in the literature of that time. After 2000 the supposed merits of decentralisation are disputed again in conference papers and books (see, among others, De Vries [7]; Treisman [48]).

The problems decentralisation processes and decentralised states face are also well-known. One major problem involves the supposedly lacking capacity of local governments being unable to take full advantage of the tasks and responsibilities transferred by central government in case of decentralisation processes or which are unable to make adequate policies to resolve problems in decentralised states. Especially in developing countries and small municipalities this is seen as a major problem [4, 20, 23]. At the same time, the lacking capabilities and capacities are sometimes used as an argument in favour of decentralisation even if any impact thereof is hardly visible. The argument goes that decentralisation as such is to be preferred because of this and that or even as an end in itself, and if it does not deliver on its promises, it is not because decentralisation is ineffective, but instead, the recommendation should be to enhance the capacities and capabilities of municipal governments in order to make decentralisation work.

This kind of argumentation seems to make decentralisation itself a concept above all reproach. Nonetheless, this paper tries to investigate whether the assumption underlying this argument is valid by turning the argument around. Based on the argument one would not only expect the effects of decentralisation to be absent in case of poor municipalities lacking basic capacities, but one would also expect that decentralisation of responsibilities and authorities is advantageous for municipalities possessing ample capacities and capabilities to take full benefit of such decentralisation processes and that such municipalities in decentralised states have an advantage over similar cities in centralised states. This would in an extreme case apply especially to large cities in highly developed nation-states. If anywhere, the benefits of decentralisation should at least be visible in such municipalities having the means, capacity and capability to adequately develop the local policies needed in case of decentralisation.

The main question addressed in this paper, is whether this claim can be substantiated and whether the supposed merits of decentralisation are indeed visible in the extreme case of core cities of the European Union. This analysis provides an extreme case, because of two reasons.

First of all, although differences exist, the capacity of local as well as central governments in the EU Member States is undisputed; the quality of the EU Member States’ governance is ranked among the highest in all kinds of international rankings, for instance in the World Governance Index (see Kauffman *et al.* [27]) indicating their governments provide ample civil liberties, political and human rights, there is political stability, government effectiveness, regulatory quality, rule of law and control of corruption; the EU Member States belong to the few countries in the world that did not experience any warfare on its soil during the last decades, which is indicative of its political stability; the economic growth within the EU has been tremendous resulting in the fact that the EU Member States belong to the most wealthy and developed countries in the world. Important for this

research is also the fact that the EU consists of sovereign nation-states with varying levels of decentralisation [47]. This makes it possible to investigate whether variance therein does make any difference.

Secondly, this research involves an extreme case, because it looks at the effects of decentralisation on core cities within the EU, which – perhaps contrary to smaller municipalities – may be expected to possess even more of the capacity and capabilities needed to benefit from decentralisation. If municipal capacity and capabilities is sufficient anywhere it should be at least in these core cities.

As will be explained in the methods section, the analyses in this research are based on data gathered within the so-called Urban Audit [13, 14]. Figures on living conditions in 560 core cities and results from surveys about living conditions held in 2006 in 75 of these cities are used in order to test whether decentralisation does makes a difference for the living conditions in these cities.

Of course, we acknowledge that living conditions do not only depend on the powers and authorities given to local governments, i.e. decentralisation. There are numerous background factors determining living conditions. In this paper, we control the impact of decentralisation on living conditions for such background factors and investigate whether there is a (relevant and significant) added value of decentralization on these living conditions. This results in the operational research question whether or not decentralisation has added value for living conditions in major cities. In order to be able to answer this question, we need to answer the following sub-questions:

1. What might be expected on the basis of previous research about the impact of decentralisation on living conditions at the local level?
2. What might be expected on the basis of previous research about the background factors determining the quality of living conditions in municipalities, possibly interacting with the impact of decentralisation?
3. What are the features of the data used – and what is the quality thereof – to test whether these expectations are valid for the extreme case of core cities in the well-developed countries in the EU?
4. What does an analysis on these data show about the impact of the background factors and added value of decentralisation on local living conditions?
5. What conclusions can be drawn on the basis of the analyses?

The next sections will successively address these five questions. Hence, in the next section, this paper proceeds with a concise overview of the literature addressing the expectations found in previous research on the impact of decentralisation.

Expectations about the Impact of Decentralization on Living Conditions

Decentralization has in the past been judged to be either a panacea (Kochen & Deutsch [28], Jun, & Wright [26], Landy [29]; Ingram & Smith [25]; Robinson & White [42]), an

orthodoxy (Osborne & Gaebler [38]; Fine [18]; Harriss [22]); as an end in itself (World Bank 1984, 1988, 2000 [55]; UNDP [50]); as an aspect of good governance (Gilbert [19]; Huther and Anwar Shah [24], Dahal [6]; Botchway [3], Nanda [36]), but also as a heavily overrated concept with ambiguous impacts (Prud'homme [41], Hadiz [21]; Andrews & de Vries [1]) or even a fashion (De Vries [7]; Treisman [48, p. 1]). Therefore, decentralisation is still a heavily disputed concept.

In part, this dispute could be due to the multitude of meanings of decentralisation. Some scholars define decentralisation very broadly, including such different phenomena as devolution, deconcentration, privatisation, delegation and even philanthropy [40, 4]. In order to avoid confusion, decentralisation is defined here rather narrowly, congruent to what has been called functional decentralisation, local autonomy, political decentralisation as well as administrative decentralisation, that is, the transfer of centrally produced goods and services to local level units of government. A decentralised system is defined here as one in which decision-making powers, authority and the management of budgets and expenditures are concentrated in the hands of local government rather than central government. Hence, decentralisation is perceived in terms of inter-governmental relations that vary to the extent that either the central (national) government has the power and authority and takes care of the bulk of the public revenues and expenditures or the regional and local (sub-national) governments are dominant in all these aspects of policy making.

Partly the different appraisals of decentralisation are also due to the multitude of supposed, but hardly tested merits of decentralisation. The expected consequences can be found in numerous publications, and have been summarised, among others, by De Vries [7] and Treisman [48]. They point to expectations about the possibilities to satisfy citizen's demands, the increased honesty, efficiency and responsiveness, better performance, increased possibilities for citizen participation, improved checks and balances, cooperation and policy stability, more policy experimentation and innovation as a consequence of decentralisation [48, p. 13-15]. Decentralisation would also increase the possibilities of tailor-made policies, to cut through red tape, to increase officials' knowledge of and sensitivity to local problems; it may result in better penetration of national policies to remote local communities, greater representation of various religious, ethnic and tribal groups in the policy process, and greater administrative capability at the local level. It can provide a structure in which local projects can be coordinated, it may result in a flexible, innovative and creative administration, it is more effective in its implementation, because of simplified monitoring and evaluation, it can increase political stability and national unity and it reduces diseconomies of scale: it is more efficient [7, 44, p. 14-16]. However, at the same time both De Vries and Treisman put all these assumed advantages of decentralisation into question [7, 48 p. 11-15], resulting in the end in what they see as a huge ambiguity about the actual merits of decentralisation. De Vries concludes that regarding wicked problems too much is expected of changing institutional arrangements in practice [7, p. 220]. "The tendency to try to solve problems only by changing the division of responsibilities and powers, without looking at the real causes of such problems or at the substantive merits of existing policies, may well be another example of a symbolic

policy.” (Ibid 221). Treisman and De Vries conclude that the dissatisfaction with existing arrangements may well be causing institutional changes such as decentralisation, but also centralisation. In the conclusions of his well-argued book on the Architecture of Government, Treisman compares decentralisation to the fish that jumps out of the frying pan into the fire. “This fish deserves sympathy rather than criticism. The outcomes may be disastrous, but the other option is not appealing either.” [48, p. 294].

One of the problems frequently mentioned in the scholarly literature on the subject is that the success of decentralisation depends on the circumstances [20, 8]. However, at the same time Von Braun [49] argued that “there is a lack of empirical evidence to analyze the conditions and types of rural public goods provision and public spending that should be decentralized.” Theoretically, the boundary conditions are identified. Cohen & Peterson argue that a system that promotes accountability is a necessary condition [4, p. 75]. Musgrave points to the need of stabilisation of and high maintenance of employment and output; the achievement of high levels of wealth and income, and efficient allocation of resources [35, p. 181-182]. Other scholars have pointed to the weak administrative capacity at the local level in especially developing countries and criticise the decentralisation concept for being based on the favourable situation in developed countries while applied and promoted in the administratively weak-developing countries, especially problematic in its weak managerial and technical capacity [30, 31]. Effective political competition and a reasonable level of asset equality and literacy are also seen as necessary preconditions for decentralisation to achieve improved accountability [9, p. 107]. According to Heller [23], there are three necessary, but not sufficient preconditions for decentralisation. The first is high degree of central state capacity. Because any effective decentralisation effort requires coordination between levels of government and calls for more, not less regulation to guarantee basic transparency, accountability and representativity, weak states cannot successfully pursue decentralisation. Indeed, when a weak state devolves power, it is more often than not simply making accommodations with local strongmen – creating what Mamdani (1996) has labelled decentralised despotism – rather than expanding democratic spaces. A second requirement is a well developed civil society. This is true not only because it enables the participatory dimension of decentralisation, but also because it can potentially provide new sources of information and feedback, as well as the constructive tension that theorists have argued is an essential ingredient of democratic governance. The third is a political project in which an organised political force - and specifically non-Leninist left of center political parties that have strong social movement characteristics – champions decentralisation [23, p. 7-8]. Shah [46] also pointed to the operational capacity and constraints. As he argues, there are some key questions, the answers to which will give a better understanding of operational capacity, including: “Do the agencies with responsibility for various tasks have the capacity to undertake them? Do they have the right skills mix as well as the incentive to do the right things and to do them correctly? Is the bureaucratic culture consistent with the attainment of societal objectives? Are there binding contracts on public managers for output performance? Does participation by civil society help alleviate some of these constraints? To what extent can these constraints be overcome by government

reorganization and reform? Whereas, in industrial countries, answers to most of the above questions are expected to be in the affirmative, this is not true in the case of a developing country” [46, p. 7]. Enikolopov and Zhuravskaya [10] pointed to quality of government and public goods provision, including the strength of the party system, and the election instead of appointment of local and province-level executives. These remarks result in the expectation that decentralisation will fail to fulfil on its promises when the conditions under which decentralisation emerges are unfavourable.

Simultaneously, the implication is that the expected merits of decentralisation will be visible in favourable contexts. This is the hypothesis tested in the remainder of this paper, using data on core cities in the Member States of the European Union. In these cities, the preconditions of ample institutional, managerial and technical capacity in city hall and contextual factors in the municipality are largely fulfilled. In these countries and cities there is wealth, a very high level of literacy and certain equity. There is political competition, election of local councils, accountability, transparency and representativeness. Hence, the basic conditions under which decentralisation could flourish exist. The question is, does decentralisation under such favourable conditions deliver on its promises?

Background factors having a possible impact on living conditions

The previous section has at least created doubt about the effects of decentralisation. This doubt also exists concerning the research question posed in this paper, namely the impact of decentralisation on living conditions in core cities of the European Union. This is all the more so, because one cannot expect that decentralisation is the only factor that such living conditions are dependent on. In the literature on living conditions many other factors are mentioned. As, for instance, Sagan *et al.* [45, p. 32] argue, factors frequently studied as determining living conditions include working conditions, leisure time activities, health indicators, welfare, availability of different leisure time options and access to various services. Young added that minority status also takes on major importance. The European Information Centre for Nature Conservation [11] suggested to take housing conditions, employment and public infrastructures such as cultural and sports into account. Given the large number of determinants of living conditions, the task of selecting a particular set of them is far from straightforward [34, p. 12].

Explanatory factors determining living conditions are according to Mayer [32] especially financial and to be found in the combination of income, expenditures, family size, health, and work-related expenditures [32, 2]. This is indicated below by median disposable household income and the unemployment rate.

Another important explanatory factor seems to be population density, i.e. the number of people living on a km². Research shows that this is determinative for the scarcity of green space, health, crime, and traffic jams. There is extensive research that people perform worse in overcrowded spaces, that it increases aggression and discomfort [43].

Methods

The data used in this paper are derived from the EU Urban Audit project. The goal of this project is to “contribute towards the improvement of the quality of urban life: it supports the exchange of experience among European cities; it helps to identify best practices; it facilitates benchmarking at the European level and provides information on the dynamics within the cities and with their surroundings” (http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/urb_esms.htm). Within this project, data on factual features of 560 core cities in the EU were collected in four reference periods: 1989 – 1993, 1994 – 1998, 1999 – 2002 and 2003 – 2006. The cities involved are presented in Figure 1.

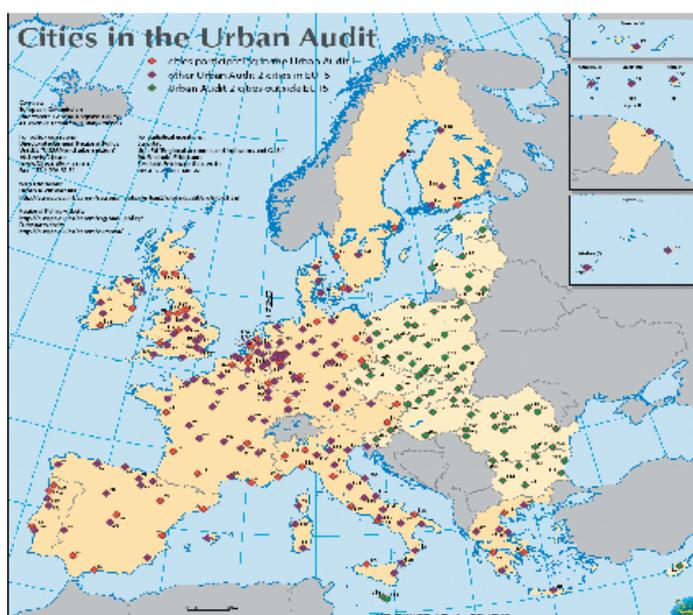


Figure 1. Source: Urban Audit Methodological handbook, [12, p. 16]

The data were collected by the national statistical offices, by the town or city, or from another source. In most cases, data have been obtained from censuses, different administrative and statistical registers, national and local databases in the individual cities and sample basis. In some cases, data have been obtained from a sample survey. Although some variables have been estimated, most indicators have been calculated by Eurostat (*Urban Audit Reference Guide - Data 2003-2004*). In January 2004, a perception survey parallel to the Urban Audit data collection was conducted in 31 cities of the EU-15. In random telephone interviews, 300 citizens in each city were asked about their perception of various aspects of the quality of life in “their” city. In December 2006, the survey was

repeated with a larger sample of 75 cities in the EU-27, Turkey and Croatia (*ibid*). In this paper, we use the latter data from 2006.

The factual data comprise information about the population in the core cities and larger urban zone (total, age structure, density, nationality, fertility, number and structure of households, number of houses and features thereof .i.e. living area and income levels) and several policy areas (economy, income, education, environment, transport, culture and recreation, tourism, green space, unemployment, health care, crime, as well as municipal expenditures).

The data used from the perception data on the core cities comprise information on satisfaction in several areas. In this paper, we use the questions of the survey as given in Table 1.

Table 1. Survey questions from Urban Audit

Q1. Generally speaking, please tell me if you are very satisfied, rather satisfied, rather unsatisfied or not at all satisfied with each of the following services in your city:

- a. Public transport in the city, for example the bus, tram or metro
- b. Schools
- c. Health care services offered by hospitals
- d. Health care services offered by doctors
- e. Green spaces such as public parks and gardens
- f. Sports facilities such as sport fields and indoor sport halls
- g. Cinemas
- h. Cultural facilities such as concert halls, theatres, museums and libraries
- i. Public Internet access such as internet cafès or libraries
- j. Internet access at home

Q2. I will read you a few statements. Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of these statements?

- a. In your city , it is easy to find a good job
- b. Foreigners who live in your city are well integrated
- c. In your city, it is easy to find good housing at a reasonable price
- d. When you contact the administrative services of your city, do they help you efficiently
- e. In your city , air pollution is a big problem
- f. In your city, noise is a big problem
- g. Your city is a clean city
- h. Your city spends its resources in a responsible way
- i. You are satisfied to live in your city
- j. In the next five years, it will be more pleasant to live in your city

Q3. For each of the following statements, please tell me, if this always, sometimes, rarely or never happens to you?

- a. You have difficulty paying your bills at the end of the month
- b. You feel safe in the neighborhood you live in
- c. You feel safe in your city

This survey was first held in 2004 over 35 cities and repeated in 2006 in 75 cities with a number of respondents per city between 297 and 308. As Eurostat mentions in its publications, the National Urban Audit Coordinators have checked all data before they were sent to Eurostat and Eurostat executed a project on the Quality Check of the Urban Audit between 2004 and 2005 and in 2008-2009 to detect potential errors in Urban Audit. Database applying systematic control procedures, and to provide Eurostat with an updated data set, that has been validated by the National Urban Audit Coordinators.

In this research, part of the factual data about on average 250 cities are used and regarding the perception data based on the surveys, the aggregated data over the cities are used, resulting in an N of 75.

The data on decentralisation were also derived from Eurostat. We use national data on the local expenditures per GDP and central government expenditures per GDP. This results in an indicator on decentralisation, namely the local expenditures divided by the central government expenditures. This variable is indicative for the question whether local government is able to deal with its problems autonomously.

Analyses

In this section correlation matrices are presented for the relation between the level of decentralisation and the quality within four policy areas, namely public space, crime, public transport and health care. In the urban audit there are indicators for the actual level of facilities in each of these areas as well as the perceived satisfaction of the city's population. Below it is shown how decentralisation at the national level is related to these four problems, controlling for three background factors, namely population density, median disposable income per household, and the unemployment rate. We control for these three factors, because they are indicative of the basic structure of the city and – as was argued above in section 3 – are known to be determinative for the problems of big cities. The partial correlations give the added value of decentralisation for explaining the level of the problems in the four policy fields. We could have presented the results of a regression-analysis, but because of the number of missing values on the indicators of the actual problems and the limited number of cities in which the surveys were conducted (75) a regression-analysis was likely to result in unstable parameters. Although this also applies to the partial correlations, we think that by presenting only the partial correlation-matrices we avoid pretending to get more out of the data than is justified on methodological grounds.

Green space

The first policy area investigated is that of green space in the city. Especially in big cities, it increases the well-being of the inhabitants if next to houses, apartments and sky scrapers a city also provides green space where its inhabitants can recreate, sport *et cetera*. As Santos argues: it is needed to incorporate the historical and social nature of the way

the space is occupied as an inherent component in the determinants of living conditions. "Space" becomes particularly important in large metropolises, which contain elements of diverse origins and ages with a multiplicity of capital, work, and cultural relations (quoted in Texeira 2002, 1193).

The Urban Audit measures the available green space to which the public has access in km². We divided this measure by the total land area of the city. The second variable relevant in this respect is the question of the survey whether the respondent is satisfied with the green space in the city. Whether and how this relates to decentralisation is given in Table 2. Seen in this table is first that contrary to expectations the actual green space area is hardly and not significantly related to the satisfaction with the amount of green space in the city. However, both indicators are positively and statistically significantly associated with the level of decentralisation in the country in which the city is situated. The larger the part of public expenditures by the local level compared to the expenditures at the central government level, the more the municipalities in the core cities are able to provide accessible green space and to satisfy its citizens with such green space. One can conclude that in decentralised countries core cities provide a more satisfactory amount of green space for its inhabitants than core cities in centralised countries do.

Table 2. Decentralisation and green space in the city

		Level of decentralisation	Actual volume of green space in km ²	Satisfaction with green space
Controlled for: Unemployment rate in Urban Audit cities - % & Population density in Urban Audit cities & Median disposable annual household income	Decentralisation: part of governmental expenditures by local government	1,000 ^a		
	Actual volume of green space per land area	,233*	1,000	
	Satisfied with public spaces (synthetic index 0-100)	,344*	,115	1,000

a. Given are PM correlations. An asterix indicates that the correlation is statistically significant at 95%

Public Transport

In large cities adequate public transport is often desperately needed to go to work, to go to the city's facilities and to release traffic jams. The Urban Audit points out that the core cities in the EU are congested with on average 378 registered cars per 1000 inhabitants and an average journey time to go from home to work of 25 minutes fluctuating between 15 minutes and 71 minutes. In some cities, it takes over an hour to go to work. One solution for this congestion problem is to expand public transport. The degree to which public

transport covers the whole city is indicated in the Urban Audit by the number of stops of public transport per km². In some cities, there is hardly any transport, while in other cities there are up to 35 stops per km². Whether public transport is better in cities situated in countries where decentralisation is high, is seen in Table 3.

Table 3. Public transport and decentralisation

		Level of decentralisation	Satisfied with public transport (synthetic index 0-100)	Number of stops of public transport per km ²	Cost of a monthly ticket for public transport (for 5-10 km)
<u>Control Variables</u>	part of gov. expenditures by local government (local divided by central)	1,000			
Unemployment rate in Urban Audit cities % & Population density in Urban Audit cities & Median disposable annual household income	Satisfied with public transport (synthetic index 0-100)	,258	1,000		
	Number of stops of public transport per km ²	,181	-,087	1,000	
	Cost of a monthly ticket for public transport (for 5-10 km)	,325*	,366	-,013	1,000

Table 3 shows that in decentralised countries inhabitants of core cities are more satisfied about public transport, the coverage of public transport is higher and the costs thereof are higher. Hence, decentralisation seems to have a positive and significant effect on the inhabitants' satisfaction with public transport in the city and a positive (although not statistically significant) effect on the spread of public transport, although this comes at the price of higher cost for monthly tickets in cities situated in countries with higher levels of decentralisation. From the Table above one can conclude that core cities in decentralised countries have better public transport facilities than core cities in centralised countries.

Crime

One of the wicked problems large cities have to deal with is crime. Crime is often much more frequent in urban than in rural areas although it even varies among core cities. In the urban audit cities on average 3.95 burglaries per 1000 inhabitants are reported with a maximum of 23 in Almere, the Netherlands and Nottingham UK. The number of car thefts is somewhat lower – on average 3.45 – with a maximum of 20 per 1000 inhabitants in Manchester, UK. Is this variance also related to centralisation and decentralisation? In

many countries fierce political discussions are seen among those who plead for centralised police and those who favour municipal police. In Table 4, the association is shown between the level of decentralisation in the nation-state and the number of burglaries and car thefts and perceptions of safety in the core cities.

Table 4. Crime and decentralisation

		Level of decentralisation	Number of domestic burglary per 1000 population	Car thefts in Urban Audit cities - number per 1000 popul.	Feel safe in this city (synthetic index 0-100)	Feel safe in this neighbourhood (synthetic index 0-100)
<u>Control Variables</u> Median disposable annual household income & Population density in Urban Audit cities & Unemployment rate in Urban Audit cities - %	part of gov. expenditures by local government (local divided by central)	1,000				
	Number of domestic burglary per 1000 population	-,189*	1,000			
	Car thefts in Urban Audit cities - number per 1000 inhabitants	,127	,398*	1,000		
	Feel safe in this city (synthetic index 0-100)	,552*	-,100	,341*	1,000	
	Feel safe in this neighbourhood (synthetic index 0-100)	,444*	-,023	,260	,809*	1,000
Presented are Pearson PM correlations * indicates that the correlation is significant at 95%						

Table 4 shows that inhabitants of core cities in decentralised states do feel more safe in their neighbourhood ($R^2=.44$) and in their city ($R^2=.55$) and that in these cities the municipality is more able to prevent burglaries ($R^2= -.19$). All these relations are statistically significant and as before controlled for population density, unemployment and median household income. The only problem insignificantly related to decentralisation is the number of car thefts. However, overall one may conclude that also regarding crime the impact of decentralisation is positive on perceptions as well as occurrences.

Health care

The last policy area with which decentralisation could be related is health care. We investigate the number of available hospital beds, the satisfaction among the inhabitants with hospitals and doctors, the actual pollution in the city and the perception of pollution.

Table 5. Health and decentralisation

	Level of decentralisation	Available hospital beds in Urban Audit cities - per 1000 inhabitants	Number of days particulate matter concentrations (PM10) exceeds 50 µg/m ³ in Urban Audit cities - days per year	Satisfied with hospitals (synthetic index 0-100)	Satisfied with doctors (synthetic index 0-100)	Air pollution is a big problem here (synthetic index 0-100)
part of expenditures by local government (local divided by central)	1,000					
Available hospital beds in Urban Audit cities per 1000 inhabitants	-,292*	1,000				
Number of days per year particulate matter concentrations (PM10) exceeds 50 µg/m ³ in Urban Audit cities	-,262*	,223*	1,000			
Satisfied with hospitals	,314*	-,175	-,340*	1,000		
Satisfied with doctors	,268	-,116	-,312*	,925*	1,000	
Air pollution is a big problem here	-,199	-,027	,195	-,312*	-,286	1,000
Satisfied with health care	,310*	-,140	-,270	,938*	,866*	-,365*
<u>Control Variables</u>						
Unemployment rate in Urban Audit cities %						
Population density in Urban Audit cities						
Median disposable annual household income						
Presented are Pearson PM correlations						
* indicates that the correlation is significant at 95%						

Table 5 shows that all indicators but the number of hospital beds are related to decentralisation as expected. The satisfaction with hospitals, doctors, health care in general and air pollution is larger in cities situated in decentralised countries and the actual air pollution is less. Although not all relations are statistically significant, we can conclude that controlling for population density, median household income and unemployment in cities, cities in decentralised countries are able to take care of health care better than cities in which most public expenditures are done by central government.

Hence, the outcomes of the analyses corroborate the claim that the degree to which core cities can autonomously decide about their policies and how much to spend on social problems, does have a positive effect on each of the four aspects of the living conditions of their inhabitants, i.e. green space, public transport, crime and health.

Conclusions

This paper investigated whether the degree of decentralisation in a nation-state has added explanatory value for four dimensions of the living conditions in its core cities, i.e. green space, public transport, crime and health. The data from the Urban Audit were used. This is a research project conducted on behalf of Eurostat involving 560 cities on which indicators for the actual number of health-care facilities, public transport, green space and crimes were gathered. The urban audit also involves surveys among 75 core cities in order to measure whether the city's inhabitants are satisfied with, for instance, the green space, public transport, crime and health care. We analysed these data by relating them to the level of decentralisation as indicated by the expenditures of local government relative to those by central government. These associations were controlled for population density, median household income and unemployment rate in the core cities.

The analyses in which these data were related to the level of decentralisation at the national level led to the following conclusions:

1. As to perceptions, the inhabitants of cities situated in decentralised countries are more satisfied with the facilities with regard to green space, health care, and public transport and feel more safe in their neighbourhood as well as in the city as a whole.
2. As to the actual facilities and occurrences, cities in decentralised states have more green space in km², they have better public transport and experience less crimes.

Overall, the conclusion cannot but be that decentralisation does have a positive and significant impact on the living conditions in core cities of the EU as indicated by its green space, public transport, crime and health care. This is a significant outcome, because it is, according to us, one of the first examples of comparative statistical research in which the positive effects of decentralisation are so clearly visible. Although decentralisation is one of the most discussed themes in Public Administration, hard evidence of its positive impacts were until now only found in theoretical arguments, case studies and rhetoric.

The findings presented here do not, however, present a final answer nor do they provide decentralisation with the status of a panacea. As also shown, some associations are not significant, such as with the level of car thefts, the number of hospital beds, the perceived satisfaction with doctors and pollution. Furthermore, as mentioned in the introduction, the cities investigated here can be seen as extreme cases, because the cities are large municipalities in wealthy countries – EU Member States - with administrative systems of sufficient capacity and capabilities. For instance, on the survey-question in the Urban Audit whether administrative services help efficiently, on average 63% of each city's inhabitants (totally) agreed, with a maximum of 89% in the administratively most capable city. This is

unusually high and indicative of the relatively high quality of the administrative system of these cities. These cities are therefore able to take full benefit of decentralisation policies and apparently know how to spend the available resources efficiently and in such a way that social problems diminish and the satisfaction among its inhabitants increases.

The findings do therefore support the views of adherents of decentralisation policies. They do have a point. The point being that the largest cities on the wealthiest part of this planet do indeed profit from decentralisation.

The remaining question is whether that conclusion can be generalised to a statement that municipalities profit from decentralisation in general. This does not necessarily have to be the case in small municipalities and/or municipalities in relatively poor i.e. developing countries. In those cases it could well be much more difficult to take advantage of decentralisation processes.

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Michiel S. de Vries

Decentralizacija: kokie jos padariniai? Pridėtinė decentralizacijos vertė gyvenimo sąlygoms pagrindiniuose ES miestuose

Anotacija

Šiame straipsnyje nagrinėjamas decentralizacijos poveikis gyvenimo sąlygoms pagrindiniuose Europos Sąjungos miestuose. Atsižvelgiant į 75 miestų audito duomenis, taip pat į faktinę vietos gyvenimo sąlygų kokybę, lyginant net 560 miestų nusikalstamumo, eismo, miesto erdvės ir sveikatos statistiką, siekiama iširti, ar vietinių išlaidų lygis, palyginti su centrinės valdžios išlaidomis, turi kokį nors poveikį vietos gyvenimo sąlygų subjektyviam vertinimui. Straipsnyje tiriamas decentralizacijos poveikis minėtoms gyvenimo sąlygoms, priklausomai nuo tokių aplinkos veiksnių kaip gyventojų tankumas, vidutinės namų ūkių pajamos ir nedarbas miestuose.

Analizė rodo, kad decentralizacija turi pridėtinę vertę piliečių pasitenkinimui viešosiomis erdvėmis ir žaliosiomis zonomis, viešuoju transportu, sveikatos priežiūra, ji sumažina faktinį nusikalstamumą ir padidina saugumo jausmą.

Šis tyrimas vienas pirmųjų pateikia lyginamosios statistinės analizės rezultatus, patvirtinančius teigiamą decentralizacijos poveikį socialinėms gyvenimo sąlygoms vietos lygmeniu.

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