

Deconcentration versus Decentralisation of Administration in France: A Centre-Periphery Dilemma

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Administrative and Government Reform in France

Government Reform in France

Government reform in France has often been regarded as being undertaken as a reaction to a deeply rooted bureaucratic system which appears to be ever more dysfunctional. Reform is also considered as an ongoing process of revising and re-organising this bureaucratic system in order to make it more flexible and efficient. The French government is currently in a period of ambivalence: on the one hand, the concept of centralised state power is still strong, while on the other hand, there has been a substantial effort, dating from the 1980s, to decentralise and redistribute authority, giving rise to a significant change in the perception and exercise of power.

However, these reforms have not really provided for a transfer of power to new local entities, nor have they defined the conditions for the definitive transfer of precise responsibilities. Administrative reform is part of this continuing effort to adapt the ways and means of administrative intervention to various changes occurring on the economic, social and political scene. The question that remains is whether this reform only affects the internal operation of public services and their interactions with citizens, or whether it indeed represents a much deeper change by modifying the very model of French

administrative authority as it (re-)defines the relationship between society and the national government.

The Changes in Administrative Organisation and Procedures

The changes in administrative organisation and procedures have been designed to meet social expectations with regards to efficiency, proximity and the so-called “transparency” of operations. This is an important aspect of administrative reform in France. However, “the never-ending administrative reform” of French government is a recurrent theme that first appeared in the early 19th Century, and has been strongly present ever since!

- ▶ Beginning in the 1830s, the establishment of a parliamentary system made its mark on the operations of a loosely structured administration. Debate on reform centred on the theme of centralisation of political and administrative power, and this laid the groundwork for the progressive development of the concepts of:
 - a - *décentralisation* where decentralisation is the transfer of powers and authority from the central government to provincial governing bodies, and
 - b - *déconcentration* whereby centrally located authorities and entities are re-located to government structures in the provinces, physically “deconcentrating” the centre.
- ▶ By the end of the 19th Century, the French administration had grown and expanded while at the same time industrial development created a situation of competition in some areas between the private and public sectors. From that time, a particular perspective of administrative management began to take shape, i.e. that public administration should adopt the organisational and operational methods of successful private enterprises.
- ▶ Between the two World Wars, a trend emerged for making core improvements in administrative operations, generally with the objective of “freeing up the State”, part and parcel of a deflationary economic policy. This period is referred to as the “industrialisation of public services”.
- ▶ After the Second World War, public authorities became aware of the gap between the urgent need for reconstruction and the exigencies and constraints of the State - which was, despite everything, seen as the only effective agent for the modernisation of the nation - burdened by the methods, techniques and logic of an earlier era.

Thus, at all periods of recent French history we find a certain number of recurrent themes, two examples being debate over the status of public entities and political decentralisation. Mid-19th Century speeches and writing on the subject of decentralisation would still seem timely if encountered today! This might lead one to believe that, in a minimalist manner, reforms can only be

supported by incremental improvements on a reduced scale, through trial and error - in other words, through a pragmatic process. Nonetheless, serious thought has been given to the new context of administrative action, and in the past 20 years, significant legislation has been designed to modify certain aspects of the "French administrative model", and the way it affects the whole country (Institut de la décentralisation 1996).

Decentralisation versus Deconcentration

These two words - decentralisation and deconcentration - identify the two main concepts of French policy for the relocation of offices outside of Paris.

Controlling and Deciding at the Central Level

Initially, the administrative representation of the State at the local level acted as a guarantee for its effectiveness and, in the long run, offered the advantages of being present 'on the ground' for the long haul. This perspective requires that the State have at its disposal the means for controlling and deciding at both the central level and the local level. France illustrates this point as well, as do so many other European countries where intermediate levels of administration act as a direct instrument of the central authority.

In a second stage of evolution, some intermediate levels were restructured to provide them with greater autonomy. This was the case in France before the Revolution, and is still true in Germany, where the system of *Länders* co-exists with a strong federal authority. In Europe, very often these intermediate levels have specific powers for law enforcement and taxation. In France, many such powers have been delegated to the intermediate levels, although the central authority exerts strict control over them.

On the other hand, administrative development in France has also been shaped by the growing number of local branches of central ministries which, in each location, are directly controlled by the Prefect of the Department. Since the 19th Century, these "exterior services" have represented the "long arm" of the powerful central ministries. Today, a clear definition of ministerial power in France can be summed up in three points: the administrative corps, local structures for implementation and "general inspection" control entities.

TABLE 1 The Schedule of Implementation for Deconcentrated Services

Domain	Date
Planning	May 1983
Training and education	June 1983
Urban planning	October 1983
Health and social action	January 1984
Ports and rivers	January 1984
School transport	January 1984
Public teaching	January 1986
Culture	January 1986

Source: Marchand (1999).

Deconcentration in France

During the 1960s, the relocation of central administration agencies and powers to the provinces was the expression of a strategy for rationalisation and modernisation of the whole administrative organisation (Table 1). It was implemented as an alternative to full-scale decentralisation, and aimed to transmit powers - extensive or small - to local elected authorities; the powers and degree of autonomy thus granted were restricted and well-defined (Diederichs and Luben 1995).

With the “decentralisation reform” associated with a deconcentration process - initiated at the beginning of the 1980s - it was expected that most of the operational tasks would devolve to local communities. Deconcentration was said to be the complement of decentralisation, in order to allow the government to be more sensitive regarding the local level when making decisions within its sphere of power. Then, procedural authority at the local level was divided into two categories: State decisions; and authority vested in “decentralised local authorities” (with elected bodies) (Marchand 1999).

The same issues are still being raised today! Twenty years following the wave of reform, there are still questions regarding both the definition of the functions to be kept at the central level and the transfer of power from the State to local authorities by means of the “exterior services” mentioned above. Nevertheless, this dual system of decentralisation and deconcentration has achieved substantial results, even as internal processes were shifting (Turpin 1998).

The Advantages of Deconcentration - Local Institutions

One of the first advantages of deconcentration is to organise combined action between State authorities and local authorities. However, confusion remains regarding the distribution of power when both State services and local elected bodies are involved. Redundancies still exist between various levels. Some

observers say that, due to the complexity of government action, this difficulty cannot be avoided but that there is an advantage to be found in the greater degree of flexibility and the creation of a kind of procedural competition process. Compared with other European countries, local authorities in France do not exercise much power on behalf of the State, and they do not manage many delegated powers. Instead, local authorities have been developing their own spheres of intervention, even though they are very closely controlled by the State in doing so (Marcou 2000).

However, some powers, shared in joint actions, can be clearly articulated by contracts entered into between the State and one or several authorities. Following along the same lines, deconcentration organises the separation of powers at the local levels according to each sphere of intervention. Thus, the Prefect can act as a mediator between the local interest and the central policy of national interest. It should be noted that such contractual policies at the local level have made it necessary for the State services to co-ordinate their activities. It has also encouraged local decision-makers to take initiatives and become involved in projects in which the State can invest. There is now greater flexibility in the whole process.

The Prefect

As expressed above, the Prefect holds a key position in the reform of the deconcentration process. Formerly, the Prefect was mainly an agent of authority and implementation for the central power, but now the Prefect is able to develop programs for the local administrative system and personnel as well as for private sector economic actors, in tandem with locally elected representatives. These new powers have sometimes created conflicts between strict administrative regulations and the practical framework attached to the expectation of prompt results, especially when two separate accounting procedures - public and private - are required.

From another perspective, the role of the Prefect, because it is enhanced at the local level, may counteract the extension of the autonomy of locally elected bodies. The deconcentration process should, in some respects, take into consideration the appeal for a direct democratic legitimacy, which is often associated with the decentralisation concept (Santel 1998).

Regional Development and Transfer of Power

Regional Imbalance

The 1960s' model of regional development was well adapted to French territorial policy with its ability to use centralisation for the objectives of regional develop-

TABLE 2 Job Increase (%) in Industry Activities by Broad Grouping of Regions in France

	1962/1954	1968/1962	1975/1968
Paris Region	+ 27.4	- 13.4	- 15.5
East Region	+ 51.6	60.4	51.1
West Region	+21.0	53.1	64.4
France	100	100	100

ment and create an efficient administration within a vertically functioning ministerial structure. Given the scale of the disparities in growth which had been created by the industrial model and the effects of centralisation focused on the Paris region, the government dedicated resources to reducing the gaps. It did so within a national framework and neither the regional authorities nor the European structure were involved in the search for a new spatial equilibrium. Attempts made by the European commission or the regions to develop initiatives experienced strong opposition from central government.

A new awareness of regional disparities developed (see, e.g., Table 2), even though the apparently equal treatment given to the regions had been said to be an efficient safeguard against disparities in growth. The distribution of industrial employment constituted the basic factor underlying the disparities in GDP per head: for example, the North-East regions had a GDP per capita of over 110% of the national average while rural regions in the West and Centre regions had less than 80%.

The basic aim was to reduce the growth of the Paris conurbation to the French average and to create 600,000 jobs in the provinces where the hope was that the population of the large cities would double in less than 40 years. Among the measures introduced, a certificate was required in the Paris region for the construction of all industrial premises of over 1,500 square metres. Also, a special charge was levied on existing premises, which increased with proximity to the centre. As a global objective, the French authorities sought to create a unique administration, simultaneously in charge of regional development and regional action.

The Regional Development and Action Authority (DATAR)

The creation of the Regional Development and Action Authority (the Délégation à l'Aménagement du Territoire et à l'Action Régionale - the DATAR) in 1963 was designed as an administration with responsibility for having work done but not doing it itself. In this way, it would not compete with the departments of the specific ministries (e.g. transport, industry) and would not be weighed down with administrative tasks. It was considered more efficient to use existing powers than to launch into the uncertain task of replacing the traditional administration (Monod and Castelbajac 2001).

Set up in 1956 and modified in 1959, the system of assistance with the

location of industrial jobs was codified in 1964. From its inception, the system has worked on the basis of a map of eligible areas defined by socio-economic criteria (e.g. per capita GNP, unemployment levels) where businesses can benefit under various conditions from subsidies for each job or level of investment created.

For the period from 1954 to 1974, it was estimated that 500,000 jobs were created in industries in the provinces with assistance from the state. Nearly half of this total related to transfers and 300,000 to new jobs, mainly in stagnating regions. Even though it could be argued that some of these jobs would have been created without aid, the system seems to have worked quite well in this respect.

However, the DATAR was unable to implement a strong policy of relocation of government administration. Some technical-type departments (logistical services, maintenance structures, etc.) were moved to the provinces but few design or research organisations followed suit: the Paris region still accounts for more than half of the public scientific research structures in France. The ministries based in Paris were able to continue growing and the creation of new universities in the provinces did not affect the importance of the region of Paris in the field of higher education. Although geographic mobility is an important factor for the efficient running of the administration and major public enterprises, it has always been difficult to move services based in Paris to provincial cities, or even to the suburbs! This policy, which was felt to be necessary, was frequently unpopular and helped give a negative image to the DATAR in certain areas.

At the end of the 1990s, the reconstruction of an active regional development policy had to overcome two obstacles. The first was the mistrust surrounding excessive state intervention, exacerbated by what was seen by some to be authoritarian stance on relocation taken by the DATAR. The second was that liberal economists blamed regional policies for slowing down the pace of economic change by intervening in regions using an inappropriate allocation of resources by encouraging investment there.

The traditional contradiction between equity and efficiency had lost most of its currency and regional policies were credited with the virtues of stimulating new economic initiatives. At this point, the 1994 law gave the Ministry of the Interior the option of returning to the traditional concepts of a civil service dominated by the prefectures of the departments. The regional framework and co-operation between local authorities needed to be revived. The emergence of integrated policies for the great maritime and river basins or mountain areas appeared to be necessary, particularly with a view to future organisational networks and for protection of the environment. This led to the reactivation of certain instruments of intervention.

Administrative Relocation - The "Agreement" Procedure

The DATAR was created in 1963 with two main goals: to implement and manage major infrastructure developments and to promote a well-balanced location of employment and functions in France. The DATAR was seen as the main institution for initiating and controlling the relocation of central operations and public employment in France. Since 1985, the DATAR has provided advice about the investment budgets of the ministries and controlling the coherency of these investments in relation to the overall policy of regional development. The DATAR is informed of the implementation of these actions by the ministries (Secrétariat du comité de décentralisation 1999).

Subsequently, the DATAR has promoted a "city network". More and more, it has become a partner in local initiatives emerging from elected bodies. The DATAR transmits instructions given by the prime minister to *chargés de mission*. These instructions may concern, for example, employment measures in a specific region within a specific time frame. Each *chargé de mission* has a double role: at the level of the administrative region, and at the level of the functional economic sector. In association with the various administrative bodies, DATAR agents develop various "relocation projects". Each minister has to engage in discussions with the DATAR in order to define a "locational plan". In the event that a ministry lacks commitment, the delegate can ask the office of the prime minister to intervene. The present policy is to identify "economic poles" - areas that attract business activities - and to deploy an employment policy around these poles (administrative and private sectors).

Then, the implementation project is submitted to the ministry and is approved, usually after the prime minister's office issues an opinion. The DATAR's method of operation is sometimes experienced as a "coercive" process - because it is translated into an "agreement procedure" which results in a kind of "permit to locate" offices and industries under the control of a "Decentralisation Committee" made up of sixteen members (nine State representatives and seven experts).

But there is a noticeable difference between this Committee's involvement in controlling public and administrative public sector activities on the one hand, and its involvement in controlling private and commercial sector activities. The comparison between the extension of the surface area permitted for public versus private agreements is telling: 465.000 sq.m for the public sector were controlled in 1989 while 2.389.000 sq.m were controlled for the private and commercial sector. It should be noted that there are no thresholds in terms of office floor area and/or jobs in the agreement in the case of an administrative location/relocation procedure.

In 1989, a question was raised concerning the clear understanding and identification of the relative imbalance between the results of the decentralisation agreement on the public sector compared to the private sector. This demonstrates the difficulty in identifying the nature (e.g. skills, kind of activity) of the jobs that are subject to the agreement. In addition, the decentralisation committee is aware that the ministries were not being

“transparent” on this matter. For example, they do not lay out their overall projects, in order to keep control of recruiting policies and local implementation strategies. Thus, the decentralisation committee is often subject to pressure from the ministries, while it also exerts a certain pressure upon them.

Transfers of Public Employment: History and Results

Over the last ten years, the Authorities have transferred nearly 125,000 public jobs across the national territory except for Paris, i.e. more than during the previous thirty years. In this respect, it is noteworthy that the Comité Interministériel d’Aménagement Durable du Territoire (CIADT) on July 9, 2001, approved delocalisation projects amounting to nearly 5,000 public jobs. This policy of relocating public jobs started forty-five years ago and has witnessed a remarkable acceleration over the last decade (cf. 23,099 jobs transferred between 1960 and 1990, compared to 24,582 jobs transferred between 1991 and 2001 (June 30)).

The Comité Interministériel d’Aménagement du Territoire - CIAT - on November 5, 1990, laid down the principles, which still guide the actions, to be undertaken and more particularly, required the mobilisation of the various administrations. Their concerns involve publicly owned establishments under public supervision as well as public sector corporations, which have an important role in contributing to creating a new equilibrium of activities throughout the national territory.

From 1990 until 2001, eleven meetings of the CIADT dealt with transfers of public uses in Paris to the priority zones in the Ile-de-France region (Paris region) and the provinces:

- ▶ 1990-1993: The whole set of measures involving delocalisation adopted during the time of the CIAT (1991, 1992 and up to February 10, 1993) concerned more than 15,000 jobs. The majority of these involved the postal services, research services, Defence Departments and Telecommunication services. These transfers were accomplished without encountering any particular obstacles.
- ▶ 1993-1997: The CIAT meeting on 12 July 1993 had an appreciable effect on development tendencies and the delocalisation policy.
- ▶ The CIAT meeting of 20 September 1994 approved a new program for the redeployment of 10,000 public jobs. All of the files came under a policy of modernisation of the State, and the search for and development of poles of competence, through a dialogue with the personnel.
- ▶ The CIADT meeting of 10 April 1997 confirmed the objective of transferring away some 30,000 public jobs from Ile-de-France before the end of the year 2000. New proposals for developments, involving some 3,300 jobs, were also adopted.

- ▶ Overall, from October 1991 to April 1997, 303 operations were initiated corresponding to an objective of transferring 35,866 jobs.

Some Comments about Process and Methodology

With the meeting of the CIADT on December 15, 1997, a complete recasting of the doctrines and methods were worked out and the following principles were laid down:

- ▶ dialogue at the stages both of preparation and implementation must be reinforced
- ▶ the social measures must be fair, coherent and easily understandable
- ▶ the constitution of poles of competence must be a requirement, and intra-regional transfers must be sought as well
- ▶ costs must be minimised and compatible with the standard budgetary norms
- ▶ commitments, in terms of employment, must be maintained.

The application of these provisions made it possible to arrive at a successful conclusion. Thus:

- ▶ On May 18, 2000, the CIADT drew up an assessment of the previous period and provided an assessment of the effort that had been accomplished. It fixed new appropriate orientations regarding the location of public employment, leading to an effective combined reform of State and regional planning. Operations totaling 6,300 jobs were adopted at that time.
- ▶ On July 9, 2001, after 10 years of following the rule for using the funds for delocalisation, the CIADT felt it was desirable to adapt these rules, for instance broadening the eligibility of operations piloted by the Ministry for Education. A list of new transfer operations involving 5,000 jobs split about evenly between Ile-de-France and the provinces was also adopted then.

The Decentralisation Process

The Decentralisation Reforms

The process followed by the decentralisation policy was intended to render decentralisation irreversible; the whole task took at least seven years from the time when the powers of the prefects were partially reduced through the allocation of new powers to regional or local institutions or their functions transferred. For instance, the 1982 basic law ended the need for the prefect's

prior approval of any local decision. Instead, a legal control mechanism was instituted after elected local bodies made a local decision. In addition, this law created a new regional audit court with magistrates who could not be removed and who were able to oversee the proper application of budgeting rules. This court advises the prefect about satisfactory management of the budget. This law made the president of the département's General Council (Conseil Général) the executive arm of the département instead of the prefect. Furthermore, the law gave the region full local authority with an elected council. Overall, the powers of the prefect have been reduced. In many respects, the 1982 law turned the specifications of the 1958 national constitution into reality by stating that local authorities should freely administer themselves. On the other hand, the 1982 law gave back to the prefect the authority for direct management of the field services of the various ministries.

The subsequent 1983 law, described as the law on rights and liberties, transferred many functions from the state to various levels of local authorities. Generally, the transfer was intended to be of the function previously exercised by the state, without reviewing the content of the activity itself, i.e. the civil servant retained the same activity with identical powers but exercised it in the name of the local authority. Through this process, it was intended that the staff would in effect follow their function to its new home. A temporary attachment of the parts of the state services concerned was undertaken at first, which meant that a part of a "central service" could be "externalised" to the local level and then, after a period of adaptation, the move would become permanent when the services were fully reorganised. A choice was offered to the individuals concerned, i.e. either to remain as a state agent (*personnel d'Etat*) or to become a local agent (*agent de la fonction publique territoriale*).

Initially, the French approach was based upon the assumption that the relocation of administrative activities outside Paris should lead to impacts on local employment and municipal change, i.e. that there should be a causal relationship between the relocation of administrative jobs and local development. This assumption suggests the need to identify the investment required for the relocation of public activities. There has not been any overall survey on this topic. However, some historical analysis has been undertaken for a few relocation processes involving ministry personnel. The main observations are presented below.

Central Administrations Fear the Relocation Process

It is not an exaggeration to say that the central administrations fear the relocation process. When they are powerful enough, they appear to be able to

find the necessary resources to oppose it. This has been confirmed during the course of the transfer process: the more powerful the ministry, the longer relocation is avoided. Inhabitants of Paris and the greater Paris urban area often complain about the quality of life there. However, it appears that among the urban residents, civil servants are the least tempted to relocate outside of Paris. However, the decentralisation policy has had an important impact at the local level and acts as a symbol for local dynamism. This can be demonstrated through the competition in which the mayors of municipalities are currently engaged as they seek to attract administrative jobs and public sector activities.

Decentralisation and Social Demand

The decentralisation process for the administration does not converge with a well-organised social demand. Some studies have demonstrated that in the Paris region, the difficulties of daily life are increasing. Demographic trends over the last ten years show that between 20 % to 40 % of those who move to or within the French provinces are moving out of Paris, while 10 % to 20 % of emigrants leave the provinces to move to the Paris area. In this respect, the Paris region continues to be a reservoir for civil servants. However, this is not true in the case of administrative employees, because few civil servants leave their location in the Paris area when their job is moved to the provinces. A successful transfer of both a job and the jobholder in the administrative sector occurs only when the incentives for moving are strong. In relation to this, special compensation for administrative agents undertaking such moves have been put in place.

The decision to transfer is often linked to signing a "relocation contract" with the local authorities. By means of such a contract, the local authorities agree to facilitate the settlement of the transferred administrative agents. But, in fact, this offer does not appear to be of primary importance to the individual; rather he or she makes the decision to relocate with regard to a number of positive objectives, which are not related to the local efforts to welcome him or her. Considerations may include a return to the person's home region, the offer of a new and more attractive job, and a better salary (see, for instance, Table 3). In most cases, agents who relocate adapt well to the local way of life within five years.

On the other hand, most refusals to transfer are based upon the substantial difficulties faced by spouses in finding a job in the same location. This is especially true when the location of the transfer has been selected because of high rates of unemployment in the region. In many cases, the relocation jeopardises

TABLE 3 Compensation for a Mid-level Administrative Agent in 1981 Involved in a Move

Bachelor	1,425 Euros
Married	2,195 Euros each
Bonus for 1 child	221 Euros
Bonus for 2 children	305 Euros
Bonus for spousal mobility	1,524 Euros

Source: Montricher and Thoenig (1995)

the social network, which the administrative agent has built up in Paris. This factor increases the demand for relocation to places where relatives and/or friends are still living. The local school system is also a fundamental consideration for families, both in terms of availability and quality of primary and secondary schools.

Housing, Public Services and Financial Opportunities

Housing, public services and financial opportunities are currently considered as leading factors in the relocation surveys. Most often, medical facilities and other basic services exist before moving; as these facilities are generally of good quality, this is rarely a reason for regret about leaving Paris. Housing is nearly always cited as the best improvement in comfort and daily life upon relocation: better standards and categories of housing are available at lower costs, whether for rent or acquisition, or in terms of maintenance. A significant proportion of civil servants who move from Paris to the provinces, who are generally mid-range employees, buy a house within a few years of moving. Generally, they will stay in the area for a long time. Often, families acquire a second car at this time as well.

Competence of the Directors

On relocation, there is a shift in the responsibilities of the directors nominated to head up “external services”, and they must therefore demonstrate a broader range of abilities. Their predecessors were usually more specialised in technical matters, as they could rely upon the central services to carry out administrative tasks. Often, the relocated agent has to clearly demonstrate a true competence as he or she is separated from his or her former Parisian staff. Sometimes, this effort is not well accepted. In addition, relocation can provide an opportunity to implement new rules of efficiency and management within the “exterior services”, which may destabilise the relocated agent. For instance, the size of the “exterior service” is usually smaller than the size of the previous service in Paris; this may be problematic for people used to

working in an anonymous environment, or with a smaller share of the burden of responsibility. In other words, the relocation process exposes both the structure and the personnel of an “exterior service” to some significant changes.

Geographical Distance and Local Structures

Relocation policy in France postulates - wrongly - that geographical distance has no influence upon the management of the local structure. The contrary has occurred in many situations, because an executive agent of the administration in Paris works closely with the central administration (ministry), while in a relocated service, the agent has to deal with local authorities, answering directly to them and local population needs. The links with the central administration, in this case, are simultaneously established by the director of the “external service” and by the locally elected executives. The changes in tasks and behaviour for the relocated agents are sometimes unexpectedly substantial, and some central administrations provide (voluntary or compulsory) specific training for executives who are to be transferred. In summary, the operation of a public structure which is relocated out of the central area can involve a major investment in time and money, in order to maintain close ties with the central administration, specifically when the central administration wants to keep control of the agencies or, on the contrary, can alleviate such constraints and focus on service delivery. In the latter case, the “external services” may move towards gaining greater autonomy in their operations. The links between the administrative centre and periphery are consequently transformed and can give rise to institution building of autonomous or semi-autonomous agencies scattered throughout the whole country.

Conclusion

In France as in any modern country, the dilemma for the choice between the two policies of deconcentration and decentralisation or for their association is a common issue for public management of the national territory. The challenges everywhere include achieving better resource allocation for living space, better employment for the skills of public employees, and more efficient fiscal redistribution.

In Europe, two kinds of solution are intertwined: the first one tries to organise a vertical system in which a superior authority decides on the local rules for the best of all inhabitants; the other one attempts to establish a more equal horizontal mechanism which is supposed to fulfil the local need for local demand in public services. For instance, in France in particular, the health and education domains are strictly reserved for the central State authority even if

nothing proves that this is the most appropriate solution for their management; in contrast, in many European countries the salary of the teachers or the management of the hospitals are controlled by the local authorities and this does not affect the regional or national entity negatively.

In Europe, the complexity of the situation demands a broad analysis: public expenses in the European Union countries are stabilised around 11.5% of their GDP, but local public expenses paid annually by the inhabitants may vary from 10,400 Euros in Denmark to 2,500 Euros in France and 350 Euros in Greece. Also, it must be kept in mind that for these European countries, since the Maastricht treaty, a compulsory objective has been to bring within the same managerial constraints and legal framework (i) for most of the population, (ii) better services, (iii) at close proximity and (iv) for minimum cost.

The deeply-rooted effort of France to reform its administrative decision-taking system clearly shows the difficulty in engineering change - even slowly - of inherited organisation structures. It demonstrates the power of the human factor considered from the public agent's point of view as well as within the local/national political framework.

The same kind of efforts underline the permanent shift initiated by some other European countries, which have been very active in deconcentration and decentralisation processes. For instance, Italy as well as Spain have developed important and successful reforms involving "regionalisation" and the United Kingdom is doing the same with its "devolution" policy.

As a global issue, it is now obvious that for the European countries, success in decentralisation and deconcentration policies represents a challenge that is both national and European, with its concomitant complexity.

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