



GOVERNANCE AND PUBLIC MANAGEMENT
SERIES EDITOR: PAUL JOYCE

Local Government and Fiscal Transfers

Enhancing or Weakening Democracy?

Edited by
Juraj Nemec · Michal Plaček ·
Purshottama Sivanarain Reddy



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Editors

Juraj Nemeč 
Department of Public Economics
Masaryk University
Brno, Czech Republic

Michal Plaček
Public and Social Policy
Charles University
Prague, Czech Republic

Purshottama Sivanarain Reddy
Governance, IT and Governance
University of KwaZulu-Natal
Durban, South Africa



ISSN 2524-728X ISSN 2524-7298 (electronic)
Governance and Public Management
ISBN 978-3-031-95673-7 ISBN 978-3-031-95674-4 (eBook)
<https://doi.org/10.1007/978-3-031-95674-4>

This work was supported by European Cooperation in Science and Technology.

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Slovak Republic

*Beáta Mikušová Meričková, Nikoleta Jakuš Muthová,
and Janka Holíková*

9.1 INTRODUCTION

Slovakia is a small country in the middle of Europe, a member of the European Union since 2004. It is one of the most fragmented countries in Europe, with almost 3,000 municipalities and a population of 5.5 million. The average Slovak local government—the municipality has an area of approximately 17 square kilometres. Only two cities, Bratislava and Košice, have more than 100,000 inhabitants (approximately 430,000 in Bratislava and 250,000 in Košice).

The current form of the local government system in Slovakia is based on the changes in the former Czechoslovakia after 1989. In 1990, the Act on Local Self-Government (no. 518/1990 Coll.) was adopted, creating

B. M. Meričková (✉) · N. J. Muthová · J. Holíková
Matej Bel University, Banská Bystrica, Slovakia
e-mail: beata.mikusovamerickova@umb.sk

N. J. Muthová
e-mail: nikoleta.jakusmuthova@umb.sk

J. Holíková
e-mail: janka.holikova@umb.sk

a modern local self-government responsible for the competences of the former national committees. Slovakia signed the European Charter for Local Self-Government in 1999 with reservations, which were step by step removed, and from 2007, Slovakia is bound by all its provisions. A Slovak municipality is a legal entity with a comprehensive set of responsibilities and the right to independently manage its property and income under the conditions established by law. The state delegates to municipalities the performance of specified tasks of local state administration and is expected to cover the costs of such a delegated performance of state administration.

9.2 FISCAL FEDERALISM

9.2.1 *Local Government Revenues*

Local government revenues in Slovakia consist of tax revenue, non-tax revenue, transfers and grants, financial operations revenue, and capital revenue. The structure of local government revenue for Slovakia is shown in Fig. 9.1.

Municipalities primarily receive their funds from taxes and transfers from the state budget. A significant portion of tax revenue comes from a share of the personal income tax collected. Transfers from the state budget are used to finance devolved responsibilities, such as primary education.

9.2.2 *Local Government Expenditures*

Local government expenditures (accounting structure) consist of employee compensation, payables, intermediate consumption, transfers, capital expenditure and transfers, interest repayment, financial operations, and debt repayments (Fig. 9.2). From the functional classification point of view, the main expenditure area is education.

Municipalities are the primary and closest point of contact between citizens and the state. Their expenditures are primarily driven by employee compensation and payables, which cover the salaries of primary school teachers and the numerous councillors—more than 20,000 across fewer than 3,000 municipalities.

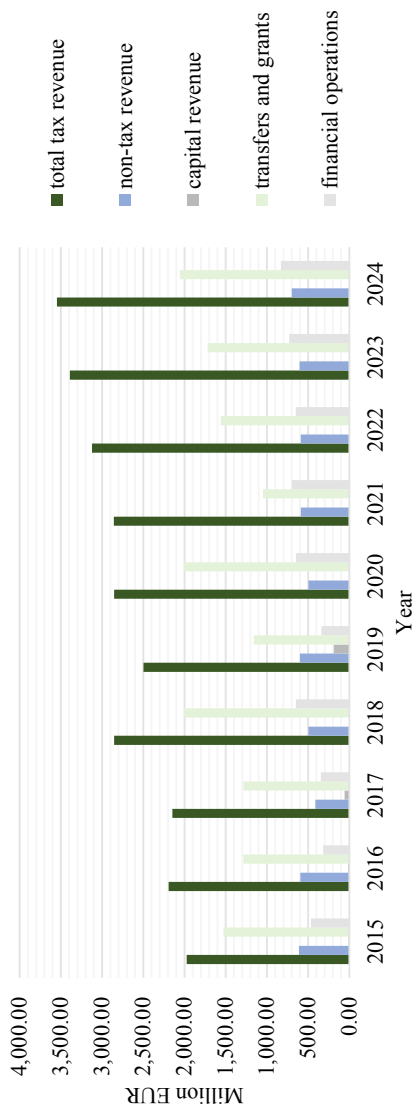


Fig. 9.1 Local government revenues (Source Authors, based on data from INESS [2024a])

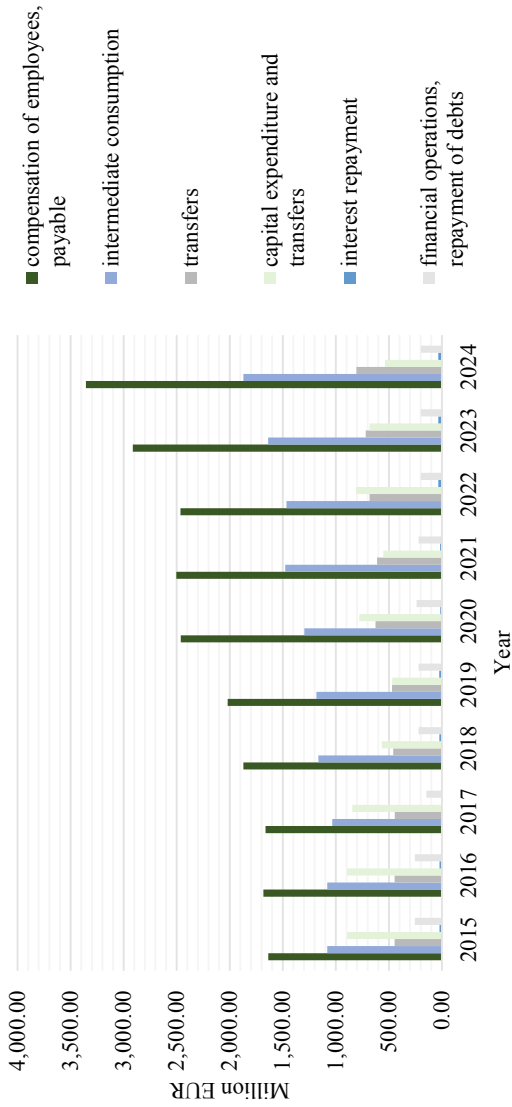


Fig. 9.2 Local government expenditure (Source Authors, based on data from INESS [2024b])

9.2.3 *Transfers to Local Governments*

The system of transfers includes the payment of the state for the execution of state administration's delegated performance, which is (or should be) funded by the state from the national budget, and the set of conditional and non-conditional transfers earmarked for specific activities or serving other purposes (balancing local budgets, investment support, and others).

Table 9.1 and Fig. 9.3 show the amount of domestic current transfers from the state budget to cover the costs of devolved government and domestic current transfers from the state budget, excluding those intended to cover the costs of devolved government, based on the OpenData portal information.

It is necessary to stress that the data in Table 9.1 do not fully correspond with the official data provided by the Ministry of Finance in the final state account—Tables 9.2 and 9.3, which provide data about transfers to municipalities by the functional classification and by respective central state bodies.

Transfers for delegated responsibilities represent a major part of the total sum of transfers. Municipalities cannot use current transfers from the state budget to cover the costs of delegated responsibilities for other purposes. Mederly et al.'s (2019) study describes the method of financing delegated competences in Slovak municipalities in detail. We provide some examples.

The state finances most of the costs of operating elementary schools and the activities of school authorities in education. Since 1 January 2004, the financing of these schools has been based on the principle of normative financing based on the number of pupils.

Regarding the delegated competences in building regulations, according to the current legislation, every municipality is a building authority (even the smallest municipality, with tens of inhabitants). A simple methodology finances these delegated competences: the number of inhabitants of the municipality multiplied by the monetary coefficient determined by the Ministry of Transport and Construction of the Slovak Republic. The financing of the delegated competencies in local and purpose-built roads is carried out similarly, as the Ministry of Transport and Construction determines the amount of the monetary coefficient.

In the field of performance and the financing of delegated competences in registry offices, the agenda is regulated by a separate law determining the rights and obligations concerning reporting life events from citizens

Table 9.1 Transfers to local government (2015–2023) in millions €

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Domestic current transfers from the state budget to cover the costs of delegated government	576.94	632.33	699.67	748.50	854.42	974.71	1040.58	1092.39	1327.56
Share of total general government revenue	12.12%	13.80%	14.58%	13.66%	14.41%	15.66%	16.05%	15.33%	15.53%
Domestic current transfers from the state budget, excluding transfers to cover the costs of delegated government	374.44	355.68	319.98	352.24	438.03	549.27	585.22	526.62	923.81
Share of total general government revenue	7.87%	7.76%	6.67%	6.43%	7.39%	8.82%	9.03%	7.39%	10.81%
Total domestic current transfers	951.38	988.01	1019.65	1100.74	1292.45	1523.98	1625.79	1619.02	2251.38
Share of total general government revenue	19.98%	21.57%	21.25%	20.09%	21.79%	24.48%	25.08%	22.73%	26.34%
Total public revenue	4760.58	4580.66	4797.50	5477.80	5930.31	6224.69	6483.66	7124.34	8548.98

Source: Authors, based on Opendata (2024)

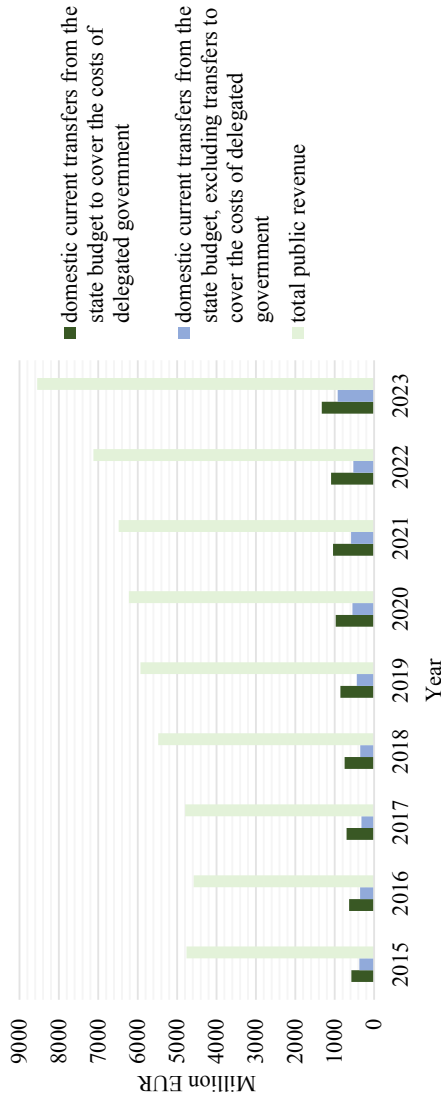


Fig. 9.3 Transfers to local government (*Source* Authors, based on Open data [[2024](#)])

Table 9.2 Transfers from the state budget to local government, classified by COFOG (Classification of the Functions of Government)

<i>In thousands of €</i>	2021	2022	2023	2023
Education	1,213,265	1,265,978	1,448,692	1,457,990
Economic affair	149,171	113,439	10,252	430,028
Social protection	160,779	107,528	80,642	221,791
Housing and community amenities	27,276	41,366	0	188,611
Environmental protection	51,838	52,787	0	156,636
General public services	146,631	105,775	140,22	152,462
Public order and safety	3,789	10,575	600	8,180
Recreation, culture, and religion	10,630	4,444	0	3,657
Health	16	x	0	513
Total	1,763,395	1,701,892	1,554,208	2,619,868

Source Authors, based on the Ministry of Finance data (2024)

and public authorities. The registry offices that perform these tasks are located in approximately one-third of the municipalities in Slovakia. The financing method primarily considers the number of inhabitants and, to a lesser extent, the number of implemented operations. The grant covers the registrar's salary and insurance, goods and services, and an allowance for clothing expenses. The Ministry of the Interior, which is in charge of this agenda, keeps detailed statistics on the operations carried out by individual registry offices.

The one-time nature of delegated competences in elections and referendums, a regularly recurring activity, corresponds to the method of financing, which is significantly different from ensuring the performance of other delegated competences. Municipalities receive advances for this competence from the Ministry of the Interior, which they subsequently account for; the Ministry reimburses them in full for all costs associated with the tasks defined in the law.

The performance and financing of the delegated responsibilities in the area of the environment include a wide variety of activities financed by the Ministry of the Environment, which determines the amount of the monetary coefficient per citizen of the municipality.

Except for the transfers expected to cover the costs of delegated responsibilities, different state bodies provide specific transfers, for example, transfers to cover municipalities' investment needs, transfers connected with environmental burdens, and similar. Comprehensive

Table 9.3 Transfers from the state budget to local government in Slovakia

<i>In thousands of €</i>	<i>2021 S</i>	<i>2022 S</i>	<i>2023 R</i>	<i>2023 S</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Ministry of Education, Science, Research, and Sport of the SR	11,683	1,245,324	1,448,692	1,433,501
Ministry of Investments, Regional Development, and Informatization of the SR	95,579	87,039	0	394 699
Ministry of Labour, Social Affairs, and Family of the SR	204,588	113,464	80,640	227,224
Ministry of Interior of the SR	1,321,234	120,553	13,774	201,883
Ministry of Environment of the SR	53,486	59,021	0	180,786
General Treasury Administration	7,856	1,893	0	92,805
Ministry of Transport of the Slovak Republic of the SR	32,970	36,020	10,252	40,219
Office of the Government of the Slovak Republic	11,750	18,556	850	20,187
Ministry of Agriculture and Rural Development of the SR	7,008	14,970	0	12,417
Office for Territorial Planning and Construction	x	x	0	8,797
Ministry of Culture of the SR	3,013	3,922	0	7,205
Ministry of Defence of the SR	0	150	0	145
Ministry of Economy of the SR	1,498	980	0	X
Statistical Office of the Slovak Republic	12,714	x	x	x
Ministry of Health of the Slovak Republic	16	x	x	x
Total	1,763,395	1,701,892	1,554,208	2,619,868

Source Authors, based on the Ministry of Finance data (2024)

information about the detailed structure of these transfers is not publicly available.

9.3 CASE STUDIES

This part includes two case studies documenting the negative impacts of transfers on local democracy in Slovakia. The first focuses on the issue of the balance between the costs of delegated responsibilities and the amount of transfers required to cover them (vertical fiscal imbalance element). The second documents that the existing equalisation mechanisms are not effective (horizontal fiscal imbalance element).

9.3.1 Case 1: *Transfers to Cover the Costs of Delegated Responsibilities*

Through our primary qualitative research, we examine the issue of vertical fiscal imbalance. The core input for this part was the questionnaire, delivering the subjective perception of the topic by selected local governments of the Slovak Republic. We set the following research questions:

- RQ1: Do local governments consider the revenues for the performance of delegated competences sufficient—covering the full costs of delegated responsibilities?
- RQ2: Do local governments know the actual costs of exercising devolved competences (they know how much money they would realistically need)?
- RQ3: What is the actual mismatch between revenue and expenditure to exercise devolved competences (vertical fiscal imbalance)?

Our survey was conducted online between September and October 2022. Eighty-eight local authorities participated in the survey. Table 9.4 presents the structure of the municipalities according to selected characteristics.

In the second step, we used secondary statistical data to quantitatively analyse public revenues and expenditures to objectively confirm the presence of a vertical fiscal imbalance, i.e. a mismatch between revenues and expenditures in the provision of devolved competences.

The opinion of municipalities about the level of the coverage and the costs (RQ1 and RQ2)

Table 9.4 Structure of the sample

		<i>Percentage in % of responses</i>
Number of inhabitants	1–999	39.3
	1,000–2,499	28.3
	2,500–4,999	14.6
	5,000–9,999	6.7
	10,000–49,999	8.9
	50,000–99,999	2.2
	More than 100 000	0

Source Authors, based on own research (2022)

Through our questionnaire, we mapped municipalities' opinions about the level of cost coverage and the extent to which municipalities know the costs for the two chosen delegated competences: the registry and planning and building authority. Tables 9.5 and 9.6 present the results.

Regarding RQ1, Tables 9.5 and 9.6 show the wildly varying intervals of the estimates of the cost coverage rate for the performance of two selected delegated competences (last columns). In one case, the municipality claimed that only 1% of costs are covered, while the other extreme is the opinion that 100% are covered.

Regarding RQ2, the tables show that the approaches to cost calculations differ and that some municipalities do not try to calculate the costs. Only in a very few cases could the municipalities understand that the full costs consist of personnel costs, i.e. expenditure on salaries and deductions of employees performing the delegated exercise of the state administration in building regulations, material and service costs, possible capital costs, and overheads. In many smaller municipalities, the employees are responsible for more delegated responsibilities, and these municipalities cannot define the personnel costs separately. Many municipalities feel that

Table 9.5 Costs for delegated competences in the registry offices

<i>Method of exercising competence</i>		<i>Municipality knows the exact costs</i>		<i>Method of calculation</i>			<i>Cost recovery rate</i>
<i>Separately</i>	<i>Joint office</i>	<i>yes</i>	<i>no</i>	<i>None</i>	<i>Calculates direct costs</i>	<i>Calculates/ knows the full costs</i>	<i>%</i>
Municipalities up to 999 inhabitants							
1	13	5	20	22	3	0	1–100
Municipalities from 1,000 to 2,499 inhabitants							
18	0	10	8	13	4	1	10–100
Municipalities from 2,500 to 4,999 inhabitants							
10	0	9	1	7	2	1	11–95
Municipalities from 5,000 to 9,999 inhabitants							
6	0	5	1	3	2	1	45–90
Municipalities from 10,000 to 49,999 inhabitants							
6	0	4	2	5	1	0	50–80
Municipalities with over 50,000 inhabitants							
1	0	1	0	0	0	1	95

Source Authors, based on own research (2022)

Table 9.6 Costs for delegated competences in the section of the construction administration

<i>Method of exercising competence</i>		<i>Municipality knows the exact costs</i>		<i>Method of calculation</i>			<i>Cost recovery rate</i>
<i>Separately</i>	<i>Joint office</i>	<i>yes</i>	<i>no</i>	<i>Separately</i>	<i>Joint office</i>	<i>yes</i>	<i>no</i>
Municipalities up to 999 inhabitants							
14	11	10	15	15	1	2	1–80
Municipalities from 1,000 to 2,499 inhabitants							
12	6	5	13	17	0	1	2–80
Municipalities from 2,500 to 4,999 inhabitants							
5	5	4	6	10	0	0	18–80
Municipalities from 5,000 to 9,999 inhabitants							
5	1	3	3	5	0	1	3–80
Municipalities from 10,000 to 49,999 inhabitants							
4	2	5	1	2	2	2	25–85
Municipalities with over 50,000 inhabitants							
1	0	1	0	0	0	1	75

Source Authors, based on own research (2022)

it is inefficient and uneconomic for the staff to keep track of the timesheet and allocate attendance according to the areas carried out. When a joint service model is used, municipalities pay a fee to cover the costs of such office, according to the population size—in this case, the direct costs are well visible.

The results from our analysis document two basic facts:

1. municipalities mostly do not know (and many of them probably do not even need to know) the total amount of the costs of delegated competences, and.
2. the state finances only part of the costs incurred by municipalities in exercising delegated competences.

We expected such results. With municipalities' excessive territorial fragmentation and non-existent cost accounting, which would be needed to allocate overheads to specific activities, knowing the costs is impossible (e.g. Oplotnik et al., 2012). However, such a minimal capacity

(and willingness) to calculate exact costs, even among larger municipalities, was surprising. Regarding the cost coverage levels, we came to the same conclusion as similar studies (e.g. Alibegović et al., 2013). However, again, the excessive and unrealistic dispersion of municipalities' opinions on the level of coverage of the costs of delegated competences, which includes extremely high and extremely low values, was surprising.

9.3.2 Case Study 2: Transfers and Vertical Fiscal Imbalance (RQ3)

The theory of fiscal federalism suggests that transfers can be used as equalisation mechanisms to compensate municipalities for lower revenue base and/or higher expenditure needs (Bird, 1999; Brennan & Buchanan, 1980; Dollery, 2002; Meloni, 2016; Musgrave, 1959; Oates, 1972; Tanzi, 2000; Tiebout, 1956, and many other) and to assure that municipalities can deliver all expected tasks. To calculate the vertical fiscal imbalance levels, we analysed the data on revenues of Slovak local governments in 2021 provided by the DataCentre of the Slovak Republic based on cooperation with academia.

Inspired by the research studies by Meloni (2016) and Jia et al. (2020), we use the following method in this paper to calculate the measure of vertical fiscal imbalance (Ebel & Yilmaz, 2002):

$$VFI = \frac{TR}{R} \quad (9.1)$$

The left part of the formula presents the vertical fiscal imbalance as the share of transfers in total revenue. Using a transfer dependency indicator, the ratio of transfers to total revenue, we analyse the vertical fiscal imbalance in individual local governments in the Slovak Republic in 2021 (RQ3—What is the actual mismatch between revenue and expenditure for the exercise of devolved competences [vertical fiscal imbalance]).

Table 9.7 shows the average vertical fiscal imbalance rate values for individual municipalities in self-governing regions. Vertical fiscal imbalance was calculated for every municipality in the region, and the value in the table is the average for all municipalities in the region. We have evaluated the vertical fiscal imbalance in 2,911 municipalities allocated in eight regions. The values of the monitored indicator's maxima and minima indicate a significant variability of the vertical fiscal imbalance rate among individual municipalities within the self-governing regions.

Table 9.7 Summary of the issue of vertical fiscal imbalance of local governments in the conditions of self-governing regions of the Slovak Republic in 2021

<i>Region</i>	<i>Number of evaluated municipalities</i>	<i>Mean in %</i>	<i>Standard deviation</i>	<i>Median in %</i>	<i>Maximum in %</i>	<i>Minimum in %</i>	<i>Registered unemployment rate in %</i>	<i>Number of inhabitants</i>
Bratislava region	87	22.03	17.94	22.12	91.61	0.14	4.38	1,043,700
Trnava region	250	25.49	17.50	20.88	89.05	2.79	4.16	564,826
Trenčín region	275	25.72	19.86	20.53	99.75	0.45	4.26	575,459
Nitra region	350	28.13	22.43	22.22	99.77	1.27	4.80	675,811
Banská Bystrica region	513	25.47	23.54	17.73	99.97	1.01	9.01	625,221
Žilina region	312	26.30	22.52	23.28	99.62	0.50	5.32	689,893
Prešov region	663	31.88	30.75	19.76	99.95	0.99	10.75	808,482
Košice region	461	26.48	27.69	15.87	99.99	0.50	9.98	1,020,393

Source Authors, based on own research (2022)

Based on Table 9.7, we can identify the Prešov region as the region with the highest average rate of vertical fiscal imbalance, which is at 31.88%, with a standard deviation of 30.75%. We also observe that for about half of the local governments in the Prešov region, the vertical fiscal imbalance rate is 19.76%. The relatively high average vertical fiscal imbalance of the Prešov region is the highest among other local government regions, resulting from a combination of several factors. An important factor in revenue generation is the population's unemployment. The registered unemployment rate in the Prešov region territory is 10.75%, which is the highest value among the self-governing regions of the Slovak Republic. Another important factor influencing the vertical fiscal imbalance is the region's population, which is much smaller than the Košice or Bratislava regions, i.e. the municipalities get less money from the government as the transfers are calculated based on the number of inhabitants.

On the other hand, the Bratislava region has the lowest average vertical fiscal imbalance rate, at 22.03%, with a standard deviation of 17.94%. Approximately half of the local governments in the Bratislava region have a vertical fiscal imbalance rate of 22.12%. The rate of vertical fiscal imbalance of the Bratislava region is closely linked to demography in terms of the region's population, which is the largest among other municipal regions and is also strongly determined by the situation in the labour market. This can be considered relatively good—expressed in the form of the rate of registered unemployment, which, as of 2021, is 4.38% in the Bratislava region, i.e. one of the lower values compared to other regions of the Slovak Republic.

The vertical fiscal imbalance in the conditions of local governments of the Slovak Republic for 2021 is, on average, 27.42%, while the standard deviation is 25.06%. We consider the main reasons determining the different levels of vertical fiscal imbalance rates for individual local governments in the Slovak Republic to be a combination of economic and non-economic factors, and we agree with the idea of Mederly et al. (2019) that each local government has a unique combination of factors affecting its vertical fiscal imbalance rate.

Drawing on the research study by Aldasoro and Seiferling (2014), we also find that a significant factor is the demographics of a given local government, in particular, the size of the population and its age structure in terms of the representation of the working-age population and the population over 65 years of age, which significantly determines the amount of own-source revenues of a given local government. In addition to demographics, the overall characteristics of the local government, such as its geographical location, tourism opportunities, the management of the local government in the person of the mayor or mayoress, unemployment, and various other economic and non-economic indicators, play an important role in the vertical fiscal imbalance.

The obvious conclusion is that the well-known factors causing fiscal imbalances are insufficiently reflected by the existing transfer system, as too significant differences between municipalities are clearly documented.

9.4 CONCLUSIONS

The chapter explored how the mechanisms associated with intergovernmental transfers work in the Slovak intergovernmental fiscal system and their impact on local democracy and autonomy.

Slovak municipalities spent approximately 7% of the country's GDP, meaning that Slovakia remains a centralised country from the perspective of local government spending. Its tax revenues still represent only a tiny share of municipal financial resources—indeed, among the lowest in the OECD—while its share of central government transfers is among the highest of OECD countries (for more, see, for example, Plaček et al., 2020). The share of central government transfers in municipal budget revenues is somewhat high and seems to be increasing (almost 20% in 2015 and more than 26% by 2023).

The first case documented that the state (with a maximum probability) does not cover the full costs of executing delegated responsibilities. The under-financing impacts local democracy, as municipalities need to reallocate their resources to pay for services delivered on behalf and for the state. What is surprising is the fact that neither actor (the state nor the municipalities) shows genuine interest in knowing the actual situation. Maybe it is not a surprise at the state level, which can use “unpaid” money for other purposes, but surprising at the municipal level.

The second case documents that Slovak local governments, which depend on transfer payments from the state budget, as transfers account, on average, for almost one-third of the total revenues of individual local governments, are very unequal from the point of vertical imbalance calculations. The degree of vertical fiscal imbalance varies considerably across local governments in the Slovak Republic, as it results from a combination of several economic and non-economic factors specific to a given local government and insufficient capacity of the transfer system to deliver its equalisation function. Too high financial inequalities between municipalities undoubtedly negatively influence local democracy in Slovakia.

Both investigated aspects have been known for a long time; however, the indicated malfunctioning aspects were and are still not addressed. Neither is a concrete action nor a prospective reform proposal.

Acknowledgements The preparation of this chapter was co-supported by the grant project VEGA 1/0003/24 Inter-municipal cooperation in providing local public services.

ANNEX: COUNTRY PROFILE: SLOVAKIA

See Table 9.8.

The local self-government autonomy in Slovakia can be considered partly formal. Local governments have the right to decide which tasks (residual competences) they will handle unless these have been assigned to other levels of government.

From the perspective of local self-government's freedom to decide on its political organisation and electoral system, local self-government in Slovakia enjoys extensive organisational autonomy. Mayors and local councillors are directly elected. In organising local elections, local authorities have considerable discretion in certain areas, such as multi-mandate

Table 9.8 Municipal political power structures

<i>Criteria</i>	<i>Results</i>
The level of autonomy of municipal governments over their functional mandates: the question of whether municipal governance institutions can only perform mandated tasks or can choose from a predefined scope of tasks Indicator: yes, partly, no	Yes
The level of freedom of municipal governments to decide their own political organisation and electoral system (can they, for example, determine their own electoral districts, number of seats, electoral system, etc.) Indicator: yes, partly, no	Yes
The constitutional or legal mechanisms to assert the autonomy of municipal governments. Examples of specific constitutional or legal mechanisms that allow municipal governments to assert their autonomy include (a) constitutional clauses or other statutory regulations protecting local self-government; (b) recourse to the judicial system through constitutional courts to settle disputes with higher authorities; or (c) other constitutional or legal protections of municipal autonomy exist (e.g. higher-level governments are prevented from forcing municipal governments to merge) Indicator: yes, partly, no	Yes
Municipal governments' right to use the legal system against higher-level government (de jure and de facto—do they use such right?) Indicator yes (both de jure and de facto), partly, no	Yes
The level to which decisions made by municipal governance institutions are subject to administrative supervision for their responsibilities and if higher-level approval is needed to act in their own matters Indicator yes, no	No
Does the higher-level have the right to remove local executives [or other local officials] without judicial intervention? Indicator yes, no	No

Source Authors, based on own research (2025)

constituencies and the proportional system, within the limits set by legislation, including the recommended size of constituencies.

In Slovakia, there are legal mechanisms that enforce local autonomy. With the establishment of the Constitution of the Slovak Republic (Act No. 460/1992 Coll.) in 1993, the constitutional foundation of local self-government was strengthened. For example, Article 67(3) in Title Four of the Constitution states, “The State may interfere in the activities of a municipality and a higher territorial unit only in the manner provided by law”. Decisions of local governments can be protected in courts, including the Constitutional Court, and may be challenged by the prosecutor’s office.

Regarding the criterion of the right of lower territorial units to use the legal system against higher territorial units (*de jure* and *de facto*), it should be noted that since the establishment of local governments in 1990 by Act No. 369/1990, Coll., the Act on Municipal Establishment, direct supervision by state institutions or public administration has been minimal. Administrative supervision is primarily concerned with ensuring compliance with the law and cannot suspend a decision; only a court has that authority.

In Slovakia, decisions made by sub-national institutions are not subject to administrative oversight and do not require approval from a higher level. Local governments have total decision-making freedom. They can, for example, determine their “organisational structure, number of employees, remuneration, delegation of tasks, and subordination issues”.

Higher authorities cannot remove local or other officials in Slovakia. One way to recall a mayor is by involving the municipality’s inhabitants, who can express their dissatisfaction with the mayor’s actions through a local referendum. Organising a petition allows Residents to initiate a local referendum (Act No. 369/1990 Coll., Section 11a, paragraph 1). According to Sect. 11a, the municipal council must call a local referendum on the mayor’s recall if at least 30% of eligible voters sign the petition.

Act No. 180/2014 determines municipal councillors’ election. According to Act No. 180/2014 on the conditions for exercising the right to vote and amending and supplementing certain acts, a municipality resident with permanent residence has the right to vote for municipal self-government bodies Section (Section 163). Residents with permanent residence in the municipality where they are standing for election and who have attained the age of 18 by election day may be elected as a member of a municipal council or district (Section 164). Residents with permanent

residence in the municipality where they are standing for election and who have attained the age of 25 by election day may be elected as mayor of the municipality (Section 165). Local governments have the right to decide on the organisation of local elections, subject to specific principles (e.g. multi-member constituencies, proportional system) and limits set by legislation (e.g. recommended size of electoral districts). They can set the number of councillors according to local/city council decisions within the “ranges” defined in legislation and delimit electoral districts based on the number of councillors. This early post-socialist tradition has not been changed by the new legislation that consolidated electoral rights and rules in Slovakia (Act No. 180/2014). Mayors of municipalities are elected by direct suffrage. Voters cast their votes for individual candidates, and the candidate with the most votes wins. A second round of elections is held if no candidate obtains an absolute majority (over 50%) of the votes. Councillors are elected using a majority system. In smaller municipalities, there is often a single-constituency system where each voter can vote for as many candidates as there are seats. In larger towns, the town may be divided into multiple constituencies (Table 9.9).

At the local and regional government levels, the mandate of municipal councillors is four years.

Table 9.9 Structure and quality of municipal electoral systems

<i>Criteria</i>	<i>Results</i>
How are municipal councillors elected? Indicator—election mode	Direct election, Majority Electoral Systems
For what term are municipal councils elected (years)? Indicator—years of mandate	4
What is the level of citizen participation in municipal elections? Indicator: Low—(“Normal”) voter turnout is below 35% of eligible (registered) voters Average—Voter turnout is between 35 and 60% of eligible (registered) voters High—Voter turnout is over 60% of eligible (registered) voters	Average

Source Authors, based on own research (2025)

The level of citizen participation in municipal elections: The highest voter turnout in local elections was 1990 63.75%. Since then, voter turnout has generally oscillated around 50%, but it is important to clarify that it has not always been precisely around that figure. For example, the turnout in the last municipal election in 2022 was 46.19% (Table 9.10).

In Slovakia, party candidates for municipal council elections, which include regional (self-governing regions) and municipal (local) elections, are generally selected through internal party processes. In the case of an independent candidate, the process is self-nomination. The candidate does not rely on a political party to select or nominate them. Instead, they independently decide to run for office and must meet certain legal requirements, such as gathering a specified number of signatures from voters to qualify for the election.

Act No. 181/2014 Coll. regulates the financing of municipal political campaigns, with Section 6 addressing the financing of independent candidates and Section 7 addressing the financing of candidates from political parties.

The ruling national party in Slovakia does not necessarily have a dominant position in municipal elections. While the national ruling party can have a strong influence due to its resources, visibility, and political power, municipal elections often reflect local dynamics and issues, leading to

Table 9.10 Nature of municipal political party Systems

<i>Criteria</i>	<i>Results</i>
Which subjects can run in municipal elections? Indicator—define who can participate	Political parties and movements, coalitions of political parties, independent candidates, group of independent candidates
How are party candidates for municipal council elections selected? Indicator—selected by party, elected by party, self-nomination, other	Selected by party, self-nomination
Are there established rules for financing municipal political campaigns? Indicator—yes, no	Yes
Does the ruling national party have a dominant position in municipal elections? Indicator—yes, no	No

Source Authors, based on own research (2025)

Table 9.11 Municipal political participation and Accountability

<i>Criteria</i>	<i>Results</i>
Are all council meetings (required to be) open to the public? Indicator—yes, no	Yes
Are municipal records and documents (required to be) available to the public? Indicator—yes, no	Yes
Is the council (required to) engage in an open, participatory planning process? Indicator—yes, no	No
Are alternative participatory mechanisms, such as referendums or participatory budgeting, used? Indicator—yes, partly, no	Partly

Source Authors, based on own research (2025)

different outcomes. During the last municipal elections held in 2022, the ruling party, OĽaNO (Ordinary People and Independent Personalities), won less than 1% of the mayoral seats, while independent candidates won 46.45%, and HLAS—Social Democracy, a newly formed political party, won 9.09% of the mayoral seats.

Act No. 369 Coll. on the municipal system states that the municipal council's deliberations are, in principle, open to the public. However, the council must always declare a deliberation closed to the public if the subject involves information or matters protected under special laws (Table 9.11).

The municipality's obligation to publish information primarily arises from Act No. 211/2000 Coll. on free access to information and on the amendment and supplementation of certain acts (Act on Freedom of Information), as amended.

Slovak legislation does not explicitly grant citizens, civic associations, or non-profit organisations the right to participate in the development of participatory budgeting. However, it also does not exclude the possibility of such cooperation.

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