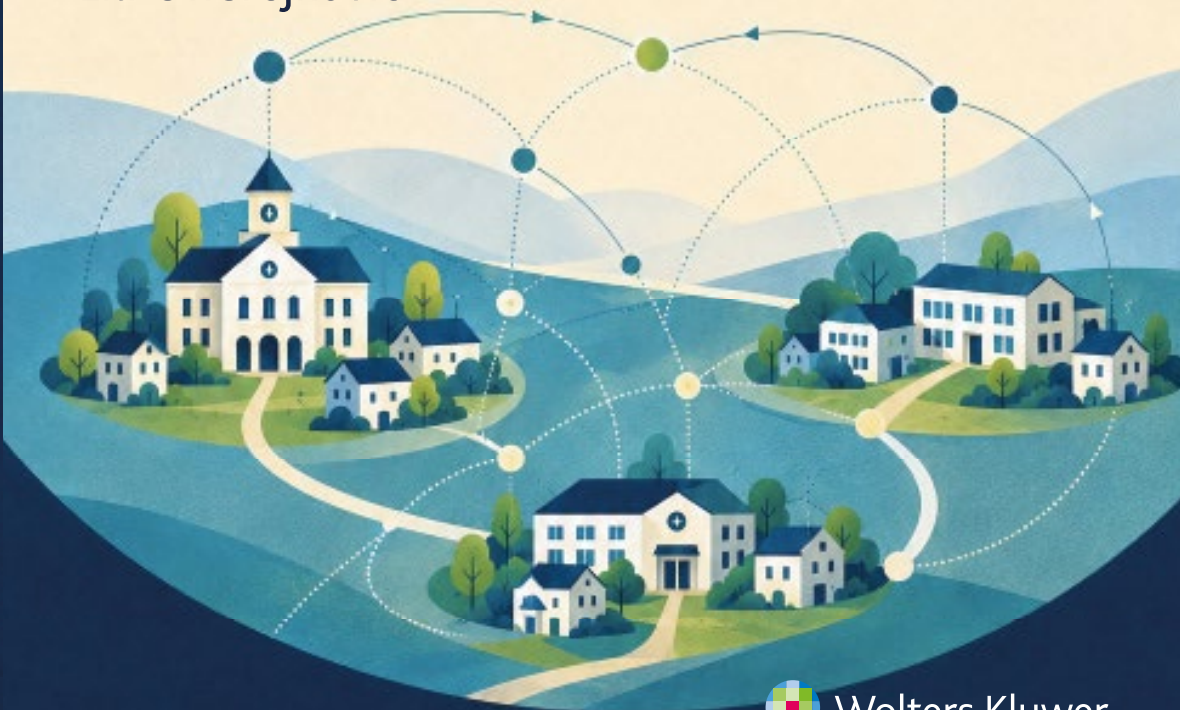


Inter-municipal Cooperation in Public Service Delivery

Beáta Mikušová Meričková
Nikoleta Jakuš Muthová
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Wolters Kluwer

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CONTENS

List of tables and figures	VII
Introduction	1
1. INTER-MUNICIPAL COOPERATION IN THE PUBLIC SECTOR: A THEORETICAL PERSPECTIVE.	5
1.1 Evolution of Public Governance and Public Service Delivery	5
1.2 Alternative public service delivery arrangements	15
1.3 Inter-municipal Cooperation as an Alternative Local Public Service Delivery Arrangement	20
2. THE SCOPE AND BENEFITS OF INTER-MUNICIPAL COOPERATION IN THE SLOVAK REPUBLIC	33
2.1 Sectoral distribution of inter-municipal cooperation	37
2.2 Legal forms of inter-municipal cooperation	44
2.3 Benefits of inter-municipal cooperation	58
3. THE BARRIERS OF INTER-MUNICIPAL COOPERATION IN THE SLOVAK REPUBLIC	76
3.1 Barriers of inter-municipal cooperation	78
3.1.1 Determinants of perceived barriers of inter-municipal cooperation	85
4. RECOMMENDATIONS FOR THE PRACTICE OF INTER-MUNICIPAL COOPERATION IN THE CONDITIONS OF THE SLOVAK REPUBLIC	93
4.1 The model of the inter-municipal cooperation process	100
Conclusion	107
Reference	112

LIST OF TABLES AND FIGURES

Table 1:	Governance reform changes in approaches to public service delivery	16
Table 2:	Approaches to the management of public administration and their principles applied in the delivery of public services.	18
Table 3:	Levels of inter-municipal cooperation	22
Table 4:	Mechanisms of inter-municipal cooperation within the ICA Framework.	25
Table 5:	Research on inter-municipal cooperation in Slovakia.	35
Table 6:	Level of inter-municipal cooperation	37
Table 7:	Block 1: Social Needs Sectors.	39
Table 8:	Block 2: Human Development Sectors.	40
Table 9:	Block 3: Knowledge and Information Sectors	40
Table 10:	Block 4: Technical Infrastructure Sectors	41
Table 11:	Block 5: Private Goods Sectors.	42
Table 12:	Block 6: Existential Security Sectors	42
Table 13:	Legal forms of inter-municipal cooperation	44
Table 14:	Dominant legal forms of inter-municipal cooperation by sector	45
Table 15:	Relationship between legal forms of inter-municipal cooperation and service types (analytical blocks).	50
Table 16:	Determinants of partner choice in inter-municipal cooperation . . .	52
Table 17:	Shared resources	53
Table 18:	Sources of financing	54
Table 19:	Determinants of partner choice in inter-municipal cooperation for inter-municipal cooperation across analytical blocks (% of municipalities within block)	55
Table 20:	Types of shared resources in inter-municipal cooperation (% of municipalities within block)	56
Table 21:	Sources of financing for inter-municipal cooperation (% of municipalities within block)	56
Table 22:	Main patterns of inter-municipal cooperation across analytical blocks	57
Table 23:	Economic benefits of inter-municipal cooperation (N=487).	59
Table 24:	Non-economic benefits of inter-municipal cooperation (N=487).	60
Table 25:	Differences in perceived economic benefits between cooperating and non-cooperating municipalities (Mann–Whitney test).	62

Table 26:	Differences in perceived non-economic benefits between cooperating and non-cooperating municipalities (Mann–Whitney test)	63
Table 27:	Relationship between the number of cooperating municipalities and the perceived benefits of inter-municipal cooperation (Spearman’s correlation)	66
Table 28:	Statistically Significant Mann–Whitney Results Across Blocks. . .	68
Table 29:	Statistically significant Mann–Whitney results by legal form of cooperation	71
Table 30:	Summary of determinants influencing the perception of benefits of inter-municipal cooperation	74
Table 31:	Economic barriers to inter-municipal cooperation to inter-municipal cooperation (N=487)	79
Table 32:	Political and administrative barriers to inter-municipal cooperation (N=487)	80
Table 33:	Legal and institutional barriers to inter-municipal cooperation (N=487)	81
Table 34:	Differences in perceived economic barrier between cooperating and non-cooperating municipalities (Mann–Whitney test).	82
Table 35:	Differences in perceived political and administrative barriers between cooperating and non-cooperating municipalities (Mann–Whitney test).	83
Table 36:	Differences in perceived legal and institutional barriers between cooperating and non-cooperating municipalities (Mann–Whitney test).	84
Table 37:	Relationship between the number of cooperating municipalities and the perceived barriers of inter-municipal cooperation (Spearman’s correlation)	87
Table 38:	Statistically significant Mann–Whitney results by legal form of cooperation	89
Table 39:	Summary of determinants influencing the perception of barriers to inter-municipal cooperation.	91
Table 40:	Recommendations and Expected Benefits of Inter-municipal Cooperation	97
Figure 1:	The evolution of basic approaches to public administration management reform.	6
Figure 2:	Types of mechanisms and transaction costs	27
Figure 3:	Mechanism choice and cooperation risk	28
Figure 4:	The model of the inter-municipal cooperation process.	101

INTRODUCTION

Reform efforts aimed at reducing public expenditure (especially in Western economies) and transforming the centralised system of public service delivery (primarily in transition and newly transformed economies) in order to increase efficiency led to the demonopolisation, decentralisation and deregulation of public service systems (Lacasse, 1992; Péteri & Horváth, 2001; Sclar, 2000; Smith, 1996; Sharma, 2025; Walsh, 1995), as well as to the implementation of new alternative approaches to public service delivery, known as Alternative Service Delivery Arrangements (ASDAs).

While, over the previous three decades, contracting out public sector services, or externalisation, was regarded under certain conditions as an effective method of public service delivery (Bel, Fageda & Warner, 2010; Warner & Hefetz, 2012; Mikušová Meričková & Fanta, 2012; Nemec, 2008), current research in this field points to the risks associated with external service delivery (Bel & Rosell, 2016; Soukopová & Klimovský, 2016; Petersen, Hjelmar & Vrangbæk, 2018; Schoute, Budding & Gradus, 2018; Gradus & Budding, 2018; Albalade, Bel & Reeves, 2019; Clifton, Warner, Gradus & Bel, 2021; Mikušová Meričková et al., 2024). A growing trend is the return to the internalisation of public services, particularly at the local government level, referred to as remunicipalisation.

The coexistence of vertical fiscal imbalance at the local government level and the trend towards remunicipalisation creates space for inter-municipal cooperation as an alternative arrangement for local public service delivery. Inter-municipal cooperation has become a common form of local public service delivery and has long been used particularly in smaller territorial units (Elston, MacCarthaigh & Verhoest, 2018; Teles 2016; Teles & Swianiewicz 2018; Warner, 2006; Warner, Aldag & Kim 2021). Inter-municipal cooperation includes all jointly provided local public services. At the same time, inter-municipal cooperation does not necessarily have to be established only between geographically neighbouring and economically independent municipalities (Grip & Karlsson, 2026).

This scientific monograph addresses the issue of inter-municipal cooperation in the delivery of local public services, which is relevant not only from the perspective of developing the theory of public economics, but also from the perspective of addressing the practical problem of effective public service management.

Although municipalities, as the smallest units of self-government, bring the administration of public affairs closer to citizens, their limited territorial scope and

population size constrain the achievement of economies of scale in public service delivery and, consequently, affect the efficiency of service delivery.

This is also confirmed by Matějová et al. (2017), who argue that small municipalities may stimulate higher levels of citizen participation in the administration of public affairs, but at the same time incur higher direct and indirect costs in public service delivery. In this context, excessive territorial fragmentation and insufficient financial and human resources in very small municipalities reduce the scope and quality of the services provided. For this reason, it is advantageous for small municipalities to enter into partnership arrangements for local public service delivery with other local governments and to establish functional inter-municipal cooperation.

The international literature identifies several advantages of inter-municipal cooperation (Agranoff, 2004; Bel et al., 2013; Raudla & Tavares, 2018; Tavares & Feiock, 2018; Hefetz, Warner & Vigoda-Gadot, 2012). The main advantages include the ability of municipalities to achieve economies of scale (Agranoff, 2004; Bel et al., 2013; Raudla & Tavares, 2018; Tavares & Feiock, 2018), improve the coordination of territorial development processes, and increase service quality (Agranoff & McGuire, 2003; Bel & Warner, 2015). Economies of scale reduce the average costs of public service delivery as the volume of production increases (Hefetz, Warner & Vigoda-Gadot, 2012). De Sousa (2013) identifies improved municipal credit ratings as a secondary benefit of inter-municipal cooperation, which may help attract new external investors or financial resources.

Despite its advantages, inter-municipal cooperation faces several barriers when implemented in the conditions of the Slovak Republic, and its scope remains limited (Bereševská et al., 2020). The barriers to, as well as the incentives for, inter-municipal cooperation in Slovakia are described in the work of Klimovský (2014), which maps various forms of this cooperation and analyses the motivations of Slovak municipalities to participate in different cooperative initiatives. One of the most important findings is that although municipal representatives justify the creation of cooperation agreements by referring to economies of scale, they often enter into cooperation without the necessary analyses, and thus, in practice, the cooperation units created repeatedly fail to provide services efficiently. Representatives of small municipalities often state that cooperation with other municipalities is practically the only way for them to “survive”, since they do not have sufficient capacities to provide the full range of services for which municipalities in Slovakia are responsible.

It is also important to emphasise the instability of the entire system of inter-municipal cooperation, which results from the fact that only voluntary forms of cooperation are used in Slovakia, and these are often dependent on the preferences of the political representatives of the participating municipalities (Franzke, Klimovský & Pinterič, 2016). Another important characteristic of forms of inter-municipal

cooperation in Slovakia is the absence or insufficient development of management structures. Inter-municipal cooperation units are often managed on an ad hoc basis, for example by the mayors of the participating municipalities, who do not devote themselves fully to this role. In cases of failure, such cooperative arrangements often reduce their actual activities, although they continue to exist formally. A typical example is various microregional structures, whose main driving force was the intention to apply for EU funds, while in reality only a small number of microregions were able to do so effectively.

From this perspective, it is very important to understand the factors that influence municipalities when deciding whether to enter into cooperation. According to several authors, these factors can be divided into three groups: economic factors, such as economies of scale and the economic strength of the municipality (Bel & Warner, 2015); political-administrative factors, such as the political orientation of municipal leadership and the level of administrative management (Lowery, 2000); and institutional-legislative factors, such as the existence of a legislative framework and institutional support at the national level (Warner & Hefetz, 2002).

These factors influence the transaction costs of inter-municipal cooperation, that is, the costs associated with its establishment and management. They also affect the risk that cooperation will fail. The theoretical concept of the institutional framework of collective action (ICA) works with transaction costs and the risks of cooperation among economic actors (Feiock, 2007). The use of the ICA concept makes it possible to understand the problems of inter-municipal cooperation and to identify mechanisms for overcoming them (Feiock, 2013; Tavares & Feiock, 2017; Kim, 2020). For this reason, we implemented it into the theoretical framework of our research and applied it to the study of inter-municipal cooperation in the conditions of Slovak municipalities.

Our research responds to a gap in the current state of knowledge on inter-municipal cooperation in the national context, where there is still no sufficient explanation of why this instrument, despite its strong theoretical potential to increase efficiency in public service delivery, often fails in practice to achieve the expected results. Viewing inter-municipal cooperation through the lens of the Institutional Collective Action (ICA) framework, in which transaction costs and cooperation risks shaped by political-administrative, economic, and institutional-legislative factors influence municipalities' decisions to cooperate, led us to formulate the following research aim: The objective of the monograph is to contribute, through the conclusions of the authors' own primary research, to the development of the theoretical microeconomic concept of inter-municipal cooperation as a mode of local public service delivery in the context of a fragmented system of public administration, and to offer possible solutions for the management of inter-municipal cooperation in the Slovak Republic.

To fulfil the objective of the monograph, the following partial steps were carried out:

1. define inter-municipal cooperation in the delivery of local public services and its factors from the perspective of the current state of knowledge in the international context.
2. confront this theoretical perspective with the results of our own empirical research conducted in the Slovak Republic.
3. draw conclusions regarding the validity of the theoretical assumptions in practice, under the specific conditions of the Slovak Republic, and propose possible solutions for the practical management of inter-municipal cooperation.

Each of these three components of the objective is elaborated in separate parts, or chapters, of the monograph. Through primary research based on an original and innovative research methodology, the monograph answers the following research questions:

Research question no. 1: Why should inter-municipal cooperation lead to increased efficiency? – *Inter-municipal cooperation: a theoretical perspective* (Chapter 1).

Research question no. 2: What is the potential of inter-municipal cooperation in the conditions of the Slovak Republic? – *The scope and benefits of inter-municipal cooperation in the Slovak republic* (Chapter 2).

Research question no. 3: Why is the potential of inter-municipal cooperation in the conditions of the Slovak Republic underused? – *The barriers of inter-municipal cooperation in the Slovak republic* (Chapter 3).

Chapter 4 formulates recommendations for the practice of managing inter-municipal cooperation, based on the identified theoretical and empirical foundations. The recommendations are intended for both the national and local levels of governance and reflect the need to create supportive conditions for the effective, stable, and sustainable functioning of inter-municipal cooperation.

1. INTER-MUNICIPAL COOPERATION IN THE PUBLIC SECTOR: A THEORETICAL PERSPECTIVE

The nature of public administration has evolved over the past century and has undergone numerous changes. These changes reflect, among other things, a fundamental reconsideration of the functioning of the public sector as a provider of public services, as well as a reassessment of the relationship between the public, private, and third sectors and the evolving role of citizens in public service delivery processes.

In recent decades, the relationship between the public, private, and third sectors in public service delivery has shifted from command and control, dominant until the 1970s, to competition from the 1970s to the 1980s, and subsequently to partnership at the turn of the twentieth and twenty-first centuries. This evolution enabled the emergence of new, alternative approaches to public service delivery. The main objective of these changes was to increase the efficiency of public service delivery by reducing bureaucratic constraints and improving the efficiency of service production through a citizen-centred approach.

This chapter outlines the genesis of public administration reform, focusing on changes in approaches to public service delivery that created the preconditions for the emergence of inter-municipal cooperation as one of the alternative arrangements for local public service delivery. It also discusses the theoretical foundations of inter-municipal cooperation in the field of local public service delivery.

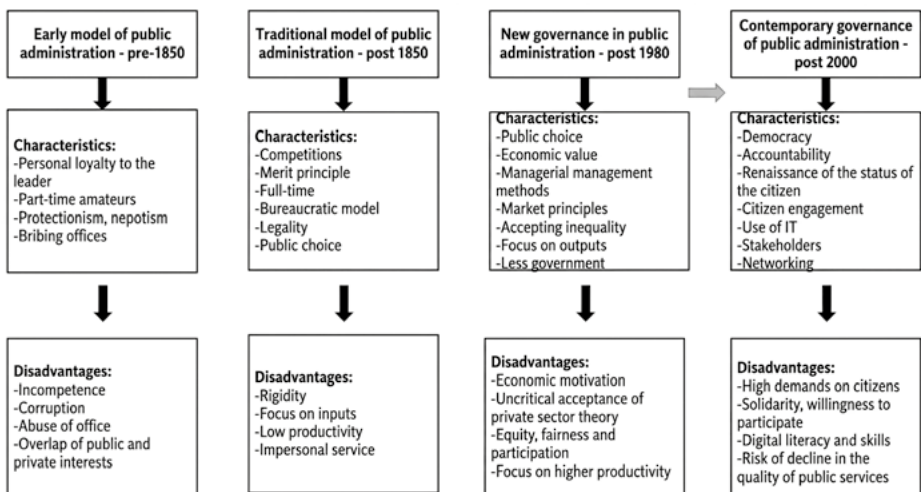
1.1 Evolution of Public Governance and Public Service Delivery

A broad range of authors have examined the issue of public governance reform (Denhardt, 2000, 2008; Drechsler, 2005; Klimovský, 2010; Nemec, 2008; Nunvářová, 2014; Průša & Půček, 2011; Osborne, 2002, 2010; Pollitt & Bouckaert, 2004, 2011, 2017; Anttiroiko & Valkama, 2016; Longo, 2011). On the basis of their work, several distinct approaches to public governance reform can be identified, of which the following are particularly prominent:

- Old Public Administration and New Public Administration – a bureaucratically oriented form of management grounded in formalised rules and a clearly defined hierarchy of authority. Public administration is predominantly input-oriented.
- New Public Management – a management-oriented model of governance drawing on market principles. Public administration is primarily output-oriented.
- Good Governance and New Public Service – an approach that builds on the positive elements of New Public Management while addressing its limitations through the application of citizen participation principles. Public administration is mainly oriented towards citizens as active participants in the system.
- E-Governance – a form of governance characterised by a strong emphasis on the democratisation of public administration and enhanced citizen participation through the use of information and communication technologies.

Figure 1 provides an overview of the key principles and potential limitations of different approaches to public governance reform.

Figure 1: The evolution of basic approaches to public administration management reform



Source: Adapted from Linhartová (2017).

The deficiencies of bureaucratic management and shortcomings in the functioning of public administration have prompted governments in developed democratic countries to seek ways to eliminate or at least mitigate the problems associated with bureaucratic governance and to explore possibilities for reform.

Governance reforms have substantially influenced the delivery of public services through processes such as deregulation, decentralisation, demonopolisation, and

the increased involvement of private and third-sector capacities, accompanied by a growing emphasis on citizen participation in governance.

Approaches to public administration reform have differed across countries. Nevertheless, according to Nemec (2000), three principal reform orientations can be identified up to the year 2000:

1. **Reform while maintaining the traditional public administration system** (e.g. France).
2. **Moderate managerial reform**, involving the limited application of market instruments, as illustrated by reform initiatives implemented in the Netherlands.
3. **Managerial reform in the spirit of New Public Management (NPM)**, relying primarily on the introduction of market mechanisms into the public sector. This approach was most fully implemented in public administration reforms in New Zealand and Australia (Nemec, 2000, p. 91).

Governance, or good governance, as the dominant direction of public governance reform after 2000, is founded on the principles of citizen participation, with the objective of making public administration not only more efficient but also more democratic (Kisner & Vigoda-Gadot, 2017; Pollitt & Bouckaert, 2017). In the following text, we will take a closer look at the individual approaches to public administration reform.

New Public Management

In the context of public administration reform, the emergence of the concept of New Public Management (NPM) represents one of the most significant shifts in the field of public service delivery. In a broader sense, NPM can be understood as a new approach to managing public administration organisations. As a service-oriented model of public sector management, NPM became a dominant slogan and instrument of governance in the 1990s, aiming to increase efficiency and quality in the public sector, ensure effective public service delivery, and preserve social guarantees for citizens. Its roots, however, can be traced back to an earlier period, with the United States often regarded as the cradle of its development.

The emergence of NPM was preceded in the 1970s by a wave of public procurement of goods and services from private-sector organisations. At that time, the public sector lacked systematic management of contractual relationships between the public and private sectors, which led to numerous failures. These shortcomings, combined with the rapid expansion of public procurement not only of goods but also of ongoing public services, created pressure for changes in public management. This shift culminated in the development of NPM, which drew on the principles of public service reorganisation formulated by Osborne and Gaebler (1993, p. 387) in *Reinventing Government*.

According to Osborne and Gaebler (1993, p. 387), public administration should:

1. manage rather than command,
2. enable communities to solve their own problems instead of merely providing services,
3. promote competition rather than monopolistic environments,
4. be governed through clearly defined objectives,
5. focus on results rather than costs,
6. respond to citizens as clients rather than to bureaucratic demands,
7. concentrate on generating financial resources rather than merely spending them,
8. emphasise prevention rather than crisis management,
9. decentralise authority, and
10. prioritise problem-solving through private-sector capacity and market principles over traditional public programmes.

The NPM approach promotes the use of organisational and structural instruments that support the decentralisation of management, decision-making, and control processes, together with deregulation, demonopolisation, and the involvement of private-sector capacities in public service delivery (Alonso, Clifton & Díaz-Fuentes, 2013). Such instruments include, for example, the development of various alternative mechanisms of public service delivery and the expansion of opportunities for different forms of public-private partnerships (PPPs). As Lane (2000, p. 3) states: “New Public Management expresses the application of private-sector methods and techniques to public service delivery.”

The extent to which NPM has been implemented within public management reforms varies considerably across countries. These differences reflect not only distinct historical traditions of public administration, but also concerns about the potential risks associated with introducing competitive mechanisms into the public sector. While countries such as Australia and New Zealand actively embraced NPM principles, more traditional administrative systems, such as the French system, adopted a considerably more cautious approach.

The introduction of private-sector management and decision-making techniques into the public sector has been examined in detail by numerous authors, including Osborne, Pollitt, Hood, Aucoin, Jackson, Bouckaert, Lane, Walsh, De Vries, Dimeski, Greve, Reiter, and Klenk. Their analyses show that although the application of private-sector management tools may bring substantial benefits in terms of efficiency and service quality, it is also associated with significant risks. As a result, NPM cannot be regarded as a universal remedy for all the challenges facing the public sector (Alonso, Clifton & Díaz-Fuentes, 2013; De Vries, 2010; Reiter & Klenk, 2018).

- In general, according to several authors – Mierlo and Verheijen (1997, pp. 30–45) and Nemec (2000, pp. 91–92) – the characteristic features of NPM include:

- a shift from policy-making towards management, grounded in economic cost–benefit analysis, whereby public officials are expected to be aware of the costs of their actions, ideally prior to decision-making, combined with the delegation of executive powers;
- a transition from hierarchical (pyramidal) organisational structures to staff-based arrangements, in which autonomous organisations establish contractual working relationships with the relevant ministries;
- a move from traditional planning towards strategic management activities;
- a shift from process-oriented administration to results-oriented administration, with an emphasis on performance indicators, clearly defined outputs and outcomes, and quality improvement;
- a transition from the uniform delivery of public services to their individualisation, whereby the citizen is replaced by the client and the service production process may be fragmented, with individual stages carried out by private-sector actors;
- increased pressure to reduce costs while maintaining, or where appropriate enhancing, the quality and quantity of outputs, in accordance with the principle of “value for money”;
- a shift from asset ownership to asset management, including the adoption of business accounting practices and privatisation where private-sector delivery proves more efficient;
- the introduction of controlling mechanisms, through which various forms of public scrutiny periodically evaluate the activities of public administration, assess their impacts, and propose improvements where necessary.

From these core characteristics of NPM, its main objectives can again be derived:

- orientation towards the effects and outcomes of public services,
- orientation towards the citizen as a client,
- cost-efficiency orientation,
- outcome orientation with respect to public service outputs.

Overall, NPM represents a managerial approach to public administration reform that is oriented towards citizens or clients and places increased emphasis on the accountability of public administration for the results of its activities.

Incremental Public Administration Reform and the Moderate Managerialism Model

The gradual reform of public administration is grounded in the traditional model of public administration. According to this model, public administration and private management are regarded as fundamentally distinct spheres of activity (Coobes & Verheijen, 1994, pp. 4–6).

The gradual or incremental approach to public administration reform is typically applied in countries with a long-standing historical tradition of a centralised state, such as France. Reform measures within this approach aim at the gradual transformation of the monopolistic administrative apparatus, particularly with respect to its hierarchical structure and high level of coordination. Unilateralism and uniformity in central government decision-making are progressively reduced, while the decision-making autonomy of local state administration and local self-government is expanded (Rhodes, 2016).

Despite certain positive reform outcomes—such as the development of managerial skills among public administration employees and improvements in both internal and external communication—reforms implemented in a top-down manner remain strongly influenced by traditions of central command. This limits the scope for voluntary cooperation among public administration actors in the reform process. Several authors also identify incoherence and rigidity of reform measures as additional weaknesses of this approach. Administrative systems based on the classical model of public administration are generally criticised for their inefficiency, ineffectiveness, lack of transparency, and limited democratic oversight, resulting from an overemphasis on hierarchical control (Gualmini, 2008).

Conversely, a key positive feature of the classical model of public administration—and a factor that may positively affect its applicability in transition countries—is the high level of job stability and strong protection of civil servants from political interference. This characteristic represents a significant advantage in the context of the politically and economically volatile environments typical of such countries.

The economic and political transformations implemented in transition countries following the collapse of the socialist system substantially disrupted public administration systems that had previously operated in accordance with the classical model. Consequently, directing reform efforts back towards this model would, in practice, require the initial restoration of a public administration system functioning along classical lines.

In this sense, the strategy of moderate managerialism represents a middle path between radical reform strategies associated with NPM and incremental or gradual reform approaches (Greve, 2012). Moderate managerialism does not entirely reject the classical model of public administration; however, it questions its applicability to certain segments of the public sector.

This approach to public administration reform is characteristic of countries where strong political pressure exists to maintain or expand the role of the state in the economy. Such pressure is closely linked to the historical and cultural development of social guarantees and to politicians' efforts to preserve electoral support, as observed, for example, in Ireland and the Netherlands. High levels of political control tend to obstruct radical NPM-type reforms, leading instead to the implementation of gradual changes within the public administration system.

A key reform initiative within this approach is the introduction of strategic management techniques into the decision-making and management processes of public institutions. Unlike the incremental reform approach, which largely rejects the transfer of private-sector management techniques to the public sector, moderate managerialism seeks to apply such techniques selectively in specific areas of public administration (Gualmini, 2008; Rhodes, 2016).

Moderate managerialism thus combines elements of the classical model of public administration with managerial principles. While managerial tools are introduced in areas related to decision-making and management, the traditional structure of public administration is largely preserved. Reform efforts typically focus on reducing the size of public administration and improving coordination mechanisms. Other distinguishing features of this approach include the decentralisation of competences and attempts to strengthen public accountability of civil servants, which is relatively weak under the traditional hierarchical control model. Despite ongoing reforms, moderate managerialism aims to retain the core strengths of the classical model of public administration, particularly job stability and protection of civil servants from political influence (Hogan & Howlett, 2015).

The above-described approach to public administration reform may be acceptable for transition and newly transformed countries, including Slovakia, only if adequate safeguards against the politicisation of the civil service are ensured. In most such countries, however, the legislative and institutional conditions required to provide this level of protection remain insufficient.

A particularly positive aspect of moderate managerialism as an approach to public administration reform – one that Slovakia should seek to incorporate into its reform agenda – is its emphasis on strengthening public oversight of compliance with defined quality standards in public service delivery, combined with efforts to enhance the efficiency of service delivery.

Governance

Another approach to public administration reform, referred to as Governance, addresses several limitations of the NPM approach, which is primarily grounded in market principles and managerialism. The concept of governance is relatively difficult to translate into Slovak; nevertheless, the most frequently used equivalents are good governance or good administration, both of which are associated with broader modes of management and steering (Hughes, 2010). The central motivation of governance as an approach to public administration reform lies in emphasising citizen orientation, understood as recognising citizens as active elements of the public administration system and strengthening their participation in governance processes. Bringing public administration closer to citizens is commonly associated with the notion of good governance (Drechsler, 2005; Osborne, 2010; Klimovský, 2010; Dimeski, 2019), with a strong emphasis on democratic principles and citizen

involvement in decision-making related to public affairs. This orientation is also reflected in the OECD (1999) European Principles for Public Administration, which promote adherence to democratic values, ethical standards, and respect for the rule of law by public sector employees as key conditions for enhancing the efficiency, effectiveness, and transparency of public administration.

In response to the limitations of the purely managerial orientation of NPM, the term New Public Governance (NPG) has also been introduced in the literature as a concept closely related to good governance (Osborne, 2010; Dimeski, 2019). NPG seeks to address the weaknesses of NPM in public policy-making processes, while simultaneously building on the positive experiences associated with this managerial approach in the practical implementation of public policies. While efficiency and the quality of public performance remain important objectives, they are complemented by additional principles such as transparency and citizen participation, which should be respected in the functioning of public administration (Pollitt & Bouckaert, 2011; Bumgarner & Newswander, 2012). According to Osborne (2010), NPG provides a more appropriate response to contemporary challenges related to public policy formulation, implementation, and evaluation—areas that the purely managerial approach of NPM has not sufficiently addressed, particularly due to its strong focus on the internal management processes of public organisations (Hughes, 2010), which are heavily influenced by private-sector management principles.

Argyriades (2003, p. 525) captures this critique succinctly: “Finance and economics have completely eclipsed political science, philosophy, law in the theory and practice of public administration. The cult of flexibility and of putting results before process, promoted by NPM, has produced negative results. Public spirit, compassion and tolerance, equality, solidarity and shared responsibility (note: as certain traditional values of public administration) have no place in this new ‘value’ system, in a system where ‘freedom’ and ‘democracy’ exist side by side with social Darwinism.”

One explanation for these shortcomings of NPM lies in its frequent reliance on the principle of apoliticism, according to which the governance of public institutions and the public sector should be politically neutral (Gregory, 2007). Rouban et al. (1999) further argue that NPM conceptualises citizens primarily in economic terms as taxpayers, thereby neglecting the social and political dimensions of citizenship. Within the NPM framework, citizens are placed in an overly narrow role as consumers, and the price of public services becomes linked to purchasing power. However, unlike market relationships—where buyers and sellers can freely choose one another—access to services provided by the state is fundamentally based on rights and needs rather than on market exchange mechanisms (Argyriades, 2003).

According to Taylor (2002), NPM-style marketisation in the United Kingdom has contributed to the deepening of social exclusion. In line with NPM principles, citizens were primarily perceived as service users, while their role as members

of communities—capable of influencing quality of life and participating in the content and delivery of public policy—was undervalued (Bovaird & Löffler, 2003; Reiter & Klenk, 2018). Building on this critique, the governance approach calls for a renaissance of citizenship and democratic governance in the public sector, emphasising greater citizen involvement in the management of public sector institutions and the development of interactive solutions to social problems through cooperation among the public, private, and third sectors (Kooiman, 1999, in Hughes, 2000; Bumgarner and Newswander, 2012).

Experience with public administration reform in developed OECD countries is highly ambivalent. Although new methods of public service delivery have created opportunities to improve the efficiency of delivery, they have also brought certain risks. A recurring challenge in the reform process remains the formulation of clear missions and objectives, on which the content, implementation, and outcomes of reform measures largely depend.

In cases where bureaucracy is identified as the primary source of inefficiency in public administration, reform efforts usually focus on limiting its monopolistic role in the production of public services. In OECD countries, various strategies have been applied in recent decades to achieve this objective.

One such strategy involved strengthening political control over bureaucracy, as observed in the Netherlands within the structures of moderate managerialism. In practice, however, this approach often led to further consolidation of bureaucratic power, since bureaucratic dominance cannot be effectively limited solely through bureaucratic instruments.

A strategy based on introducing market mechanisms and managerial methods inspired by NPM into the public sector was implemented mainly in the United Kingdom and New Zealand. The main policy objective was to increase the efficiency of public administration, thereby creating political support for the adoption of NPM techniques. These reforms led to organisational changes within public administration, including the establishment of more performance-oriented units in New Zealand and agencies in the United Kingdom. The intention was to eliminate conflicting institutional roles and increase transparency in decision-making and management processes. At the same time, the protection of public employees from political influence was strengthened. Financial management shifted from traditional budget-based systems to business-type accounting in order to improve the economy of public expenditure. Reforms of control systems probably produced some of the most positive outcomes, particularly by increasing the efficiency and effectiveness of feedback mechanisms in public administration.

Another challenge in public administration reform in OECD countries relates to the technical design of reform programmes, which often fails to ensure continuity between partial objectives and a clear link between objectives and the instruments used to achieve them. Problems also arise during implementation, often due to

the absence of indicators for evaluating reform success, insufficient feedback mechanisms, and limited orientation towards citizens as active participants in the public administration system.

One proposed solution is offered by the theory of self-governance of public institutions, which seeks to create conditions for achieving economic performance in public sector organisations (Gallouj, 2002; Blazevic & Lievens, 2004; Magnusson et al., 2003). This approach emphasises the role of citizens not only as consumers of public services, but also as co-creators of service content, that is, co-creation (Gruner & Homburg, 2000; Alam, 2006), and as active participants in service delivery processes, that is, co-production (Gallouj, 2002; Blazevic & Lievens, 2004; Magnusson et al., 2003).

Despite the difficulties encountered in implementing public administration reform in developed countries, these experiences have provided valuable lessons, particularly for post-communist countries of Central and Eastern Europe undergoing similar reform processes. Although reform concepts in these countries often resemble those of Western democracies at the declaratory level, reform trajectories remain heterogeneous. Although they share common principles derived from the European Administrative Space – such as reliability and predictability, accountability, participation, economy, efficiency, consistency, and professionalism (Špaček, 2016) – the practical application of these principles varies considerably across countries.

A key difference between public administration reforms in post-communist countries and those in developed democracies lies in the fact that reforms in Central and Eastern Europe were undertaken without the full completion of political democratisation processes and without the establishment of stable legislative, economic, and organisational frameworks necessary for the implementation of efficiency-oriented management (Bouckaert, 2008; Kisner & Vigoda-Gadot, 2017; Pollitt & Bouckaert, 2004, 2011, 2017).

In the initial phase of reform implementation after the collapse of totalitarian regimes, democratisation and the restoration and development of democratic instruments were dominant themes. The decentralisation of decision-making in public administration management and, above all, the strengthening of local self-government as a specific expression of democracy became central objectives of political and administrative reform in Central and Eastern European countries after 1990. One of the main outcomes of these reforms was the abolition of the central government's monopoly over decision-making in matters directly related to local development. Decentralisation itself, however, does not automatically ensure higher-quality public administration. Until recently, the prevailing view was that local self-government remained a relatively new phenomenon in Central and Eastern European countries and that citizens needed time to learn how to participate effectively in governance processes (Špaček, 2016).

Unfortunately, public administration reform processes in post-communist countries of Central and Eastern Europe did not bring substantial improvements in this area. Human resource management reform in public administration was not a political priority in any country of the region (Randma, 2003; Nemec, 2008). Similarly, in the area of public financial management, Nemec (1997, 2008) notes that many elements inherited from the previous regime continue to persist, including incremental and short-term budgeting, gross budgeting, subjective and non-transparent resource allocation, and an emphasis on compliance and output control rather than outcome control. This situation significantly slowed the overall reform process and led financial managers in public organisations to adopt the so-called “classical budgeting strategy”: requesting more resources than needed in anticipation of budget cuts, fully spending allocated resources by the end of the budget period if carry-over is not permitted, and lobbying for additional funding throughout the budget cycle.

The failure to achieve reform objectives in the areas of personnel and financial management in Central and Eastern European countries can largely be attributed to the legalistic mode of reform implementation. Reform was primarily conceived as legislative change, with insufficient attention paid to the political, economic, and organisational conditions that shape the practical application of modern public administration principles (Dunn, Staroňová & Pushkarev, 2006). Moreover, reforms in post-communist countries were usually implemented through a top-down approach, unlike in Western democracies, where reform processes were generally preceded by broader societal acceptance. Many reform measures in Central and Eastern European countries also had an experimental character, and their outcomes were further affected by high levels of corruption.

These experiences suggest that none of the above-mentioned approaches to public administration reform – maintaining the traditional system of public administration, moderate managerial reform, New Public Management, or Good Governance – can be automatically applied to the Slovak context without taking into account specific political, economic, and social circumstances. However, an indisputable fact remains that reform processes in public administration have significantly changed, and continue to change, the conditions for public service delivery and have created space for the development of alternative approaches to public service delivery.

1.2 Alternative public service delivery arrangements

The relationship between the public, private, and third sectors has undergone substantial transformation in the context of public administration reforms, particularly

from the end of the last century to the present. Since neither a bureaucratic system based on a managerial relationship between the public and private sectors nor a system founded on purely competitive relationships among sectors has proven successful in effective public service delivery (Bouckaert & Pollitt, 2000; Lane, 2000; Donahue, 1989; Green, 2002; Hefetz & Warner, 2004), NPM and partnership-based arrangements involving the public sector, the private sector, including non-profit organisations, and citizens actively participating in public service delivery have emerged as a dominant trend (Andersen, Spejlkavik & Henriksen, 2008; Sørensen, 2014).

Changes in governance approaches to public service delivery in advanced economies are reflected in Table 1.

Table 1: Governance reform changes in approaches to public service delivery

Period	The relationship between the public and private sectors	Features of a public service system
until the 1970s	command and control	Centralisation Monopolisation Regulation Process-oriented management Uniform service delivery Traditional approaches to public service delivery - internal forms
1970s to 1980s	competitive	Decentralisation Demonopolisation Performance-oriented management Individualisation in service delivery The emergence of new modern, so-called alternative approaches to public service delivery
turn of the 20th and 21st centuries	partner	Decentralisation Demonopolisation Deregulation Effects-oriented management Individualisation in service delivery Developing alternative approaches to public service delivery in the form of public, private, third sector partnerships Citizen participation in the process of co-creation and co-production

Source: Author's own.

Reform efforts aimed at reducing public expenditure—particularly in Western economies—and at transforming centralised public service systems—especially in transition and newly transformed economies—in order to increase efficiency have led to the demonopolisation, decentralisation, and deregulation of public service systems (Lacasse, 1992; Péteri & Horváth, 2001; Sclar, 2000; Smith, 1996; Walsh, 1995). These processes have been accompanied by the introduction of **Alternative Service Delivery Arrangements (ASDAs)** as various forms of public–private partnerships within the public sector (Digler et al., 1997; Donahue, 1989; Green, 2002; Hefetz & Warner, 2004; Hirsch, 1991; Miranda & Andersen, 1994; Andersen, Spejlkavik & Henriksen, 2008; Sørensen, 2014).

According to Osborne (2002), **New Public Governance (NPG)** responds to the evolving demands of public service delivery in the 21st century by taking into account:

- the socio-political level of existing institutional relationships within society,
- the degree of cooperation among public policy actors,
- the structural arrangements of public administration,
- mechanisms of external public service delivery,
- and the existing level of cooperation among public organisations.

Osborne grounds these requirements in a *plural and pluralist* theoretical perspective, which emphasises partnerships among the public, private, and non-profit sectors in the delivery of public services.

Moore and Hartley (2010) argue that a number of governance innovations and mechanisms currently applied in public service delivery practice clearly indicate that the traditional boundaries of public organisations are being eroded (Shi & He, 2025). These developments give rise to production systems based on partnerships that draw on new sources of funding, materials, and human resources, while simultaneously redistributing authority over defining and assessing the value of produced outputs.

The public management approaches and principles discussed in the preceding sections are reflected in models of public service delivery, as identified by several authors (Burns & Stalker, 2001; Considine, 1999). These models are summarised in Table 2.

Table 2: Approaches to the management of public administration and their principles applied in the delivery of public services

	Bureaucratic approach	New Public Management	New Public Governance
Primary theoretical foundations	Political theory	Economic theory	Democratic theory
Rationality prevails, related models of human behaviour	Political rationality, 'administrative man'	Economic rationality 'economic man', own interests	Strategic rationality, multi-rationality (political, economic, organisational)
Public interest	Politically defined and legally expressed	Expressed by the grouping of individual interests	Result of shared values dialogue
To whom are civil servants accountable?	Client and voter	Client	Citizen
Role of government	Command (designing and implementing a policy aimed at a single politically defined objective)	Manage and behave as a catalyst for market power	To serve - to help (to negotiate interests between citizens and community groups, to create shared values)
Mechanisms for achieving objectives	Through government organisations	Through private non-governmental organisations	Forming coalitions of public, nongovernmental, and private agencies to meet shared needs
Approach to accountability	Hierarchical - administrators answer to democratically elected political leaders	Market-driven-accumulation of individual interests with outcomes for a broad group of clients	A multifaceted public servant accountable to the law, community values, political norms, standards, and citizen interests
Powers of officials	Limited powers	Broad, to fulfill business objectives	Powers limited and accountable
Anticipated organisational structure	Bureaucratic organisation marked by top-down management	Decentralised public institutions	Collaborative structure, external and internal cooperation
Anticipated incentive base for civil servants/ providers	Salary, benefits	Entrepreneurial spirit, ideology of reducing government	Public service, desire to contribute to society

Source: Adapted from Linhartová (2017).

These developments have given rise to several fundamental questions:

1. Does a given service belong in the public sector at all, or should it instead be provided on the basis of individual responsibility?
2. If the service is a public one, what is the most appropriate method of financing it?
3. If public funding is required, what form of production is most suitable?

Before the implementation of major reforms in the functioning of the public sector at the end of the last century, it was generally assumed that the state would both finance and directly provide public services. Practical experience, however, showed that this model entails a considerable risk of inefficiency (Hodge, 2000; Sclar, 2000; Brudney et al., 2005; Sørensen, 2014). The fact that the state is responsible for ensuring public service delivery does not necessarily mean that it must also directly produce and finance these services (Savas, 1987, p. 35).

The separation of the legal obligation to ensure service delivery from service production and financing creates space for alternative approaches to public service delivery. The most commonly applied alternative approach to public service delivery, particularly at the local level, is contracting out. It is based on the separation of responsibility for public service delivery from service production, whereby public authorities retain responsibility for the availability, scope, and quality of services, while actual production is delegated to external actors. The rationale behind contracting out was primarily based on expectations of increased efficiency, cost reduction, and access to specialised capacities. However, the effectiveness of this arrangement is strongly conditioned by the nature of the service, the measurability of outputs, transaction costs, and the ability of public authorities to manage contractual relationships and ensure accountability.

While, over the previous three decades, contracting out and externalisation were, under certain conditions, perceived as effective ways of ensuring public service delivery (Bel, Fageda and Warner, 2010; Warner and Hefetz, 2012; Mikušová Meričková and Fanta, 2012; Nemec, 2012), current research increasingly emphasises the risks associated with this form of service delivery (Bel & Rosell, 2016; Soukopová & Klimovský, 2016; Petersen, Hjelmar & Vrangbæk, 2018; Schoute, Budding & Gradus, 2018; Gradus & Budding, 2018; Albalade, Bel & Reeves, 2019; Clifton et al., 2021; Mikušová Meričková et al., 2021). While earlier studies documented cost savings associated with private production in certain services (Domberger & Jensen, 1997), more recent findings are mixed and highly context-dependent (Bel & Mur, 2009; Bel et al., 2010; Benito et al., 2021). As a result, several authors have called for renewed attention to public ownership or the reinternalisation of services under municipal competence (Koprić et al., 2017; Kishimoto et al., 2020; Albalade et al., 2021). Closely related to these debates is remunicipalisation, which refers to the return of public service delivery to municipal control after a period of private provision, often motivated by concerns about service quality, accessibility,

pricing, transparency, and the prioritisation of profit over the public interest (Clifton et al., 2021; Cumbers & Beck, 2018; Gradus & Budding, 2018). A frequently cited example is Paris, where, in 2010, the city regained control over water services, thereby increasing transparency and service quality while also ensuring lower prices for residents (Valdovinos, 2012). At the same time, persistent vertical fiscal imbalance limits the capacity of individual local governments to deliver services independently. The interaction of these factors creates a strong rationale for inter-municipal cooperation as an alternative approach to local public service delivery, positioned between market-oriented externalisation and full in-house provision.

1.3 Inter-municipal Cooperation as an Alternative Local Public Service Delivery Arrangement

Inter-municipal cooperation represents a flexible model that enables municipalities to deliver a wide range of local public services more effectively through joint action. Rather than pursuing full territorial amalgamation, municipalities agree to jointly deliver selected services to achieve economies of scale, streamline processes, and strengthen administrative and technical capacities. Under this framework, municipalities retain their legal and political independence while co-managing only those areas where cooperation yields mutual benefits—such as the collection, transport, landfilling, and separation of municipal solid waste, public transport, or water supply systems. In this sense, inter-municipal cooperation can be understood as a form of partial amalgamation, wherein selected competences of several local governments are exercised through a joint institutional arrangement or joint venture. This allows both small and large municipalities to deliver services that would otherwise be too costly or organizationally demanding to provide independently (Elston, Bel & Wang, 2025).

Transaction cost economics (TCE) forms the primary theoretical foundation for extensive research into inter-municipal cooperation (Bel & Warner, 2016; Brown, Potoski, 2003; Ferris & Graddy, 1991; Schoute, Gradus & Budding, 2021; Thurmaier & Wood, 2002). A key contribution of TCE is its ability to link service-specific characteristics with the governance mechanisms local governments choose. Stein (1993) captured this dynamic, noting that “different goods and services are delivered more efficiently and effectively through different service arrangement modes” (p. 66).

For example, Petersen, Hjelmar, and Vrangbæk (2018) argue that the high transaction costs of external contracting can trigger service reinternalization.

Consistent with this, Gradus, Schoute, and Budding (2021) found that transaction costs play a decisive role in determining public service delivery modes in Dutch municipalities. For complex, asset-specific services like municipal waste collection and local road maintenance, the high transaction costs of market contracting often drive remunicipalization through inter-municipal cooperation. By contrast, less specific ancillary services, such as employee catering or information services, are more frequently contracted out to the private sector (Clifton et al., 2021).

The specific impact of transaction costs on the emergence and effectiveness of inter-municipal cooperation remains a central focus of empirical debate. Research by Brown (2008), Hefetz, Warner, and Vigoda-Gadot (2014), and Bel and Warner (2015) suggest that inter-municipal cooperation can mitigate transaction costs more effectively than pure internalisation, primarily due to the shared public objectives of local governments and the ability to distribute overhead across multiple actors. However, this reduction in transaction costs does not automatically translate to lower operational budgets; Bel and Sebő (2021) did not identify a statistically significant relationship between transaction costs and overall cost efficiency, observing a positive effect on service delivery efficiency only in specific, isolated cases.

It is important to emphasise that contracting out and inter-municipal cooperation do not represent mutually exclusive modes of service delivery. In practice, local governments often rely on mixed or hybrid arrangements that combine elements of cooperation among local governments with market-oriented mechanisms of production. In such cases, two or more municipalities may jointly organise service delivery and contract out its production to a private provider, thereby aggregating demand, sharing risks, and strengthening bargaining power, while retaining a certain degree of public control (Warner, Gradus & Bel, 2019). These hybrid arrangements illustrate that inter-municipal cooperation may function not only as an alternative to contracting out, but also as a complementary governance mechanism embedded in a broader portfolio of local service delivery.

In this broader reform context, inter-municipal cooperation can be defined as a relationship based on mutual understanding and partnership (Hulst & Van Montfort, 2007; Koolma, Hulst & Van Montfort, 2017). It has the potential to contribute to territorial development and to improve both the cost-efficiency and quality of local public services (Jetmar, 2015). Smaller municipalities are usually expected to have a stronger tendency towards inter-municipal cooperation due to their limited administrative and personnel capacities, while voluntary cooperation may represent a viable alternative to top-down municipal amalgamation (Hertzog, 2010). Inter-municipal cooperation is further associated with strengthening expertise and increasing efficiency in the performance of both original and delegated competences within local government (Silvestre et al., 2020). At the same time, inter-municipal cooperation arrangements differ substantially across countries in terms of their content and degree of institutionalisation, and can be distinguished

according to the type of cooperation, form of commitment, governance complexity, representation, and institutional setting (Ferreira, Dijkstra, Aniche and Scholten, 2020). Swianiewicz and Teles (2019) distinguish several dimensions of inter-municipal cooperation, which are summarised in table (Table 3).

Table 3: Levels of inter-municipal cooperation

Level	Description
Level of formality	It can be formed through informal agreements between local governments, formal agreements (contractual agreements), or possibly a permanent structure.
Level of coercion	It can be formed by a voluntary initiative stemming from the lowest levels (bottom-up) or a voluntary initiative limited by various kinds of pressures exerted by regional or national governments, in the form of a mandatory network.
Level of expediency	It can be formed through a voluntary initiative starting from the lowest levels (from the bottom up), limited by various kinds of pressure exerted by regional or national governments, in the form of a mandatory network.
Partnership level	It is defined based on the number of partners. According to the general definition, the inter-municipal cooperation must include at least two partners, with no upper limit on the number of partners. It can be a bilateral or multilateral partnership.
Membership level	It focuses on the nature of group members. It may be purely general; it may involve a multi-level membership in which state administration institutions are also involved; or it may have the nature of multi-sector cooperation, which also includes entities from the private sector, structural funds, and similar entities.
Level of cooperation	It is defined according to the area in which cooperation takes place. The level of cooperation may also be differentiated based on whether it focuses on joint service delivery, investment projects, or the representation of common interests.

Source: authors, based on Swianiewicz and Teles, 2019

The analysis of the benefits and barriers to inter-municipal cooperation is therefore essential for understanding when and how cooperation contributes to better local public service delivery. In defining the factors influencing inter-municipal cooperation, several authors distinguish between cost and fiscal factors on the one hand and willingness to cooperate on the other (Bel & Sebő, 2021; Lowery, 2000; Warner & Hefetz, 2002). Feiock (2007) emphasises the importance of service homogeneity, resource availability, and institutional arrangements, while Brown, Potoski and Van Slyke (2016) highlight managerial professionalism and the quality of risk management. Goodman (2015) identifies territorial, financial, personnel, and developmental determinants as key factors shaping cooperation outcomes.

The conceptual framework used in this study builds on the work of Tavares and Feiock (2017), who explain variations in inter-municipal cooperation across Europe through historical, cultural, and institutional differences. They argue that European cooperation tends to be more formal, contract-based, and hierarchical than cooperation observed in the United States, while also being accompanied by greater heterogeneity in preferences. In the context of Central and Eastern Europe, Nemec et al. (2024) advocate a more differentiated analytical approach. In comparing the Czech Republic, Slovakia, and Poland, they describe Slovakia's institutional environment as unfriendly, unstable, and prone to corruption, characterised by formalised, rigid, and non-transparent cooperation regimes and limited cooperative behaviour. Further barriers include an administrative culture of zero tolerance for errors and a low level of trust among actors, which substantially undermine the development and sustainability of inter-municipal cooperation.

A possible theoretical concept for examining the factors of inter-municipal cooperation is provided by the ICA framework, which explains cooperation dilemmas and the mechanisms for overcoming them (Feiock, 2013; Feiock, 2023; Kim, 2020; Tavares & Feiock, 2018; Bel & Warner, 2015). ICA dilemmas arise from fragmented authority and interdependence, where decisions made by one authority affect other actors across jurisdictions or policy areas, creating horizontal, vertical, and functional coordination problems (Feiock, 2013). Since cooperation entails transaction costs, including the costs of information, negotiation, and enforcement, as well as a potential loss of autonomy and external decision-making costs in cases where collective outcomes deviate from an actor's preferred choice (Buchanan & Tullock, 1962; Feiock, 2013), municipalities tend to choose cooperation mechanisms that maximise expected gains relative to these costs. Informal arrangements are therefore more attractive under low-risk conditions, whereas formal contracts or delegated authority become preferred as cooperation risks increase (Feiock, 2013; Cvetković et al., 2016; Terman, Feiock & Youm, 2020; Gopalakrishnan & Sankaranarayanan, 2023). The characteristics of partners are also important, as the tendency to interact with similar actors may reduce power asymmetries and mitigate bargaining problems (Gerber, Henry & Lubell, 2013; Minkoff, 2013).

Feiock (2013) conceptualises the dilemmas of inter-municipal cooperation as a consequence of fragmented authority, where decisions made by one government in one or more functional areas affect other governments or policy domains.

Feiock (2013) identifies three basic types of collective action dilemmas:

- Horizontal dilemmas, which arise among municipalities at the same level when they share common services or infrastructure, such as joint waste management or transport systems.
- Vertical dilemmas, which occur between different levels of public administration, for example between the state and municipalities, when their policies overlap.

- Functional dilemmas, which emerge as a result of linkages between different sectoral policies, such as development, environmental protection, or transport.

To address these dilemmas, municipalities choose cooperation mechanisms with varying degrees of formalisation, ranging from informal networks to institutionalised contractual arrangements. Each mechanism entails different transaction costs, including information costs, bargaining costs, and enforcement costs (Buchanan & Tullock, 1962; Feiock, 2013). Local governments therefore tend to select forms of cooperation that generate the highest net benefits while minimising the risk of cooperation failure (Feiock, 2013; Terman, Feiock & Youm, 2020).

In his model, Feiock (2013) illustrates the relationship between cooperation risk and the costs of coordination mechanisms. Under low-risk conditions, informal network-based forms of cooperation, relying on trust and reputation, are more advantageous (Agranoff & McGuire, 2003; Gerber, Henry & Lubell, 2013). As risk increases, however, municipalities increasingly prefer formal agreements or institutional structures that allow for stronger control and more effective enforcement of commitments.

Trust and homophily among partners, understood as similarity in economic, political, or cultural conditions, also play a decisive role in the choice of cooperation mechanisms. Gerber, Henry and Lubell (2013) show that municipalities with similar characteristics are more likely to cooperate successfully, as such similarity reduces the risk of conflict and improves coordination.

The application of the ICA framework in systems of fragmented local government has been examined by several authors (Nemec, Jakuš Muthová & Mikušová Meričková, 2023; Struk & Bakoš, 2021). Their findings suggest that transaction costs, divergent partner objectives, and limited administrative capacities represent the main barriers to effective inter-municipal cooperation. At the same time, empirical evidence indicates that appropriately designed institutional mechanisms – particularly contractual and institutionalised forms of cooperation – can substantially mitigate these dilemmas and increase the efficiency of public service delivery (Bel & Sebő, 2021; Feiock, 2013). In addition, trust, partnership stability, and transparency in decision-making appear to be key preconditions for successful inter-municipal cooperation. In this sense, trust functions as an informal coordination mechanism capable of substituting for certain formal control structures and reducing transaction costs without compromising efficiency (Nemec, Jakuš Muthová & Mikušová Meričková, 2023; Struk & Bakoš, 2021; Ondřejkovič, 2025).

The success of cooperation depends on the balance between expected benefits and transaction costs (Williamson, 1985; Brown, Potoski, 2003). Transaction costs refer to the costs associated with coordination, negotiation, contract preparation, monitoring, and enforcement of agreements (Tichý, 2005).

Feiock (2013), together with other authors (Andrew & Kendra, 2011; Agranoff & McGuire, 2003), distinguishes different institutional mechanisms according to their level of formality, transaction costs, and the degree of risk associated with ICA dilemmas. The higher the risk, for example in long-term investment projects, the stronger the motivation for municipalities to choose more formal and cost-intensive mechanisms that reduce uncertainty and ensure the enforceability of agreements. Conversely, under lower-risk conditions, informal cooperation mechanisms with lower transaction costs tend to be more effective (Feiock, 2013; Bel & Sebő, 2021) (Table 4).

Table 4: Mechanisms of inter-municipal cooperation within the ICA Framework

Inter-municipal cooperation mechanism	Degree of formality	Transaction costs	ICA dilemma risk
Informal agreement	Low	Low	High
Contract / task agreement	Medium	Medium	Medium
Association of municipalities (legal entity)	High	High	Low
Joint venture / common enterprise	Very high	Very high	Lowest

Source: authors' own elaboration based on Feiock (2013).

A key factor modifying the relationship between risk and transaction costs is trust among cooperating local governments. According to Putnam (1993) and Feiock (2013), trust represents a component of social capital that directly reduces the costs of bargaining, monitoring, and enforcing agreements. When the level of trust is high, municipalities do not need to invest to the same extent in formal control mechanisms, which allows them to adopt simpler and less costly institutional arrangements even under conditions of moderately increased risk (Feiock, 2013; Valach & Cifranič, 2021).

Bel, Fageda and Warner (2009) similarly emphasise the importance of examining the conditions that support or hinder the emergence of inter-municipal cooperation, highlighting the relevance of the ICA framework. Applying the ICA perspective enables a more systematic understanding of cooperation problems and the identification of mechanisms capable of mitigating cooperation risks and transaction costs in local public service delivery (Feiock, 2023; Kim, 2020; Tavares & Feiock, 2018; Aldag, Warner & Bel, 2020).

ICA dilemmas arise in contexts characterised by interdependence and fragmented governance, where individually rational decisions may lead to collectively suboptimal outcomes. Fragmented political responsibility does not automatically generate economies of scale and may instead produce externalities and problems

associated with common-pool resources. If local actors pursue short-term or narrowly defined interests, collective action problems may prevent the realisation of potential joint gains.

Cooperation becomes particularly challenging when local governments attempt to organise activities beyond their territorial boundaries and in coordination with multiple partners. As task complexity and interdependence increase, the risk of coordination failure also rises. Under such conditions, more authoritative or institutionally complex cooperation mechanisms may be required to ensure effective coordination (Andrew & Kendra, 2011; Maser, 1998).

Bel and Sebő (2021) argue that cooperation can reduce the average costs of all participating municipalities by avoiding duplication in costly infrastructure and creating compatible incentives for joint service delivery. Cost savings may also result from the coordination of ongoing activities, which reduces redundancy and enables complementary policy measures. However, achieving economies of scale in municipal services is often complex, especially in sectors involving large, capital-intensive investments. Asset specificity and difficulties in measuring outputs and performance create additional risks for potential partners (Williamson, 1985).

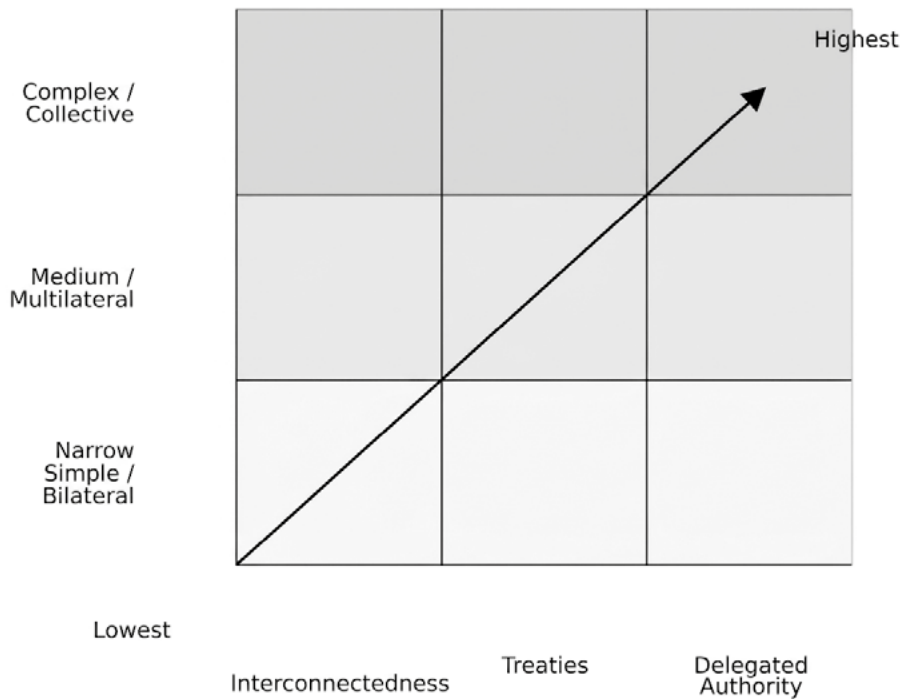
Benefit-sharing problems represent another important dimension of ICA dilemmas. According to Feiock, Steinacker and Park (2009), such problems arise when municipalities agree on general objectives and recognise potential collective gains but face difficulties in distributing benefits and costs in a way perceived as fair. Although all actors may be better off cooperating than acting independently, there are multiple equilibria that differ in how benefits and burdens are allocated. Disagreements over distribution may therefore hinder the formation and stability of agreements, particularly when cooperation is limited to a single policy area and cross-sectoral bargaining is not feasible (Steinacker, 2004; Ugboro, Obeng & Talley, 2001).

Defection risk represents another barrier to cooperation. Unlike coordination or distribution problems, defection risk arises when participants have conflicting interests and it may be rational for an individual actor to withdraw from an agreement, even though cooperation would generate collective benefits. This dynamic resembles the prisoner's dilemma, where opportunistic behaviour undermines cooperation (Brown, Potoski, 2003). Empirical research on these dilemmas shows that trust and credibility are crucial for overcoming defection risks. Where trust is insufficient, more formal or authoritative mechanisms involving third-party enforcement may be necessary to sustain cooperation (Feiock, 2013).

Buchanan and Tullock (1962) conceptualise transaction costs associated with collective action as including the costs of information, bargaining, and enforcement, as well as the loss of autonomy experienced by participating actors. These "external decision-making costs" arise when collective decisions deviate from an actor's preferred outcomes. Transaction costs are lowest when the scope

of cooperation is narrow and enforcement relies on embedded social relationships, and highest when cooperation involves multiple policy areas, multiple actors, and delegated authority (Feiock, 2013) (Figure 2).

Figure 2: Types of mechanisms and transaction costs



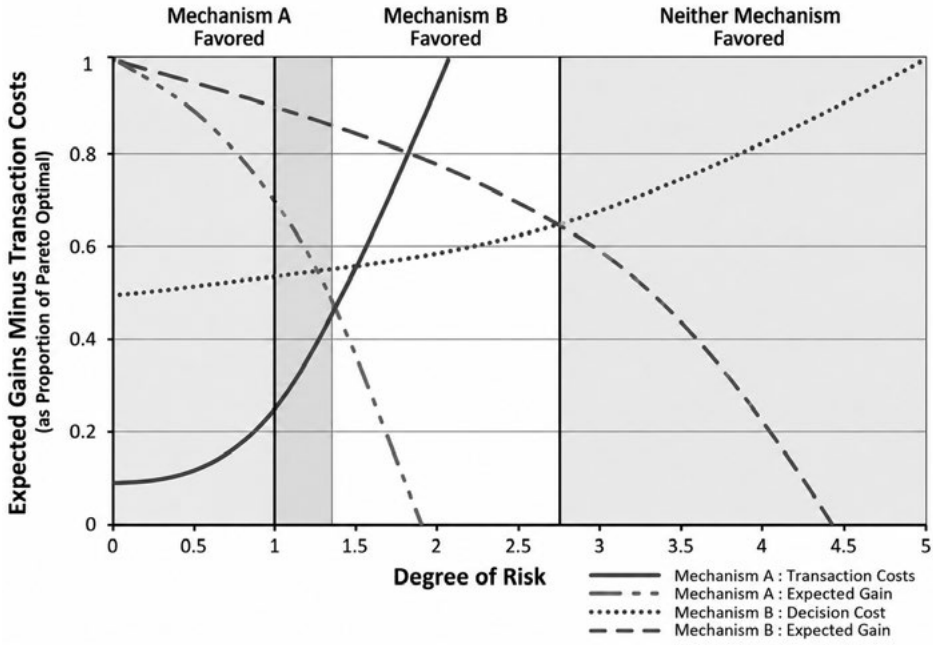
Source: Authors’ own elaboration based on Feiock (2013).

Participants choose the mechanism that provides the highest benefits at the lowest costs. When the risk of ICA dilemmas, or interorganisational cooperation dilemmas, is low, mechanisms with low transaction costs are preferred (Figure 1, lower left corner). Conversely, as the level of risk increases – such as the risk of unsuccessful cooperation, disputes over the allocation of responsibilities or costs, or commitment failure, that is, so-called free riding – mechanisms with higher transaction costs become more advantageous.

Participation is assumed to depend on the net expected benefits of cooperation. These represent the difference between the transaction costs associated with participation and the expected gains resulting from the effective resolution of the dilemma. Costs include the present value of all current and future transaction costs, while benefits represent the present value of all advantages derived from participation. The risk of cooperation within an ICA dilemma reflects the danger of

failed coordination, the inability to agree on cost allocation despite a willingness to cooperate, or the risk that one of the participants will withdraw from the agreement, that is, the so-called free-rider problem (Feiock, 2013; Terman, Feiock & Youm, 2020; Gopalakrishnan & Sankaranarayanan, 2023).

Figure 3: Mechanism choice and cooperation risk



Source: Authors' own elaboration based on Feiock (2013).

Figure 3 compares two forms of cooperation (“A” and “B”) in terms of costs and effectiveness. The X-axis, horizontal, represents the risk of unsuccessful cooperation, such as disagreement or opportunistic behaviour, while the Y-axis, vertical, shows the costs of cooperation and the expected benefits arising from it. The benefit reflects the extent to which the outcome of cooperation approaches the optimal solution at a given level of risk.

“A” represents informal cooperation, such as a verbal agreement. Under low-risk conditions, mechanism “A” entails relatively low costs. However, as the level of risk increases, greater investments of time and effort are required to achieve satisfactory outcomes, which increases the associated costs. At high levels of risk, even substantial investments may not guarantee success, and expected benefits begin to decline. Even strong informal relationships may therefore fail if the level of risk becomes too high.

“B” represents formal cooperation, such as contractual arrangements. This mechanism involves higher initial costs even under low-risk conditions; however, as risk increases, costs rise and expected benefits decline more gradually than in the case of mechanism “A”. Formal agreements require more extensive preparation, but they are more enforceable in conflict situations, which makes them more advantageous under medium-risk conditions.

Participation in cooperation depends on the difference between benefits and costs, that is, the net benefit. Mechanism “A” is advantageous at low levels of risk, approximately up to the value of 1.4 in the graph, where the net benefit remains positive, as shown by the shaded area. Mechanism “B” becomes more advantageous at higher levels of risk because, in the case of “A”, costs increase and benefits decline more rapidly. Once the level of risk exceeds a certain threshold, the intersection of the curves, neither form of cooperation generates positive net benefits. At low levels of risk, “A” remains preferable to “B” because of its lower costs. Mechanism “A” is therefore preferred until the net benefits of both mechanisms become equal, at a risk level of 1 in the graph (Feiock, 2013).

Similarities and differences among potential partners also play an important role (Buchanan & Tullock, 1962). Homophily provides protection against asymmetries of political and economic power, which could otherwise advantage one party and create difficulties in negotiating a fair distribution of benefits (Gerber, Henry & Lubell, 2013).

The tendency of municipalities to cooperate with municipalities that have similar priorities and capacities responds to one of the main challenges of inter-municipal cooperation: the coordination and administrative burden associated with aligning multiple local governments that differ in interests, capacities, and administrative-management conditions. Individual municipalities may pursue different priorities, operate under different budgetary constraints, or face different political incentives. Administrative-political barriers may substantially complicate collective decision-making and the implementation of joint projects. As Ostrom (1990) emphasises, collective decision-making among multiple actors is inherently time-consuming and complex, which may slow down processes and hinder effective implementation (Mehryar & Surminski, 2022; Halling & Bækgaard, 2024).

Another important challenge concerns the financial sustainability of inter-municipal cooperation. Although pooling resources can generate economies of scale, not all municipalities are equally willing or able to contribute to shared costs. Differences in fiscal capacity and budgetary flexibility may lead to tensions, especially if some municipalities perceive that their contributions exceed the benefits they receive. Blom-Hansen (2010) highlights that differences in municipal revenues and fiscal capacity, often referred to as economic barriers, may discourage participation in joint projects and destabilise cooperative agreements (Angius,

2023; Fielbaum, Tirachini & Alonso-Mora, 2023; Bocchino & Padovani, 2021; Zambrano-Gutiérrez & Avellaneda, 2023).

In addition to economic constraints, legislative and institutional factors represent another category of barriers, commonly referred to as institutional-legislative barriers. Municipalities may be subject to different legal frameworks, institutional rules, and procedural requirements, which complicates coordination and increases the complexity of joint agreements. Fragmented or inconsistent legislation may reduce institutional flexibility and create legal uncertainty, negatively affecting the speed and effectiveness of cooperation (Feiock, 2013; Nemec, Jakuš Muthová & Mikušová Meričková, 2023; Strebel & Bundi, 2022).

Despite these challenges, the benefits of inter-municipal cooperation remain substantial and can mitigate the financial and organisational constraints faced by individual municipalities. Inter-municipal cooperation is expected to increase both the cost-efficiency and quality of local public service delivery, primarily through the achievement of economies of scale. Inter-municipal cooperation also addresses the limited administrative and human capacities of small municipalities, which serve relatively small populations and therefore face capital and personnel constraints in expanding the scope of services provided.

The main economic argument in favour of inter-municipal cooperation, namely economies of scale in local public service delivery, has been extensively examined in the academic literature. Under region-specific conditions, Matějová et al. (2017) demonstrate that cost curves differ across services and functions, display different minima, and that not all services exhibit economies of scale. Nevertheless, sector-specific evidence often confirms efficiency gains, particularly in areas such as waste management (Soukopová & Klimovský, 2016). Similar findings for a broader range of services are reported by Swianiewicz and Teles (2019), while international evidence is provided by Niaounakis and Blank (2017), Bel et al. (2013), and Agrawal, Breuillé and Le Gallo (2021). A substantial body of research also examines the motivations behind municipal decisions to cooperate. These studies consistently define cooperation as a strategic response to fiscal constraints, service complexity, and institutional fragmentation (West, 2007; Fedele & Moini, 2007; Haveri & Airaksinen, 2007).

Cooperation enables local governments, especially smaller ones, to provide higher-quality or more specialised services that would otherwise be unavailable due to limited budgets or administrative capacities. Through joint delivery, municipalities can expand service coverage and raise professional standards. The exchange of knowledge and expertise among cooperating local governments further supports service improvement and their capacity to respond to citizens' needs (Struk & Bakoš, 2021; Agranoff & McGuire, 2003; Allers & de Greef, 2018).

Inter-municipal cooperation may additionally support regional integration and stability. By strengthening political and administrative ties among municipalities,

cooperation can promote broader regional development and enhance collective bargaining power vis-à-vis central government. As Ostrom (1990) notes, cooperation fosters mutual trust and facilitates the exchange of good practices, thereby contributing to more effective governance and policymaking at the local level. It may also support long-term strategic planning, as municipalities align their development strategies in order to achieve common regional goals (Feiock, 2013; Sotarauta & Beer, 2021; Struk & Bakoš, 2021).

In addition, inter-municipal cooperation may enhance political cohesion and social trust within a region. When local governments cooperate, citizens may increasingly identify with a broader regional community, which can strengthen political stability and support more inclusive governance arrangements. This dynamic may mitigate local conflicts and encourage a sense of shared responsibility in addressing common challenges (Kurian, Swianiewicz & Teles, 2024; Agranoff & McGuire, 2003).

Despite the above-mentioned economic and non-economic benefits of inter-municipal cooperation, it should be noted that institutionalised inter-municipal cooperation often involves multi-principal governance structures responsible for service delivery, and collective responsibility may lead to failures in the management and monitoring of service production (Spicer, 2017; Aldag, Warner & Bel, 2020). Where governance competences are divided among several municipalities, principal-agent problems may arise, potentially weakening oversight and affecting service quality, particularly under conditions of limited administrative capacity or weak monitoring mechanisms (Blāka, Jacobsen, & Morken, 2023; Elston, Bel & Wang, 2025).

The legal framework in the Slovak Republic provides several options for implementing inter-municipal cooperation. Municipalities may cooperate through contracts concluded for the purpose of carrying out a specific task or activity, through agreements establishing associations of municipalities, or by founding or establishing legal entities under special legislation. Associations of municipalities have legal personality, which they acquire through registration with the relevant registration authority in accordance with Act No. 369/1990 Coll. on Municipal Establishment, as amended, including Sections 20 and 20b.

In practice, inter-municipal cooperation has become an increasingly common part of local government activity, particularly in areas such as infrastructure development, cultural and social events, sports activities, tourism development, and municipal waste management. Microregional associations are often considered a particularly suitable institutional form for addressing common local problems and supporting inter-settlement regionalisation (Gajdoš, 2006). Successful cooperation usually depends on the existence of a common vision, clearly defined objectives and action plans, an appropriate organisational arrangement, secured financial and

human resources, and a stable core of institutions and individuals committed to long-term cooperation (Čapková et al., 2016).

Inter-municipal cooperation emerges in the broader context of public administration reforms and the transformation of public service delivery systems. The growing limitations of market-oriented mechanisms and contracting out have led to the search for alternative forms of public service delivery capable of combining efficiency, public control, and long-term sustainability. In this context, inter-municipal cooperation is positioned as a middle way between fully internalised service delivery and complete externalisation. At the same time, these models do not necessarily have to be mutually contradictory, since hybrid forms often emerge in practice, whereby municipalities cooperate in organising services while production itself may be carried out by an external provider.

There is considerable variability in inter-municipal cooperation across countries and regions. Inter-municipal cooperation may differ in its degree of formalisation, voluntariness, number of partners, institutional arrangement, and substantive focus. In the Slovak Republic, the legal framework allows cooperation to be implemented through contracts, associations of municipalities, or the establishment of joint legal entities. In practice, inter-municipal cooperation is most commonly applied in the areas of technical infrastructure, waste management, transport, regional development, and tourism.

The success of inter-municipal cooperation depends on several factors, including financial and administrative capacities, political will, the quality of governance, the existence of trust among partners, and the stability of the institutional environment. Particularly in Central and Eastern European countries, significant barriers include low levels of trust, an unstable legislative environment, a high degree of formalisation, and a limited culture of cooperation. Despite these limitations, inter-municipal cooperation represents an important tool for strengthening local government capacity and increasing the efficiency of local public service delivery in fragmented municipal systems. For its successful governance, it is important to identify the incentives and barriers to inter-municipal cooperation under specific conditions. This is the aim of the following chapters of the publication, using the ICA as an analytical framework for inter-municipal cooperation.

2. THE SCOPE AND BENEFITS OF INTER-MUNICIPAL COOPERATION IN THE SLOVAK REPUBLIC

Traditional governance models based on the isolated delivery of services by individual municipalities are increasingly reaching their limits. Although the New Public Management paradigm, which emphasised service contracting and competitive mechanisms, gained prominence in the past (Domberger & Jensen, 1997; Nemec, Meričková & Vitek, 2005), more recent research indicates that contracting does not always deliver the expected cost savings and may lead to a loss of control, service quality, and transparency (Girth et al., 2012; Zeemering, 2019; Dixon & Elston, 2020; Argento, 2022; Mikušová Meričková, Nemec & Jakuš Muthová, 2024). In response to these experiences, a shift towards remunicipalisation can be observed, understood as the return of public service delivery to public ownership and management (Clifton et al., 2021; McDonald, 2024). In contexts where full remunicipalisation is often problematic for small municipalities due to limited personnel and capital capacities (Gajdoš, 2007; Mikušová Meričková, 2005), inter-municipal cooperation has increasingly come to the fore as a viable alternative.

This strategic repositioning towards inter-municipal cooperation rather than private contracting out in smaller municipalities is firmly supported by the literature on market failures in local governance. As Hefetz and Warner (2011) emphasize, rural and smaller jurisdictions often lack sufficiently competitive private markets to generate the anticipated benefits of contracting out. Consequently, inter-municipal cooperation serves not merely as a pragmatic compromise due to capacity constraints, but as a deliberate institutional choice that mitigates the transaction costs of private contracting while preserving public accountability and the public ethos of service delivery.

For this very reason, inter-municipal cooperation is typically applied especially by small municipalities, which view it as a pragmatic response to capacity constraints and the limited feasibility of full remunicipalisation, as it enables them to reduce unit production costs of local public services through resource sharing and the achievement of economies of scale (Warner, 2006; Tavares & Feiock, 2018; Bel & Sebő, 2021). By pooling resources, administrative capacities, and technical expertise, inter-municipal cooperation may facilitate the achievement of economies of scale (Agranoff, 2004; Bel et al., 2013; Raudla & Tavares, 2018; Hefetz, Warner

& Vigoda-Gadot, 2012) and contribute to improved fiscal stability, including enhanced credit ratings of participating municipalities (De Sousa, 2013).

Empirical evidence confirms the existence of economies of scale related to the delivery of many local public services in territorially fragmented countries. Such effects have been identified, for example, in the Czech Republic (Soukopová & Vaceková, 2018), Poland (Kaczyńska, 2020), Norway (Blåka, Jacobsen, & Morken, 2023), Italy (Ferraresi, Migali & Rizzo, 2018), Spain (Bel & Warner, 2015), and Germany (Wolfschütz, 2020). These findings support the expectation that inter-municipal cooperation may serve as an effective response to structural fragmentation and capacity constraints at the local administrative level.

However, while most studies confirm efficiency gains associated with inter-municipal cooperation in terms of economies of scale, its impact on service quality remains ambiguous. Some research indicates that inter-municipal cooperation may improve coordination, facilitate risk sharing, and enhance service quality through the pooling of expertise (Bel & Warner, 2015). Other studies, however, report mixed or inconclusive results, failing to demonstrate consistent quality improvements (Bel & Fageda et al., 2013). Institutionalised forms of inter-municipal cooperation are often characterised by multi principal governance structures, which may lead to steering and monitoring failures, weakened accountability, and reduced efficiency (Spicer, 2017; Aldag, Warner & Bel, 2020). When governance responsibilities are shared among multiple municipalities, principal agent problems may arise, diluting oversight and negatively affecting service quality (Blåka, 2023; Elston, Bel, & Wang, 2025). Additional challenges include diminishing returns to cooperation (Giacomini, 2023) and perceived implementation deficits (Hilarión et al., 2024; Elston, Bel, & Wang, 2023).

The extent to which these challenges materialise depends largely on internal administrative capacity, institutional design, and local political culture, all of which may act as political-administrative barriers to effective cooperation. Consequently, the ambiguous empirical evidence regarding the efficiency and quality effects of inter-municipal cooperation may be explained by the presence of such barriers. Analysing the benefits and barriers of inter-municipal cooperation therefore represents an important step towards understanding the conditions under which inter-municipal cooperation contributes to improved local public service delivery.

The mission of the monograph is to contribute to the development of the theoretical microeconomic concept of inter-municipal cooperation as an arrangement for the delivery of local public services in the context of a fragmented system of public administration, and to offer possible solutions for the management of inter-municipal cooperation in Slovakia.

In this part of the monograph, attention is focused on the second partial objective, which is to confront the theoretical perspective on inter-municipal cooperation with the results of our own empirical research conducted in the Slovak Republic.

The analysis therefore aims to answer the second research question: What is the potential of inter-municipal cooperation in the conditions of the Slovak Republic? This question is addressed through an examination of the practice of inter-municipal cooperation in Slovakia, with particular emphasis on its scope and perceived benefits.

The analysis focuses on local public services that municipalities are legally obliged to provide under Act No. 416/2001 Coll., which governs the transfer of selected competences from state administration authorities to municipalities and higher territorial units.

The primary data collection in Slovakia, focused on inter-municipal cooperation, has been conducted since 2022. The research sample for Slovakia is presented in Table 4.

Table 5: Research on inter-municipal cooperation in Slovakia

Research implementation period	Research sample
2023	117 municipalities of different size groups
2024	183 municipalities of different size groups
2025	605 municipalities of different size groups
2026	606 municipalities of different size groups

Source: Author’s primary research, 2026.¹

The design of the questionnaire was informed by previous empirical surveys and research, particularly those conducted by the Association of Towns and Municipalities of Slovakia (Beresecká et al., 2020), as well as studies by Mikušová Meričková et al. (2026) and Nemec et al. (2023). In addition, the questionnaire reflects the broader theoretical and empirical framework developed in the literature, notably the works of Bel and Sebő (2021), Lowery (2000), Warner and Hefetz (2002), Feiock (2007), Brown, Potoski and Slyke (2016), and Goodman (2015).

The questionnaire was distributed electronically to all local governments and municipal districts in Slovakia in the respective survey years. In total, 2,927 local authorities from all regions of the Slovak Republic were contacted in each round of data collection. In order to capture the overall scale of inter-municipal cooperation, the questionnaire was addressed to all municipalities regardless of their involvement

¹ In all cases, the representativeness of the sample was tested. However, representativeness was confirmed only for the dataset comprising 606 municipalities from 2026. The representativeness of the sample was tested in relation to the population size of municipalities using the chi-square goodness-of-fit test. The results indicate that the sample does not significantly differ from the population distribution of municipalities by population size ($\chi^2 = 9.699$, $df = 5$, $p = 0.084$). Therefore, the sample can be considered representative with respect to the population size of municipalities. The assumptions of the chi-square test were satisfied, as no cells had expected frequencies lower than five and the minimum expected cell frequency was 5.5.

in cooperative arrangements. Therefore, the survey included both municipalities that actively cooperate with other municipalities and those that do not participate in any form of inter-municipal cooperation.

The design of the questionnaire was aligned with the legal framework of municipal competencies, which are precisely defined by Act No. 369/1990 Coll. on Municipal Establishment. Municipalities were asked about inter-municipal cooperation across 37 areas of local government competences in which such cooperation may occur, allowing for a systematic mapping of cooperation across the full spectrum of municipal functions.

Despite the gradual expansion of the analysed service areas, the core objective of the research remained consistent throughout the study period: to identify the scope, benefits, and barriers of inter-municipal cooperation in local public service delivery. This ensured the analytical continuity and comparability of the results. The following section of the chapter focuses on the potential of inter-municipal cooperation in Slovakia. This potential is assessed through the scope of cooperation, its sectoral distribution, legal and institutional forms, motivations, shared resources, financing mechanisms, and perceived economic and non-economic benefits.

The extent of inter-municipal cooperation identified in the individual survey years is presented in Table 6. The results indicate considerable variation in the reported level of cooperation across the survey waves. This variation is partly related to the gradual expansion of the analysed service areas in the questionnaire across the individual years of the research. While the initial surveys focused on a limited number of specific services, later survey waves examined cooperation across a broader range of areas, which naturally increased the likelihood of identifying cooperative arrangements among municipalities. Although the differences between individual years must be interpreted with caution due to the gradual expansion of the analysed service areas, the 2026 results indicate that inter-municipal cooperation represents a widespread governance practice in the Slovak local government system. This finding suggests that the potential of inter-municipal cooperation is not merely theoretical, but is already reflected in the practical behaviour of municipalities.

Furthermore, the revelation that over 80% of municipalities engage in some form of cooperation when assessed across the full spectrum of competencies highlights a crucial systemic characteristic. In highly fragmented local government systems like Slovakia, inter-municipal cooperation ceases to be a marginal or ad-hoc managerial tool and instead functions as a permanent structural substitute for territorial amalgamation. This aligns with the comparative European findings of Hulst and van Montfort (2012), who argue that in countries resisting forced municipal consolidations, dense networks of cooperative arrangements naturally emerge as the *de facto* institutional architecture required to sustain the functioning of the local state.

Table 6: Level of inter-municipal cooperation

Year	2023	2024	2025	2026
Level of inter-municipal cooperation	18.10%	8.20%*	49.42%	80.36%

Source: Author’s primary research, 2026

Note: The differences in the reported level of inter-municipal cooperation across the survey years should be interpreted with caution, as they reflect not only variation in cooperation itself but also changes in the scope of service areas covered by the questionnaire in the individual survey waves.

* The value of 8.20% refers only to the service area of collection and disposal of municipal solid waste.

Since the sample for the 2026 survey is representative, the subsequent analysis presented in this chapter relies primarily on the results obtained from this dataset. Using the 2026 data therefore allows for a more robust assessment of the scope of inter-municipal cooperation, as well as the identification of its main benefits and barriers in local public service delivery.

This relatively high level of inter-municipal cooperation is consistent with the institutional characteristics of the Slovak local government system. Slovakia is characterised by a highly fragmented municipal structure with a large number of small municipalities that often lack sufficient administrative, financial, and technical capacity to provide certain public services independently (Mikušová Meričková et al., 2023; 2024; 2026). Under such conditions, inter-municipal cooperation represents an important mechanism for achieving economies of scale and ensuring efficient service delivery. Similar patterns have been identified in the literature on inter-municipal cooperation in fragmented local government systems (Bel & Sebő, 2021; Warner & Hefetz, 2002; Feiock, 2007).

2.1 Sectoral distribution of inter-municipal cooperation

In order to analyse inter-municipal cooperation, it was necessary to aggregate individual administrative competences into broader analytical categories. Since the survey included a relatively large number of specific administrative sections, these were grouped into larger functional areas representing different domains of public services and societal needs.

A total of 37 administrative sections were identified and subsequently classified into six analytical blocks. The classification was based on the functional nature of the activities performed within each section and their relationship to public service delivery and the satisfaction of societal needs.

The following six analytical blocks were defined:

Block 1 – Sector of societal needs.

This block includes administrative sections primarily related to the organisational and regulatory functions of public administration. These sections ensure the functioning of the public sector as well as the maintenance of public order and administrative governance. The block includes, for example, sections related to budgeting, property administration, accounting and reporting, administrative fees, financial control, state aid, the state treasury, tax administration, municipal police, administrative offences, and complaints handling.

Block 2 – Sector of human development.

This block encompasses areas that directly contribute to human capital development and the quality of life of citizens. It includes sectors such as education, healthcare, culture, and other activities supporting education, health protection, and cultural development.

Block 3 – Sector of knowledge and information.

This block includes sections associated with the creation, management, and dissemination of information and knowledge. Examples include the activities of the National Bank of Slovakia and sections dealing with geodesy, cartography, and cadastre, which ensure the management and availability of key information resources.

Block 4 – Technical infrastructure sector.

This block comprises sections related to the technical functioning of municipalities and the delivery of essential infrastructure services. These include spatial planning, construction, informatisation, energy, air protection, flood protection, state water administration, public water supply and sewerage systems, and waste management.

Block 5 – Private goods sector.

This block includes sections related to activities associated with private goods and market-oriented services. Examples include gambling regulation, ownership of apartments and non-residential premises, pricing administration, consumer protection, fireworks regulation, certification services, and fisheries.

Block 6 – Sector of existential security.

The final block comprises areas related to social protection and the safeguarding of basic living conditions. These include sections dealing with social services and child social protection (Stejskal et al., 2017).

The following tables present the frequency and percentage of municipalities that reported inter-municipal cooperation in each individual sector within the respective blocks. The percentages are calculated based on the number of valid responses (N = 487 municipalities).

Table 7: Block 1: Social Needs Sectors

Sector	Municipalities cooperating	%
Budget administration	14	2.9
Asset management	6	1.2
Accounting and reporting	41	8.4
Administrative fees	6	1.2
Financial control	9	1.8
State aid administration	5	1.0
State treasury	0	0.0
Local taxes and municipal waste fees	8	1.6
Financial market supervision	0	0.0
Customs administration	2	0.4
Tax administration	1	0.2
Municipal police	8	1.6
Administrative offences	8	1.6
Complaints administration	6	1.2

Source: Author's primary research, 2026

Note: The reported levels of cooperation were calculated based on the number of municipalities that indicated cooperation in the respective sector. The percentages are therefore based on the number of valid responses (N = 487 municipalities).

The analysis shows that inter-municipal cooperation in sectors related to social needs and administrative functions is relatively limited (Table 7). Most of the activities in this block represent core administrative and financial competencies of municipalities, which are typically carried out independently within the municipal administration. Cooperation occurs only sporadically, most notably in accounting and reporting, where some municipalities share administrative capacities. In general, the results suggest that municipalities tend to maintain autonomy in key fiscal and administrative functions. These findings contrast with evidence from other European contexts, where administrative and fiscal cooperation is heavily utilized to overcome capacity constraints. For instance, Niaounakis and Blank (2017) demonstrated that inter-municipal cooperation in municipal tax administration among Dutch local governments yielded significant economies of scale and overall cost efficiency. The reluctance of Slovak municipalities to cooperate in these core

administrative domains may therefore stem less from a lack of economic potential, and more from a strong political preference for preserving local fiscal sovereignty and avoiding the risks of relinquishing control over internal bureaucratic functions.

Table 8: Block 2: Human Development Sectors

Sector	Municipalities cooperating	%
Institutional culture	4	0.8
Education	146	30.0
Health services	6	1.2

Source: Author’s primary research, 2026

Note: The reported levels of cooperation were calculated based on the number of municipalities that indicated cooperation in the respective sector. The percentages are therefore based on the number of valid responses (N = 487 municipalities).

In the block of human development sectors, cooperation is particularly evident in the field of education. A significant proportion of municipalities reported cooperation in the delivery or management of educational services (Table 8), which may include the joint operation of schools or shared educational facilities. By contrast, cooperation in cultural and health-related activities appears to be relatively limited.

Table 9: Block 3: Knowledge and Information Sectors

Sector	Municipalities cooperating	%
National Bank administration	0	0.0
Geodesy, cartography and cadastre	3	0.6

Source: Author’s primary research, 2026

Note: The reported levels of cooperation were calculated based on the number of municipalities that indicated cooperation in the respective sector. The percentages are therefore based on the number of valid responses (N = 487 municipalities).

Inter-municipal cooperation in sectors related to knowledge and information is very limited. The analysed activities, such as geodesy, cartography, and financial regulation functions, are largely carried out at higher levels of public administration or by specialised state institutions. As a result, municipalities have relatively limited opportunities or incentives to engage in cooperative arrangements in these areas (Table 9).

Table 10: Block 4: Technical Infrastructure Sectors

Sector	Municipalities cooperating	%
Spatial planning	186	38.2
Construction administration	437	89.7
Digitalisation / informatization	14	2.9
Energy administration	3	0.6
Air protection	49	10.1
Flood protection	20	4.1
Water management	25	5.1
Public water supply and sewerage	0	0.0
Waste management	35	7.2

Source: Author's primary research, 2026

Note: The reported levels of cooperation were calculated based on the number of municipalities that indicated cooperation in the respective sector. The percentages are therefore based on the number of valid responses (N = 487 municipalities).

The highest level of inter-municipal cooperation is observed in sectors related to technical infrastructure. Municipalities frequently cooperate in areas such as spatial planning, construction administration, environmental protection, and waste management (Table 10). These services often require specialised expertise, technical capacity, and significant financial resources, which smaller municipalities may find difficult to provide independently. Consequently, cooperation allows municipalities to achieve economies of scale and improve the efficiency of service delivery. This high propensity for cooperation in capital-intensive and technical services is strongly corroborated by international empirical research. For example, Zafra-Gómez et al. (2013), in their extensive analysis of waste management and infrastructure services, confirmed that smaller municipalities facing fiscal constraints can significantly reduce delivery costs precisely through inter-municipal cooperation. Because hard services are characterized by high asset specificity and substantial initial investment demands, they provide the most straightforward path to achieving economies of scale. This theoretical premise perfectly explains their dominance within the cooperative arrangements of Slovak municipalities.

Table 11: Block 5: Private Goods Sectors

Sector	Municipalities cooperating	%
Gambling administration	1	0.2
Ownership of residential and non-residential premises	4	0.8
Price regulation	2	0.4
Consumer protection	1	0.2
Fireworks administration	0	0.0
Certification services	15	3.1
Fisheries administration	50	10.3

Source: Author's primary research, 2026

Note: The reported levels of cooperation were calculated based on the number of municipalities that indicated cooperation in the respective sector. The percentages are therefore based on the number of valid responses (N = 487 municipalities).

Cooperation in sectors associated with private goods is generally limited (Table 11). Most activities in this block involve regulatory or administrative functions related to specific market activities, such as price regulation, consumer protection, or gambling administration. These tasks are typically performed individually by municipalities or are regulated at higher levels of government. The minimal levels of cooperation observed in the regulatory, knowledge, and private goods sectors (Blocks 3 and 5) can be theoretically explained through the lens of the ICA framework. According to Feiock (2013), inter-local cooperation in regulatory and purely administrative policies entails disproportionately high political transaction costs and risks compromising local autonomy. Unlike capital-intensive infrastructure services, where economies of scale offer clear financial incentives to offset these transaction costs, regulatory services provide fewer tangible financial benefits. Therefore, municipalities rationally choose to retain absolute jurisdiction over these functions to avoid the sovereignty costs associated with shared governance. Slightly higher levels of cooperation can be observed in fisheries administration, which may require coordination across municipalities sharing natural resources.

Table 12: Block 6: Existential Security Sectors

Sector	Municipalities cooperating	%
Social services	145	29.8
Child social protection	13	2.7

Source: Author's primary research, 2026

Note: The reported levels of cooperation were calculated based on the number of municipalities that indicated cooperation in the respective sector. The percentages are therefore based on the number of valid responses (N = 487 municipalities).

In the block of existential security sectors, cooperation is most pronounced in the delivery of social services (Table 12). Municipalities often collaborate in delivering social care or managing social service facilities, particularly in cases where individual municipalities lack sufficient resources to provide these services independently. Cooperation in child social protection is less frequent but still present.

The analysis of inter-municipal cooperation across the six sector blocks indicates that cooperation among municipalities is unevenly distributed across different areas of local public service delivery. The highest levels of cooperation are observed in sectors related to technical infrastructure, particularly in spatial planning, construction administration, environmental protection, and waste management. These services typically require higher technical capacity and financial resources, which smaller municipalities often cannot provide independently and therefore address through cooperative arrangements.

Significant levels of cooperation are also present in sectors related to human development and existential security, especially in the fields of education and social services. By contrast, cooperation is relatively limited in sectors associated with administrative and regulatory functions, as well as in areas related to knowledge and information, where responsibilities are often performed either independently by municipalities or at higher levels of public administration.

Overall, the results confirm that inter-municipal cooperation tends to occur primarily in service areas characterised by higher capital and workforce requirements and potential economies of scale, which is consistent with findings reported in the literature on inter-municipal cooperation (Bel & Warner, 2015; Van Genugten et al., 2020; Tricaud, 2021, Mikušová Meričková et al., 2026, Bel, Pano & Sebő, 2025). The Swedish evidence confirms that inter-municipal cooperation is not limited to technical infrastructure, but also extends to administrative services, education, social services, planning, environmental protection, tourism, and regional development (Grip & Karlsson, 2026). This supports the view that inter-municipal cooperation should be understood as a flexible governance arrangement applicable across different types of local public services. Furthermore, the significant level of cooperation observed in soft services, such as education and social care, introduces another critical dimension of inter-municipal cooperation. This aligns with the findings of Aldag and Warner (2018), who emphasize that in labor-intensive social sectors, the primary driver of cooperation is often not the pursuit of pure cost savings, but rather the enhancement of service quality and professional capacity. For highly fragmented local governments like those in Slovakia, pooling resources in these sensitive areas is less about financial efficiency and more about ensuring the fundamental capability to meet statutory standards and address complex social needs that individual small municipalities could not manage alone.

2.2 Legal forms of inter-municipal cooperation

In addition to identifying the policy areas in which inter-municipal cooperation occurs, the survey examined the legal forms of inter-municipal cooperation under Slovak legislation through which municipalities implement such cooperation. Respondents were asked to indicate whether they use selected legal instruments for cooperation, including contractual cooperation for specific activities, the establishment of a legal entity, associations of municipalities, and joint municipal offices.

Table 13 presents the frequency and percentage of municipalities that reported using each legal form of inter-municipal cooperation.

Table 13: Legal forms of inter-municipal cooperation

Legal form of cooperation	Municipalities cooperating	% (Valid)
Contract for the implementation of a specific activity	96	19.7
Establishment of a legal entity	34	7.0
Association of municipalities	309	63.4
Joint municipal offices	386	79.3

Source: Author's primary research, 2026

Note: The percentages were calculated based on the number of municipalities that reported cooperation using the respective legal form (valid responses, N = 487 municipalities).

The results indicate that the most common legal form of inter-municipal cooperation is the establishment of joint municipal offices, which is used by nearly four-fifths of cooperating municipalities. This form of cooperation allows municipalities to share administrative capacities and professional staff, particularly in areas where smaller municipalities face capacity constraints. This strong preference for institutionalised arrangements over ad hoc contracting aligns with the findings of Bel and Warner (2015). They argue that when municipalities deal with services requiring continuous coordination and high asset specificity, they tend to avoid pure market contracting due to high transaction costs. By establishing joint municipal offices, local governments can achieve economies of scale while retaining direct administrative control over service delivery.

A substantial proportion of municipalities also cooperate through associations of municipalities, which represent a relatively widespread form of inter-municipal cooperation in the analysed dataset. This suggests that associations continue to play an important role in facilitating cooperation among municipalities, particularly where collective representation, coordination, or broader territorial cooperation is needed. By contrast, contractual cooperation for the implementation of a specific

activity is less frequent, and the establishment of separate legal entities is used only by a smaller proportion of municipalities. This pattern indicates that municipalities tend to prefer cooperation forms that either provide administrative capacity directly, such as joint municipal offices, or enable broader coordination through municipal associations, while more formalised legal entities are used less often.

As Hulst and van Montfort (2007) point out in their comparative European study, voluntary municipal associations may differ considerably in their institutional strength, executive capacity, and ability to deliver services directly. The findings of this study suggest that, in the Slovak context, municipalities do make considerable use of associations, but the most dominant operational form remains the joint municipal office. This may reflect the practical need for shared administrative infrastructure and professional expertise, especially among smaller municipalities.

In addition to identifying the sectors in which municipalities cooperate, the survey also analysed the legal forms through which this cooperation is implemented. Respondents indicated whether cooperation is carried out through a contract for a specific activity, the establishment of a legal entity, an association of municipalities, or through joint municipal offices.

Table 14 the legal forms of inter-municipal cooperation used by municipalities in the analysed dataset. The table includes the number of municipalities using each form and the corresponding percentage of valid responses. The results show that joint municipal offices are the most frequently used form of cooperation, followed by associations of municipalities, contracts for specific activities, and, finally, the establishment of separate legal entities.

Table 14: Dominant legal forms of inter-municipal cooperation by sector

Sector	Contract	Legal entity	Association of municipalities	Joint municipal office	Dominant form (n; %)
Spatial planning	✓	✓	✓	✓	Association of municipalities + Joint municipal office (75; 40.3%)
Construction administration	✓	✓	✓	✓	Association of municipalities + Joint municipal office (171; 39.1%)
Budget administration	✓	✓	✓	✓	Association of municipalities (6; 42.9%)
Municipal property management	✓	✓	✓	✓	Joint municipal office (2; 33.3%)

Sector	Contract	Legal entity	Association of municipalities	Joint municipal office	Dominant form (n; %)
Accounting and financial reporting	✓	✓	✓	✓	Association of municipalities + Joint municipal office (18; 43.9%)
Gambling regulation	–	–	✓	✓	Association of municipalities + Joint municipal office (1; 100.0%)
Administrative fees	✓	✓	✓	✓	Association of municipalities + Joint municipal office (2; 33.3%)
Financial control	✓	✓	✓	✓	Association of municipalities + Joint municipal office (4; 44.4%)
State aid administration	✓	✓	✓	✓	Association of municipalities + Joint municipal office (2; 40.0%)
State treasury	–	–	–	–	No cooperation
Local taxes and waste fees	✓	✓	✓	✓	No clear dominance
Financial market supervision	–	–	–	–	No cooperation
Digitalisation	✓	✓	✓	✓	Association of municipalities + Joint municipal office (5; 35.7%)
Customs	–	–	✓	✓	No clear dominance
National Bank agenda	–	–	–	–	No cooperation
Housing ownership administration	✓	–	✓	✓	Contract + Association of municipalities + Joint municipal office (2; 50.0%)
Price regulation	✓	–	✓	✓	No clear dominance

Sector	Contract	Legal entity	Association of municipalities	Joint municipal office	Dominant form (n; %)
Tax administration	–	–	✓	✓	Association of municipalities + Joint municipal office (1; 100.0%)
Energy administration	✓	–	✓	✓	No clear dominance
Consumer protection	–	–	✓	–	Association of municipalities (1; 100.0%)
Fireworks regulation	–	–	–	–	No cooperation
Institutional culture	✓	✓	✓	✓	Association of municipalities + Joint municipal office (2; 50.0%)
Social services	✓	✓	✓	✓	Association of municipalities + Joint municipal office (62; 42.8%)
Child protection	✓	–	✓	✓	Association of municipalities (4; 30.8%)
Education	✓	✓	✓	✓	Association of municipalities + Joint municipal office (65; 44.5%)
Certification activities	✓	✓	✓	✓	Association of municipalities + Joint municipal office (5; 33.3%)
Municipal police	✓	–	✓	✓	Association of municipalities + Joint municipal office (4; 50.0%)
Offence administration	–	–	✓	✓	Association of municipalities + Joint municipal office (7; 87.5%)
Health administration	✓	–	✓	✓	No clear dominance

Sector	Contract	Legal entity	Association of municipalities	Joint municipal office	Dominant form (n; %)
Air protection	✓	–	✓	✓	Association of municipalities + Joint municipal office (23; 46.9%)
Flood protection	✓	✓	✓	✓	Association of municipalities + Joint municipal office (9; 45.0%)
State water administration	✓	✓	✓	✓	Association of municipalities + Joint municipal office (9; 36.0%)
Public water supply and sewerage	–	–	–	–	No cooperation
Waste management	✓	✓	✓	✓	Association of municipalities + Joint municipal office (16; 45.7%)
Fisheries administration	✓	✓	✓	✓	Association of municipalities + Joint municipal office (22; 44.0%)
Complaints administration	–	✓	✓	✓	Association of municipalities + Joint municipal office (3; 50.0%)
Geodesy, cartography and cadastre	–	–	✓	✓	No clear dominance

Source: Author's primary research, 2026

Note: The percentages were calculated based on the number of municipalities that reported cooperation using the respective legal form (valid responses, N = 487 municipalities).

The analysis of legal forms of inter-municipal cooperation across individual sectors shows that the most prevalent institutional arrangement is a combination of associations of municipalities and joint municipal offices. This combined form of cooperation dominates particularly in sectors that require higher administrative capacity, coordination, and technical expertise, such as spatial planning, construction administration, social services, education, environmental protection, water management, and waste management.

Joint municipal offices represent an important mechanism for cooperation, especially in areas related to administrative functions and delegated state administration. Their frequent occurrence suggests that municipalities rely on this form mainly where practical administrative capacity, professional staff, and regular service delivery are required. At the same time, associations of municipalities appear as an important complementary form, providing a broader framework for coordination and collective action among municipalities.

In contrast, contractual cooperation for specific tasks appears less frequently as a dominant form and tends to complement other institutional arrangements rather than function independently. The establishment of separate legal entities is also present in several sectors, but it does not appear to be the most dominant form of cooperation across the analysed service areas. Overall, the findings suggest that municipalities most often combine broader coordination through associations of municipalities with operational implementation through joint municipal offices.

To further examine whether the choice of legal form of inter-municipal cooperation is associated with the type of public service provided, a logistic regression analysis was conducted using the six analytical blocks as explanatory variables. The results indicate that, overall, the type of service does not significantly influence the selection of most legal forms of cooperation, including contractual arrangements, the establishment of legal entities, and associations of municipalities. In these cases, no statistically significant relationships were identified, suggesting that these forms are applied relatively broadly across different service areas.

However, a statistically significant relationship was identified in the case of associations of municipalities. The model for this form of cooperation is significant, $\chi^2 = 30.711$, $p < 0.001$; Nagelkerke $R^2 = 0.096$, indicating that the likelihood of using associations of municipalities is systematically related to the type of service provided. This suggests that associations of municipalities are not used randomly across sectors, but are more likely to be selected in areas requiring broader coordination, shared administrative capacities, and collective institutional arrangements.

More specifically, the results show that cooperation in sectors requiring higher administrative and technical capacity significantly increases the probability of using associations of municipalities (Table 15). A particularly strong effect was observed in the technical infrastructure sector (Block 4), where the likelihood of using this form is more than five times higher ($\text{Exp}(B) = 5.224$, $p = 0.003$). Similarly, administrative and organisational functions (Block 1) are positively associated with this form of cooperation ($\text{Exp}(B) = 2.733$, $p = 0.016$), suggesting that municipalities rely on associations of municipalities to coordinate administratively demanding activities, pool capacities, and support collective decision-making.

A weaker but still statistically significant positive effect was also identified for sectors related to existential security, including social services (Block 6; $\text{Exp}(B) = 1.806$, $p = 0.037$). This indicates that associations of municipalities are also more

likely to be used in service areas where municipalities need broader coordination, stable cooperative arrangements, and continuous service provision.

Taken together, these findings suggest that associations of municipalities provide an important institutional framework for broader inter-municipal coordination, particularly in sectors that require administrative coordination, technical capacity, and socially important service delivery. By contrast, joint municipal offices do not show a statistically significant relationship with the type of service in the regression model. The results therefore support the conclusion that sectoral differentiation in the choice of legal form is most clearly visible in the use of associations of municipalities, while joint municipal offices appear to be used more generally across different service areas.

Table 15: Relationship between legal forms of inter-municipal cooperation and service types (analytical blocks)

Legal form of cooperation	Contractual cooperation	Legal entity	Joint municipal offices	Associations of municipalities
Block 1 – Administrative	n.s.	n.s.	n.s.	+ (2.733*)
Block 2 – Human development	n.s.	n.s.	n.s.	n.s.
Block 3 – Knowledge	n.s.	n.s.	n.s.	n.s.
Block 4 – Technical infrastructure	n.s.	n.s.	n.s.	+ (5.224**)
Block 5 – Private goods	n.s.	n.s.	n.s.	– (0.187**)
Block 6 – Existential security	n.s.	n.s.	n.s.	+ (1.806*)
Overall interpretation	No statistically significant relationship with service type	No statistically significant relationship with service type	No statistically significant relationship with service type	Strongly associated with administrative, technical infrastructure, and existential security sectors; significantly less likely in private goods-related sectors

Source: Author's primary research, 2026.

Values in parentheses represent Exp(B) from logistic regression.

+ / – indicate direction of effect (increase/decrease in probability of using the form).

n.s. = not statistically significant.

* $p < 0.05$; ** $p < 0.01$

In contrast, cooperation in sectors associated with private goods (Block 5) significantly decreases the likelihood of using associations of municipalities ($\text{Exp}(B) = 0.187$, $p = 0.002$). These services are therefore more likely to be organised through alternative arrangements, including individual municipal delivery, market-based mechanisms, or more specific contractual forms.

These findings suggest that while most legal forms of inter-municipal cooperation are not strongly conditioned by the type of service, associations of municipalities represent the only form in the analysed models whose use is significantly associated with service type. Their use is more concentrated in service areas characterised by administrative coordination, technical infrastructure, and existential security, where municipalities face coordination needs and may benefit from collective institutional arrangements. In this respect, the findings are consistent with the broader inter-municipal cooperation literature, which emphasises that municipalities often rely on institutionalised cooperative structures to manage complex service delivery, reduce coordination costs, and pool resources (Teles, 2016; Swianiewicz & Teles, 2018; Van Genugten, Van Thiel, & Voorn, 2020).

This empirically supports Feiock's (2013) ICA framework, which assumes that more complex and interdependent service areas create stronger incentives for municipalities to develop institutional arrangements that reduce collective action problems and coordination costs. Associations of municipalities may serve this purpose by providing a framework for coordination, collective decision-making, and the stabilisation of cooperation across municipalities.

Taken together, the findings indicate that inter-municipal cooperation in Slovakia is primarily institutionalised through relatively stable organisational structures rather than through ad hoc contractual arrangements. However, the regression results suggest that this sectoral differentiation is most clearly visible in the case of associations of municipalities, while contractual cooperation, legal entities, and joint municipal offices appear to be used more broadly across service areas without a statistically significant sector-specific pattern.

Determinants of partner choice in inter-municipal cooperation to better understand the functioning of inter-municipal cooperation, the survey also examined additional aspects of partner choice in inter-municipal cooperation: similarity in terms of geographic location, economic conditions, and political orientation (Table 16–Table 18). Because municipalities could select multiple options, the analysis was conducted using a multiple-response approach. Percentages therefore represent the proportion of municipalities selecting a given option.

Table 16: Determinants of partner choice in inter-municipal cooperation

Determinants of partner choice in inter-municipal cooperation	N	Percent of cases
Similar population size	65	15.0%
Geographical proximity	356	82.2%
Similar political orientation	14	3.2%
Deficit in the same public service delivery	69	15.9%
Similar capital resources	18	4.2%
Similar human resources	55	12.7%
Other	19	4.4%
Total	596	137.6%

Source: Author's primary research, 2026

Geographical proximity represents by far the most important determinant of partner choice in inter-municipal cooperation, reported by 82.2% of municipalities (Brown, Potoski 2003; Hefetz, Warner 2012). This finding suggests that spatial closeness and neighbourhood relationships play a crucial role in establishing cooperative arrangements between municipalities. (Bel, Pano, & Sebő, 2025; Persson, 2026; LeRoux, Brandenburger & Pandey, 2010). Recent research also emphasises the importance of geographical proximity in shaping inter-municipal cooperation. Grip and Karlsson (2026), in their study of Swedish municipalities, show that cooperation most often takes place among neighbouring municipalities or municipalities within the same region. Distance, regional borders, and historically established administrative networks may therefore act as structuring factors influencing partner selection in inter-municipal cooperation.

The relevance of geographical proximity may also vary according to the type of service. While infrastructure-related services are often territorially embedded, administrative tasks such as payroll, legal services, or human resource management may be organised through cooperation even without close geographical proximity (Grip & Karlsson, 2026). Furthermore, Aldag and Warner (2018) highlight that spatial closeness is essential not just for logistical reasons, but for the accumulation of social capital. Trust built through historical, neighbourly interactions significantly reduces the transaction costs of negotiating and monitoring agreements. This explains why geographical proximity consistently emerges as a stronger predictor of successful cooperation than purely financial or political alignments.

Other determinants of partner choice in inter-municipal cooperation appear considerably less frequently. These include deficits in the same public service delivery (15.9%), similar population size (15.0%), and similar human resources (12.7%). These factors indicate that cooperation may also emerge as a response to structural limitations in service delivery or administrative capacity. In contrast,

similar political orientation (3.2%) and similar capital resources (4.2%) appear to have only a marginal influence on the establishment of cooperative arrangements. Overall, the results suggest that inter-municipal cooperation is primarily driven by geographical and functional factors rather than by political or financial similarities (Table 16). This marginal role of political alignment is strongly supported by LeRoux, Brandenburger, and Pandey (2010). In their empirical network analysis of interlocal cooperation, they explicitly tested the impact of political homophily (similar political orientation) and found it to be a non-significant driver of collaborative arrangements. Instead, they demonstrate that local service cooperation is fundamentally a pragmatic administrative exercise driven by spatial proximity and existing social networks among local managers, rather than ideological alliances.

Table 17: Shared resources

Shared resource	Number of responses	Percent of cases
Personnel resources	65	15.9%
Material resources	356	86.8%
Financial resources	14	3.4%
Other resources	69	16.8%
Total	504	122.9%

Source: Author’s primary research, 2026

The results in Table 17 show that material resources represent the dominant type of resource shared within inter-municipal cooperation. Approximately 86.8% of municipalities reported sharing material capacities such as technical equipment, infrastructure, or operational facilities. Sharing of personnel resources occurs considerably less frequently (15.9%), while direct sharing of financial resources is relatively rare (3.4%). The category of other resources (16.8%) includes responses such as joint project activities, development initiatives, advisory cooperation, preparation of planning documents, and other specific forms of collaboration that do not fall directly under personnel, material, or financial resource sharing. Overall, these findings suggest that inter-municipal cooperation is primarily operational in nature and focuses mainly on the pooling of tangible resources required for service delivery. This overwhelming preference for sharing physical assets rather than direct financial pooling can be interpreted through the lens of local autonomy preservation. Kuhlmann and Bouckaert (2016) argue that sharing material resources (such as machinery or buildings) allows municipalities to maintain high levels of budgetary sovereignty and reversibility. Financial pooling, by contrast, requires complex co-accounting structures and creates high political sensitivity regarding „who pays for whom,“ which smaller municipalities actively avoid to prevent perceived losses of fiscal control.

Table 18: Sources of financing

Source of financing	Number of responses	Percent of cases
Municipal budgets	414	85.0%
State subsidies	317	65.1%
EU grants	100	20.5%
Private sector contributions	13	2.7%
Other sources	4	0.8%
Total	848	174.1

Source: Author's primary research, 2026

Inter-municipal cooperation is financed predominantly through municipal budgets, which represent the main source of funding for 85.0% of municipalities (Table 18). This indicates that municipalities rely primarily on their own financial resources when participating in cooperative arrangements. State subsidies also play an important role, supporting cooperation in 65.1% of municipalities. EU grants are used less frequently but still represent a relevant supplementary funding source (20.5%). The heavy reliance on internal municipal budgets rather than external grants underscores the operational necessity of these arrangements. As Soukopová and Vaceková (2018) observed in the context of Central European municipalities, local governments are willing to finance cooperation from their own revenues because the shared material and personnel capacities directly internalise positive externalities and improve the quality of local public goods. Consequently, practical necessity often outweighs the need for external financial incentives when initiating cooperation. In contrast, contributions from the private sector (2.7%) or other sources (0.8%) appear only marginally. Taken together, the findings indicate that inter-municipal cooperation in Slovakia is motivated primarily by geographical proximity and practical service delivery needs. The cooperation is operational in nature, as it is based mainly on the sharing of material resources, while direct financial pooling remains rare. Financing is predominantly secured from public sources, especially municipal budgets and state subsidies, with EU grants playing a supplementary role in selected sectors.

To examine whether the character of inter-municipal cooperation differs across policy domains, a cross-tabulation analysis was conducted between the six analytical blocks of municipal competences and selected variables describing cooperation. Specifically, the analysis focused on determinants of partner choice in inter-municipal cooperation for inter-municipal cooperation, types of resources shared between municipalities and sources of financing supporting cooperation.

The results are presented in the following tables and interpreted according to the functional blocks defined in the methodological section.

Table 19: Determinants of partner choice in inter-municipal cooperation for inter-municipal cooperation across analytical blocks (% of municipalities within block)

Determinants of partner choice in inter-municipal cooperation	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6
Similar population size	30.3	19.1	37.5	13.6	31.6	13.1
Geographical proximity	71.1	72.4	68.8	72.9	68.4	74.5
Similar political orientation	3.9	5.3	6.3	3.0	10.5	3.4
Deficit in same public services	23.7	15.1	25.0	14.2	26.3	16.6
Similar capital resources	9.2	6.6	25.0	3.8	10.5	5.5
Similar human resources	19.7	17.8	37.5	11.7	21.1	13.8
Other reasons	3.9	2.6	0.0	4.0	0.0	2.8

Source: Author’s primary research, 2026

The cross-tabulation analysis reveals that the structure of Determinants of partner choice in inter-municipal cooperation is relatively consistent across all analytical blocks. The most significant driver of cooperation is geographical proximity between municipalities, which is reported by approximately 70–75% of municipalities across all sectors. This finding indicates that spatial closeness remains the primary enabling condition for cooperation, regardless of the functional area of municipal competences.

The second most important determinant is the need to address deficits in the delivery of the same public services, which ranges between 14% and 26% across blocks. This determinant appears slightly more pronounced in sectors where service delivery requires higher levels of technical or administrative capacity.

Other determinants, such as similar population size, similar human resources, or similar capital resources, play a supplementary role and vary across sectors. Political alignment between municipalities appears to be largely irrelevant, as similar political orientation is mentioned only marginally across all blocks.

Overall, the results suggest that practical and operational factors dominate the decision to cooperate, while political or financial similarities play a much less important role (Warner, Aldag, & Kim, 2021; Bel & Warner, 2016). The choice of cooperation partners may also be shaped by path dependency and regional lock-in effects. Historically developed administrative structures, networks, and regional boundaries can influence present-day cooperation patterns and may either facilitate or constrain the emergence of new cooperation arrangements (Grip & Karlsson, 2026).

**Table 20: Types of shared resources in inter-municipal cooperation
(% of municipalities within block)**

Shared resource	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6
Personnel resources	30.3	19.1	37.5	13.6	31.6	13.1
Material resources	71.1	72.4	68.8	72.9	68.4	74.5
Financial resources	3.9	5.3	6.3	3.0	10.5	3.4
Other resources	23.7	15.1	25.0	14.2	26.3	16.6

Source: Author's primary research, 2026

The analysis of shared resources demonstrates that material resources constitute the dominant form of resource sharing across all blocks (Table 20). Between 68% and 75% of municipalities report sharing material assets, equipment, or infrastructure as part of inter-municipal cooperation.

Personnel resources represent the second most important type of shared resource, although their importance varies between sectors. They appear more frequently in the societal needs sector and private goods sector, where cooperation often involves administrative or managerial activities.

In contrast, financial resource sharing is relatively rare, typically reported by less than 10% of municipalities. This indicates that inter-municipal cooperation in the Slovak context is generally based on joint operational capacities rather than direct financial pooling.

The category of other resources reflects additional forms of cooperation, including project-based collaboration, advisory activities, and the preparation of strategic planning documents.

**Table 21: Sources of financing for inter-municipal cooperation
(% of municipalities within block)**

Financing source	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6
Municipal budgets	81.6	89.5	62.5	84.7	78.9	91.7
State subsidies	73.7	62.5	81.3	65.3	78.9	68.3
EU grants	32.9	21.1	62.5	20.8	57.9	29.0
Private contributions	5.3	2.0	6.3	2.8	5.3	4.1
Other sources	1.3	0.0	0.0	0.8	0.0	0.0

Source: Author's primary research, 2026

The financing structure of inter-municipal cooperation is relatively stable across sectors (Table 21). The primary source of financing is municipal budgets, which account for approximately 80–90% of cases in most blocks. This indicates that municipalities primarily finance cooperation through their own financial resources.

State subsidies represent the second most important source of funding and are used by roughly 60–80% of municipalities depending on the sector. These subsidies often support specific public service functions or sectoral programmes.

European Union grants play a supplementary role and appear particularly relevant in certain sectors where project-based funding opportunities are available.

Other sources of financing, including private contributions or alternative funding mechanisms, remain marginal.

Table 22: Main patterns of inter-municipal cooperation across analytical blocks

Analytical block	Dominant determinant of partner choice in inter-municipal cooperation	Main type of shared resources	Main source of financing
Block 1 – Sector of societal needs	Geographical proximity of municipalities	Material and personnel resources	Municipal budgets and state subsidies
Block 2 – Sector of human development	Geographical proximity and service delivery needs	Material resources	Municipal budgets and state subsidies
Block 3 – Sector of knowledge and information	Geographical proximity and similar administrative capacities	Personnel and material resources	Municipal budgets and EU funding
Block 4 – Technical infrastructure sector	Geographical proximity and technical service deficits	Material resources and technical infrastructure	Municipal budgets and state subsidies
Block 5 – Private goods sector	Geographical proximity and operational efficiency	Personnel and material resources	Municipal budgets and project-based funding
Block 6 – Sector of existential security	Geographical proximity and social service delivery	Personnel and material resources	Municipal budgets and state subsidies

Source: Author's primary research, 2026

The results of the cross-tabulation analysis suggest that inter-municipal cooperation in Slovakia follows relatively stable patterns across different functional sectors of municipal competences (Table 22). In particular, geographical proximity consistently emerges as the dominant factor facilitating cooperation, regardless of the policy domain. This finding is consistent with previous research on inter-municipal

cooperation, which emphasises the importance of spatial proximity and territorial embeddedness for the formation of cooperative arrangements between municipalities (Bischoff et al., 2021; LeRoux, Brandenburger & Pandey, 2010; Persson, 2026).

The results also indicate that cooperation is primarily driven by practical service delivery needs and operational considerations rather than by political or financial similarities between municipalities. Municipalities most often cooperate to address capacity constraints in public service delivery or to achieve greater efficiency in service delivery. This pattern is particularly visible in sectors related to technical infrastructure and administrative governance, where service delivery often requires specialised expertise or shared technical resources.

In terms of resource sharing, the findings show that material and personnel resources constitute the most common forms of cooperation, while direct financial pooling remains relatively rare. Instead, inter-municipal cooperation is typically financed through municipal budgets supplemented by state subsidies or project-based funding, including EU grants in some sectors.

2.3 Benefits of inter-municipal cooperation

In addition to identifying the scale, forms, and functional patterns of cooperation, the survey also examined how municipalities perceive the potential benefits of inter-municipal cooperation. According to Feiock (2013) and Bel and Sebő (2021), the main benefits of inter-municipal cooperation can be divided into economic and non-economic dimensions. Economic benefits primarily relate to economies of scale and scope, whereby joint procurement and shared infrastructure reduce average unit costs. Such effects have been empirically confirmed, particularly in waste management and water services (Bel et al., 2010; De la Higuera-Molina et al., 2023). Capacity-related benefits allow smaller municipalities to share specialised staff, technical equipment, and know-how, thereby strengthening their administrative and implementation capacity (Feiock, 2013; Struk & Bakoš, 2021). Cooperation may also contribute to improved service quality and standardisation through resource concentration and specialisation, leading to more effective management and performance monitoring (Allers & De Greef, 2018). From a development perspective, access to external funding and enhanced development potential are particularly important, as joint projects increase the likelihood of securing support from EU funds (Nižňanský et al., 2009; Valach & Cifranič, 2021). Political and social benefits are also significant, including the formation of trust-based networks and the strengthening of social capital.

Against this background, the following section focuses on the benefits of inter-municipal cooperation, which are analysed along two complementary dimensions.

- The **economic dimension** focuses on efficiency gains in service delivery, territorial development, access to additional financial resources, agglomeration effects, and the strengthening of competitive conditions.
- The **non-economic dimension** addresses equality of access to services, citizen satisfaction, and the democratic quality of governance, particularly through participatory public policy processes.

In the questionnaire on benefits, municipalities assessed each factor using a five-point scale, where 1 represented strong agreement with the perceived benefit of inter-municipal cooperation and 5 represented strong disagreement. The individual benefits were pre-classified into specific analytical categories corresponding to the main factors influencing inter-municipal cooperation.

Table 23: Economic benefits of inter-municipal cooperation (N=487)

Economic benefits of inter-municipal cooperation	Mean	Std. Deviation
Reduces the average cost of providing services per resident	2.20	1.039
Reduces the management costs of the service delivery process	2.10	0.951
Enables access to additional financial resources for territorial development	2.56	1.120
Increases the potential to attract investors (agglomeration effect)	3.09	1.043
Increases the attractiveness of the municipality for residents	2.71	1.060

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The results indicate that municipalities perceive the economic benefits of inter-municipal cooperation primarily in terms of cost efficiency and improved management of public service delivery (Table 23). The strongest agreement was observed for the statements that cooperation reduces the management costs of the service delivery process ($M = 2.10$) and reduces the average cost of providing services per resident ($M = 2.20$). These findings suggest that municipalities mainly associate cooperation with operational efficiency and potential economies of scale.

A relatively positive evaluation was also recorded for the statement that cooperation enables access to additional financial resources for territorial development ($M = 2.56$), indicating that inter-municipal cooperation may facilitate the acquisition of external funding, including national or European resources.

In contrast, respondents were less convinced about the broader development impacts of cooperation. The statements that cooperation increases the attractiveness of municipalities for residents ($M = 2.71$) and enhances the potential to attract investors through agglomeration effects ($M = 3.09$) received weaker agreement.

This suggests that municipalities tend to perceive the benefits of cooperation primarily in terms of administrative and financial efficiency, rather than in terms of long-term economic development or investment attraction.

Overall, the findings indicate that inter-municipal cooperation is mainly regarded as a pragmatic tool for improving the efficiency of service delivery and reducing operational costs, while its broader economic development effects are perceived as less immediate or less certain. These findings align closely with the conclusions of Bel and Warner (2015), who emphasize that while the expectation of cost savings is the universal primary driver for inter-municipal cooperation, empirical evidence supporting broader, long-term regional development and agglomeration effects remains notably scarce. Consequently, it is a highly rational strategy for municipal leaders to prioritize immediate, measurable operational efficiencies over more speculative macro-economic outcomes. The scepticism towards investment attraction reflects an awareness that cooperation alone cannot overcome structural geographic or macroeconomic disadvantages.

Table 24: Non-economic benefits of inter-municipal cooperation (N=487)

Non-economic benefit of inter-municipal cooperation	Mean	Std. Deviation
Increases the range of services available to citizens	2.20	0.942
Improves accessibility of services for citizens	2.24	0.954
Increases citizens' satisfaction with public services	2.26	0.889
Enables better understanding of citizens' needs and demands	2.43	0.869
Increases the level of professionalism and expertise in service delivery	1.84	0.825

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The results indicate that respondents generally perceive non-economic benefits of inter-municipal cooperation positively, particularly in relation to improvements in service quality and professional capacity. The strongest agreement was observed for the statement that cooperation increases the level of professionalism and expertise in service delivery ($M = 1.84$), suggesting that municipalities consider cooperation an important mechanism for strengthening administrative capacity and professional competencies. This finding is consistent with Aldag and Warner (2018), who argue that inter-municipal cooperation should not be understood solely as an instrument for achieving cost savings, but also as a mechanism for improving service quality and cross-jurisdictional coordination. From this perspective, the positive evaluation of professionalism and expertise indicates that municipalities perceive cooperation as a way to access knowledge, skills and organisational capacities

that may not be available within individual municipalities. This is particularly relevant in fragmented local government systems, where smaller municipalities often face limited administrative and human resources and may therefore benefit from shared professional capacity. This hierarchy of perceived benefits where enhanced professionalism ($M = 1.84$) evokes even stronger agreement than direct management cost reductions ($M = 2.10$) provides crucial empirical support for the conclusions drawn by Allers and de Greef (2018). In their extensive analysis of inter-municipal cooperation, they observed that while political rhetoric frequently emphasizes budget cuts, the most consistent tangible outcome of inter-municipal cooperation is the qualitative upgrading of service delivery. As local governments face increasingly complex legal, regulatory, and technological demands, inter-municipal cooperation acts less as a simple cost-cutting tool and more as a vital survival strategy for capacity building. It enables small municipalities to access specialized legal, IT, and planning expertise that they could not afford individually.

Respondents also expressed relatively strong agreement with statements that cooperation increases the range of services available to citizens ($M = 2.20$) and improves the accessibility of services ($M = 2.24$). These findings suggest that cooperation between municipalities may contribute to expanding service delivery and improving access to public services, especially in smaller municipalities with limited administrative or financial capacity.

Similarly, respondents tend to agree that cooperation increases citizens' satisfaction with public services ($M = 2.26$) and enables better understanding of citizens' needs and demands ($M = 2.43$). These results indicate that inter-municipal cooperation may also enhance responsiveness and citizen-centred participatory governance.

Overall, the findings suggest that municipalities perceive inter-municipal cooperation not only as a tool for improving technical efficiency, but also as a mechanism that contributes to better service quality, increased professionalism, and stronger responsiveness to citizens' needs.

While the previous sections identified the overall scope, sectoral distribution, institutional forms, and perceived benefits of inter-municipal cooperation, an important question remains whether these benefits are perceived equally by all municipalities. The potential of inter-municipal cooperation may be evaluated differently by municipalities with direct experience of cooperation and by those that have not yet participated in cooperative arrangements. Practical experience may strengthen awareness of the benefits of cooperation, while municipalities without such experience may remain more sceptical about its expected effects.

To examine this issue, a comparative analysis was conducted between cooperating and non-cooperating municipalities. Given the ordinal character of the Likert-scale responses, the Mann–Whitney U test was applied. The analysis focuses separately on economic and non-economic benefits of inter-municipal cooperation.

The following tables (Table 25 and Table 26) present the differences in the perception of these benefits between municipalities that actively participate in inter-municipal cooperation and those that do not. This comparison provides further insight into the extent to which practical experience with inter-municipal cooperation strengthens the perceived potential of cooperation as a mechanism for local public service delivery.

Table 25: Differences in perceived economic benefits between cooperating and non-cooperating municipalities (Mann–Whitney test)

Economic benefits	Mean rank (Cooperating municipalities)	Mean rank (Non-cooperating municipalities)	U	Z	p
Reduces the average cost of providing services per resident	288.46	356.72	21652	-3.952	<0.001
Reduces management costs of service delivery	286.86	363.51	20871.5	-4.501	<0.001
Enables access to additional financial resources	297.11	320.10	25864	-1.325	0.185
Increases the potential to attract investors	309.02	269.67	24341.5	-2.308	0.021
Increases the attractiveness of the municipality for residents	299.18	311.34	26871	-0.706	0.480

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The results indicate statistically significant differences for several economic benefits. Significant differences were identified for the statements that inter-municipal cooperation reduces the average cost of providing services per resident ($U = 21652$, $p < 0.001$) and reduces the management costs associated with service delivery ($U = 20871.5$, $p < 0.001$). In both cases, non-cooperating municipalities reported higher mean ranks, indicating lower levels of agreement with these benefits.

A statistically significant difference was also observed for the statement that cooperation increases the potential to attract investors ($U = 24341.5$, $p = 0.021$). In this case, municipalities already involved in cooperation expressed slightly stronger agreement with this benefit.

No statistically significant differences were found regarding the perception that cooperation enables access to additional financial resources ($p = 0.185$) or increases the attractiveness of municipalities for residents ($p = 0.480$).

Overall, the findings suggest that municipalities already participating in inter-municipal cooperation tend to perceive economic benefits more positively, particularly in relation to cost reductions and investment attractiveness, whereas municipalities without cooperation experience remain more sceptical about these potential advantages (Tricaud, 2021; Voorn, van Genugten, & van Thiel, 2019; Zeemering, 2016).

Table 26: Differences in perceived non-economic benefits between cooperating and non-cooperating municipalities (Mann–Whitney test)

Non-economic benefits	Mean rank (Cooperating municipalities)	Mean rank (Non-cooperating municipalities)	U	Z	p
Increases the range of services for citizens	290.49	348.10	22643	-3.385	<0.001
Improves accessibility of services for citizens	291.92	342.08	23336	-2.946	0.003
Increases citizens' satisfaction with services	287.11	362.44	20994	-4.455	<0.001
Enables better understanding of citizens' needs	289.59	351.92	22204.5	-3.684	<0.001
Increases professionalism and expertise of services	279.22	395.87	17150	-6.914	<0.001

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The Mann–Whitney U test revealed statistically significant differences between municipalities participating in inter-municipal cooperation and those not involved in cooperation. These differences were particularly evident across all examined non-economic benefits. In all cases, non-cooperating municipalities reported higher mean ranks, indicating a lower level of agreement with the positive effects of inter-municipal cooperation. The strongest difference was observed in the perception that cooperation increases the professionalism and expertise of services ($U = 17150$, $p < 0.001$). Significant differences were also identified in perceptions related to citizen satisfaction, service accessibility, and the range of services provided to residents.

Taken together, the findings presented in this section confirm that municipalities perceive inter-municipal cooperation as a mechanism with considerable potential for improving local public service delivery. This potential is reflected most strongly in operational efficiency, cost reduction, professionalisation, and improved accessibility of services. The economic dimension of inter-municipal cooperation is perceived mainly through reductions in management costs and average service delivery costs per resident, indicating that municipalities understand cooperation primarily as a tool for addressing capacity constraints and achieving economies of scale. Although access to additional financial resources is also evaluated relatively positively, broader economic development effects, such as attracting investors or increasing municipal attractiveness, are perceived as less immediate and less certain.

The non-economic dimension reveals an even stronger perception of inter-municipal cooperation potential. Municipalities particularly emphasise the contribution of cooperation to increasing professionalism and expertise in service delivery. They also associate cooperation with a broader range of services, improved service accessibility, higher citizen satisfaction, and better responsiveness to citizens' needs. These findings suggest that the value of inter-municipal cooperation lies not only in reducing costs, but also in strengthening the qualitative aspects of local public service delivery.

Taken together, the findings suggest that municipalities already engaged in inter-municipal cooperation tend to evaluate its benefits more positively, while also being more aware of practical governance and coordination challenges associated with cooperation. In contrast, municipalities that do not participate in cooperation tend to emphasise resource constraints and institutional barriers, which may partly explain their reluctance to initiate cooperative arrangements. This distinct perception gap can be theoretically substantiated through the ICA framework (Tavares & Feiock, 2018). According to the ICA framework, non-cooperating municipalities often perceive ex-ante transaction costs such as the potential loss of local autonomy, negotiation burdens, and political risks as outweighing potential hypothetical benefits. In contrast, municipalities with practical cooperative experience have already overcome these initial barriers and developed mutual trust and social capital. This accumulated social capital significantly lowers ongoing transaction costs, amplifying their recognition of qualitative and economic benefits and creating a self-reinforcing cycle of positive cooperation.

In order to better understand the conditions under which municipalities perceive inter-municipal cooperation as beneficial, the analysis was extended to examine selected structural and institutional determinants that may influence the perception of cooperation outcomes. Specifically, the analysis focused on municipality size, the number of cooperating partners, the sector of cooperation, the legal form of cooperation, and the position of municipalities within cooperation arrangements.

Since the questionnaire items measuring the perceived benefits of inter-municipal cooperation were assessed using a five-point ordinal Likert scale, the analysis

relied on non-parametric statistical methods, which are appropriate for ordinal data and do not require the assumption of normal distribution. The Kruskal–Wallis test was applied to analyse differences across municipality size categories, while Spearman’s rank-order correlation coefficient was used to assess the relationship between the number of cooperating municipalities and the perception of selected benefits. The Mann–Whitney U test was used to examine differences between two independent groups of municipalities, including cooperating and non-cooperating municipalities, municipalities using different legal forms of cooperation, municipalities cooperating in different analytical blocks, and municipalities with different positions within cooperation arrangements.

The results of the Kruskal–Wallis test show that the perception of the benefits of inter-municipal cooperation does not differ substantially according to municipality size. Overall, municipality size does not appear to represent a major differentiating factor in how municipalities evaluate the benefits of inter-municipal cooperation.

On the other hand, Grip and Karlsson (2026) provide evidence that demographic decline and sparsely populated settlement structures increase pressure on municipalities’ ability to maintain statutory services. In this context, inter-municipal cooperation becomes an important strategy for reducing municipal vulnerability, improving operational quality, and strengthening institutional capacity.

Among the economic benefits, a statistically significant difference was identified only for the statement that inter-municipal cooperation enables access to additional financial resources for territorial development ($H = 14.269$, $p = 0.014$). This suggests that municipalities of different size categories vary in how strongly they associate cooperation with improved access to external funding opportunities. No statistically significant differences were found for the remaining economic benefits. Grip and Karlsson (2026) further show that the motives for cooperation differ across municipal types. While more urban municipalities tend to cooperate more frequently and often for reasons related to opportunity and efficiency, sparsely populated municipalities are more likely to be driven by necessity, limited resources, and difficulties in securing skilled labour.

Similarly, no significant differences were identified for any of the non-economic benefits of inter-municipal cooperation. This indicates that municipalities of different sizes assess qualitative benefits, such as improved service accessibility, broader service offer, higher citizen satisfaction, and greater professionalism, in a relatively similar way².

Overall, the results suggest that municipality size plays only a limited role in shaping perceptions of the benefits of inter-municipal cooperation. Differences between municipalities of various sizes appear only in selected aspects, particularly

² Because the Kruskal–Wallis test only indicates the existence of differences among groups, additional post-hoc pairwise comparisons would be needed to determine between which specific municipality size categories the statistically significant differences occur.

in the perception of access to additional financial resources. In most other areas, perceptions of benefits are relatively stable across size categories.

To examine whether the number of cooperating municipalities is associated with the perceived benefits of inter-municipal cooperation, Spearman’s rank-order correlation was applied (Table 27). This method was selected due to the ordinal nature of the Likert-type scales used in the questionnaire.

Table 27: Relationship between the number of cooperating municipalities and the perceived benefits of inter-municipal cooperation (Spearman’s correlation)

Dimension	Variable	Spearman’s ρ	p-value	Dependence	Type of relationship
Economic benefits	Reduction of the average cost of service delivery per resident	-0.133	0.004	Yes	Negative
	Reduction of service management costs	-0.079	0.086	No	Not significant
	Access to additional financial resources	-0.049	0.292	No	Not significant
	Ability to attract investors (agglomeration effect)	-0.011	0.809	No	Not significant
	Increased attractiveness of the municipality for residents	-0.045	0.331	No	Not significant
Non-economic benefits	Increased range of services for citizens	-0.069	0.137	No	Not significant
	Improved accessibility of services	-0.043	0.357	No	Not significant
	Higher citizens’ satisfaction with services	-0.082	0.075	No	Not significant
	Better understanding of citizens’ needs	-0.055	0.238	No	Not significant
	Higher professionalism and expertise of service delivery	-0.168	<0.001	Yes	Negative

Source: Author’s primary research, 2026

The results indicate that the number of cooperating municipalities is generally not strongly associated with the evaluation of most examined benefits. Most correlation coefficients are low and statistically insignificant, suggesting that the size of the partnership network is not, in itself, a major factor shaping municipal perceptions of inter-municipal cooperation benefits.

A statistically significant relationship was identified only for two items. The first concerns the statement that cooperation reduces the average cost of service delivery per resident ($\rho = -0.133$; $p = 0.004$). The second concerns the statement that cooperation increases the level of professionalism and expertise in service delivery ($\rho = -0.168$; $p < 0.001$). In both cases, the relationship is weak and negative.

Substantively, this suggests that larger cooperation networks may, to a limited extent, be associated with higher levels of professionalisation and with a stronger perception of cost reductions through economies of scale. However, these effects remain weak and should therefore not be interpreted as evidence of a substantial impact of the number of partners on the overall functioning of inter-municipal cooperation. However, the presence of a weak negative correlation between the number of partners and perceived cost-reduction and professionalization warrants attention. This finding aligns with the transaction cost perspective highlighted by Bel, Fageda, and Mur (2012). They demonstrate that as the number of participating municipalities increases, governance and coordination complexities often escalate. In large networks, the consensus-building process becomes cumbersome, and administrative overhead can offset the theoretical economies of scale. Therefore, smaller, more cohesive networks might be more effective at delivering immediate qualitative and financial improvements without the friction of multi-partner negotiations.

The Mann–Whitney U test was used to examine whether municipalities cooperating in different analytical sectors perceive the benefits of inter-municipal cooperation differently (Table 28). Given that the survey items were measured using a five-point Likert scale, lower mean ranks indicate stronger agreement with the respective statements.

Table 28: Statistically Significant Mann–Whitney Results Across Blocks

Blocks	Variable with significant difference	U	Z	p
Sector of Social Needs and Community Services	Access to additional financial resources	12584.5	-2.793	0.005
Sector of Social Needs and Community Services	Increased attractiveness of municipality	13088.0	-2.351	0.019
Sector of Human Development Services	Access to additional financial resources	22487.0	-2.144	0.032
Sector of Human Development Services	Increased attractiveness of municipality	22295.0	-2.308	0.021
Sector of Human Development Services	Increased range of services	22260.5	-2.360	0.018
Sector of Human Development Services	Improved service accessibility	22088.0	-2.488	0.013
Private Goods and Market Services Sector	Increased attractiveness of municipality	2763.5	-2.930	0.003
Basic Security and Welfare Services Sector	Increased professionalism of service delivery	21972.0	-2.155	0.031

Source: Author's primary research, 2026

Overall, the results indicate that sectoral differences in the perception of benefits are limited and selective. Statistically significant differences were identified only in selected sectors and mainly concerned benefits related to service delivery, access to financial resources, and territorial attractiveness.

In the Sector of Social Needs and Community Services, two statistically significant differences were identified. Municipalities cooperating in this sector showed stronger agreement that inter-municipal cooperation enables access to additional financial resources for territorial development and increases the attractiveness of municipalities for residents.

The Sector of Human Development Services produced the highest number of statistically significant results. Municipalities active in this sector expressed stronger agreement that inter-municipal cooperation facilitates access to financial resources, increases municipal attractiveness, expands the range of services for citizens, and improves service accessibility. These findings suggest that cooperation in this sector is associated with a particularly positive perception of the developmental and service-related benefits of inter-municipal cooperation.

In contrast, no statistically significant differences were identified for the Sector of Knowledge, Education and Information Services or the Technical Infrastructure Sector, indicating that municipalities cooperating in these sectors evaluate the benefits of cooperation similarly to municipalities outside these sectors.

In the Private Goods and Market Services Sector, one statistically significant difference emerged. Municipalities cooperating in this sector expressed stronger agreement that cooperation increases the attractiveness of the municipality for residents. Similarly, in the Basic Security and Welfare Services Sector, municipalities reported significantly stronger agreement with the statement that inter-municipal cooperation improves the level of professionalism and expertise in service delivery.

Taken together, the results suggest that sectoral cooperation mainly influences how municipalities perceive selected benefits of inter-municipal cooperation, particularly those related to service delivery, territorial attractiveness, and professionalisation. The concentration of statistically significant differences in 'soft' policy areas (such as Human Development and Social Needs) compared to 'hard' services (such as Technical Infrastructure) can be explained through the theoretical lens of service measurability (Brown and Potoski, 2003). The benefits of cooperating in technical infrastructure are highly quantifiable and universally acknowledged, resulting in a consensus across both cooperating and non-cooperating municipalities. Conversely, the benefits in social and human services are highly qualitative and difficult to measure ex-ante. As Brown and Potoski (2003) argue, such services suffer from information asymmetry; their true value and efficiency gains only become apparent to municipalities once they actively participate and experience the qualitative improvements firsthand.

The results suggest that the perceived benefits of inter-municipal cooperation differ across sectors only selectively and mainly concern service delivery, access to financial resources, territorial attractiveness and professionalisation. This confirms previous research arguing that the effects of inter-municipal cooperation depend on the functional characteristics of individual public services rather than representing a universally beneficial governance arrangement. Studies by Warner and Bel (2015) show that the benefits of cooperation are strongly conditioned by economies of scale, administrative capacity and service complexity. The particularly strong results identified in Human Development Services therefore appear theoretically consistent, as these services are typically more dependent on professional expertise, coordination capacity and external funding opportunities. Municipalities cooperating in this sector perceive stronger benefits related to financial resources, service accessibility, service range and municipal attractiveness, suggesting that inter-municipal cooperation plays an important developmental and capacity-building role in these policy areas.

The findings also support broader institutional perspectives on inter-municipal cooperation developed by Hulst and Montfort (2012), Teles and Swianiewicz (2018), who interpret cooperation as a mechanism enabling fragmented municipalities to overcome organisational and administrative limitations. The positive perception of professionalism and expertise in Basic Security and Welfare Services further indicates that inter-municipal cooperation may strengthen specialised administrative

capacity and service quality. In contrast, the absence of significant differences in the Technical Infrastructure Sector and Knowledge, Education and Information Services suggests that municipalities perceive the benefits of cooperation in these sectors more uniformly. Technical infrastructure services are often already institutionalised and standardised, which may reduce the visibility of additional developmental benefits associated with cooperation. Overall, the results indicate that sectoral cooperation primarily shapes selected functional and developmental perceptions of inter-municipal cooperation rather than the overall evaluation of cooperation itself.

The Mann–Whitney U test was also used to examine whether municipalities using different legal forms of inter-municipal cooperation differ in their perception of the benefits of cooperation (Table 29). The analysis was conducted separately for four legal forms: contract for the implementation of a specific task or activity, establishment of a legal entity, association of municipalities, and joint municipal offices. Statistically significant differences were identified for contracts, legal entities, and associations of municipalities, while no significant differences were found for joint municipal offices.

For municipalities using a contract for the implementation of a specific task or activity, significant differences were identified in three service-related benefit statements. Municipalities using this form agreed more strongly that inter-municipal cooperation improves the accessibility of services for citizens, increases citizens' satisfaction with services, and contributes to a higher supply of public services. These findings suggest that contractual cooperation is primarily associated with perceived improvements in the practical delivery, availability, and accessibility of local public services.

The establishment of a legal entity was associated with stronger perceptions of selected economic and resource-related benefits. Municipalities using this legal form agreed more strongly that inter-municipal cooperation reduces the average costs of service provision per citizen and enables access to additional financial resources for territorial development. This suggests that more institutionalised forms of cooperation may be linked to expectations regarding cost efficiency and resource mobilisation.

In the case of associations of municipalities, statistically significant differences were identified for two benefit statements. Municipalities using this form agreed more strongly that inter-municipal cooperation increases the attractiveness of the municipality for residents. However, municipalities not using associations of municipalities expressed stronger agreement that cooperation reduces the management costs of the service provision process. This indicates that the perceived benefits of associations of municipalities are more mixed and depend on the specific type of benefit considered.

Table 29: Statistically significant Mann–Whitney results by legal form of cooperation

Legal form of cooperation	Variable with significant difference	Mean rank: not using form	Mean rank: using form	U	Z	p
Contract for a specific task/activity (OT6_1)	Improves accessibility of services for citizens	250.11	219.11	16378.500	-2.051	0.040
Contract for a specific task/activity (OT6_1)	Increases citizens' satisfaction with services	252.64	208.82	15390.500	-2.935	0.003
Contract for a specific task/activity (OT6_1)	Contributes to a higher supply of public services	250.71	216.68	16145.000	-2.241	0.025
Establishment of a legal entity (OT6_2)	Reduces average costs of service provision per citizen	247.55	196.76	6095.000	-2.121	0.034
Establishment of a legal entity (OT6_2)	Enables access to additional financial resources for territorial development	248.58	183.00	5627.000	-2.720	0.007
Association of municipalities (OT6_3)	Reduces management costs of the service provision process	228.14	253.14	24678.000	-2.004	0.045
Association of municipalities (OT6_3)	Increases the attractiveness of the municipality for residents	263.00	233.06	24119.500	-2.368	0.018

Source: Author's primary research, 2026

Overall, the results indicate that the legal form of inter-municipal cooperation influences municipal perceptions of benefits in a selective manner. Contractual cooperation is mainly associated with perceived improvements in service accessibility, citizen satisfaction, and the range of public services. The establishment of a legal entity is linked to stronger perceptions of cost reduction and access to additional financial resources. Associations of municipalities are associated with perceived territorial attractiveness, although their relationship with perceived management cost reduction is less straightforward. By contrast, joint municipal offices did not show statistically significant differences in perceived benefits in the Mann–Whitney U test.

As municipalities may use several legal forms of inter-municipal cooperation simultaneously, an ordinal regression model was also estimated as a robustness check. The model included all four legal forms of cooperation as predictors of perceived benefits. The results partially confirm the Mann–Whitney findings. The most consistent association was found for the establishment of a legal entity, which was significantly related to stronger agreement that inter-municipal cooperation reduces the average costs of service provision per citizen and enables access to additional financial resources. Other associations, particularly those related to associations of municipalities and contractual cooperation, were weaker or only borderline significant. Therefore, these findings should be interpreted with caution.

Aldag and Warner (2018) argue that less formal arrangements may be useful in the early stages of cooperation, when municipalities need flexibility, while more formalised arrangements become increasingly important over time because they help reduce uncertainty, stabilise expectations, and lower transaction costs. From this perspective, contractual cooperation may be suitable for improving operational aspects of service delivery, such as accessibility and responsiveness, whereas more institutionalised legal forms may provide a stronger basis for resource mobilisation and long-term coordination.

Similarly, Voorn, van Genugten, and van Thiel (2017) show that the corporatisation of local services, including the establishment of distinct legal entities, is often chosen when municipalities engage in activities requiring clearer governance structures, financial separation, and stable institutional arrangements. In this context, legal entities may serve as more credible partners for external funding and development-oriented cooperation, while contractual arrangements remain more suitable for flexible and task-specific service coordination.

In addition to the legal form of cooperation, the position of a municipality within the cooperation arrangement may also shape how its benefits are perceived. To examine this relational dimension, municipalities that initiated cooperation were compared with municipalities that joined an already existing cooperation initiative. This distinction is relevant because initiating municipalities are more directly involved in defining cooperation objectives, selecting partners, negotiating rules

and shaping the institutional design of cooperation. Although this role may expose them to higher initial information, bargaining and coordination costs, it may also give them greater influence over the strategic orientation and expected outcomes of cooperation. By contrast, municipalities joining an existing initiative may benefit from already established organisational routines and lower entry costs, but their influence on decision-making rules, benefit distribution and long-term priorities may be more limited.

In the case of economic benefits, the results indicate only limited differences between the two groups. A statistically significant difference was identified only for the perception that inter-municipal cooperation increases the attractiveness of the municipality for residents ($U = 22371$, $p = 0.025$). Municipalities that joined existing cooperation arrangements expressed slightly weaker agreement with this statement compared with municipalities that initiated cooperation. This suggests that municipalities initiating cooperation may perceive broader developmental benefits of cooperation somewhat more positively.

For the remaining economic benefits, including cost reductions in service delivery, management cost reductions, access to additional financial resources, and the potential to attract investors, no statistically significant differences were identified between the two groups. Similarly, the analysis of non-economic benefits did not reveal statistically significant differences between initiating and joining municipalities. Both groups evaluated positively the potential of inter-municipal cooperation to increase the range of services, improve service accessibility, enhance citizen satisfaction, better reflect citizens' needs, and strengthen the professionalism of service delivery.

Overall, the results suggest that the position of municipalities within cooperation arrangements does not substantially influence the perception of most benefits of inter-municipal cooperation. Both initiating and joining municipalities tend to evaluate the positive effects of cooperation in a relatively similar manner, indicating that practical experience with cooperation, regardless of the initiating role, leads to comparable assessments of its advantages.

Table 30: Summary of determinants influencing the perception of benefits of inter-municipal cooperation

Determinant	Statistical method	Significant differences	Main empirical pattern
Participation in inter-municipal cooperation	Mann–Whitney U	Yes – several variables	Cooperating municipalities perceive economic and non-economic benefits more positively
Municipality size	Kruskal–Wallis	Very limited	Differences appear only in access to additional financial resources
Number of cooperating partners	Spearman correlation	Very weak relationships	Slight association with perceived cost reductions and professionalisation of services
Analytical blocks of cooperation	Mann–Whitney U	Selective	Differences mainly relate to benefits associated with service delivery, financial resources, and territorial attractiveness.
Legal form of cooperation	Mann–Whitney U	Yes – selective	Significant differences were found for contractual cooperation, legal entities, and associations of municipalities, but not for joint municipal offices. Contractual cooperation is linked mainly to service-related benefits, legal entities to cost and resource-related benefits, and associations of municipalities to selected mixed benefits.
Position within cooperation	Mann–Whitney U	Minimal	Only minor differences in the perception of developmental benefits

Source: Author's

The findings correspond with the broader literature on inter-municipal cooperation. Bel and Warner (2015) show that municipalities often cooperate in order to achieve economies of scale and overcome capacity limitations in service delivery (Bel, Pano & Sebő, 2025). Similarly, Feiock (2007) emphasises that cooperation emerges primarily as a pragmatic governance arrangement driven by transaction cost considerations and the need for efficient service delivery. The Slovak results are consistent with this interpretation, as they indicate that inter-municipal cooperation is perceived mainly as a practical response to administrative, technical, and financial constraints (Warner & Hefetz, 2002; Bel & Warner, 2016; Swianiewicz & Teles, 2018; Persson, 2026). This interpretation can be further extended by a policy-centred perspective on inter-municipal cooperation. Strebel and Bundi (2023) argue that cooperation is shaped not only by municipal-level characteristics, such as population size, fiscal capacity or administrative resources, but also by policy-specific characteristics (Steiner et al., 2019; Aldag, Warner, &

Bel, 2020). Their findings show that municipalities are more likely to cooperate in policy areas perceived as relevant, while politicisation and conflict tend to reduce the probability of cooperation. This perspective is useful for interpreting the Slovak results, as the perceived benefits and barriers of inter-municipal cooperation may differ across service areas depending on their importance, technical complexity, conflict potential and the extent to which municipalities wish to retain direct control over service delivery.

Overall, the findings presented in this chapter show that inter-municipal cooperation represents a widespread and functionally relevant practice in the Slovak local government system. Its use is concentrated particularly in service areas characterised by higher administrative, technical, and financial demands, where municipalities face capacity constraints and may benefit from sharing resources, expertise, and institutional arrangements. At the same time, the perceived potential of inter-municipal cooperation is not distributed equally across all municipalities. Municipalities with direct experience of cooperation tend to evaluate its benefits more positively, especially in relation to cost reduction, service accessibility, citizen satisfaction, and the professionalisation of service delivery. This indicates that practical involvement in inter-municipal cooperation may strengthen municipalities' awareness of its advantages and increase trust in cooperative governance arrangements.

However, the existence of this potential does not necessarily mean that it is fully realised in practice. The ability of municipalities to initiate, manage, and sustain cooperation may be constrained by a range of economic, political-administrative, legal, and institutional barriers. These barriers are analysed in the following chapter, which focuses on the factors limiting the wider and more effective use of inter-municipal cooperation in Slovakia.

3. THE BARRIERS OF INTER-MUNICIPAL COOPERATION IN THE SLOVAK REPUBLIC

The previous chapter demonstrated that inter-municipal cooperation has considerable potential in the Slovak Republic, particularly in service areas requiring administrative, technical, and financial capacity. Inter-municipal cooperation was shown to contribute to cost efficiency, improved accessibility of services, professionalisation of service delivery, and stronger administrative capacity. However, the existence of this potential does not necessarily mean that it is fully realised in practice. Despite the relatively high reported level of cooperation, the effectiveness, sustainability, and broader use of inter-municipal cooperation may be constrained by a range of barriers.

In this chapter, we continue to confront the theoretical perspective on inter-municipal cooperation with the results of our own empirical research conducted in the Slovak Republic. The chapter focuses on answering research question no. 3: Why is the potential of inter-municipal cooperation in the conditions of the Slovak Republic underused? This question is addressed through an examination of the practice of inter-municipal cooperation in Slovakia, with particular emphasis on the barriers to inter-municipal cooperation.

Its main objective is to explain why the potential of inter-municipal cooperation remains underused in the Slovak context. The analysis addresses the research question: “Why is the potential of inter-municipal cooperation in the conditions of the Slovak Republic underused?” Particular attention is paid to the barriers perceived by municipalities themselves and to the factors that shape differences in these perceptions.

Inter-municipal cooperation represents a key instrument in modern public administration for enhancing the efficiency, quality, and accessibility of public services (Teles, 2016; Swianiewicz & Teles, 2018; Bel et al., 2025). Although numerous definitions exist, they share common elements, namely a shared objective, an interest in achieving it, and some form of coordinated action (Himmelman, 1994, Teles, 2016). The current Europe-wide trend towards cooperation reflects efforts to overcome three critical constraints faced by smaller municipalities: the inability to achieve economies of scale in innovation (Shi & He, 2025), a shortage of professional expertise, and limited financial resources (Ferro & Sorrentino, 2010, Bel et al., 2025). Inter-municipal cooperation enables municipalities to

pool resources, share costs, and jointly deliver services in a more cost-effective and higher-quality manner (Feiock, 2013; Nižňanský et al., 2009). In territorially fragmented systems of local government, inter-municipal cooperation constitutes an effective means of addressing the capacity and financial limitations of small municipalities (Mikušová Meričková et al., 2023; Struk & Bakoš, 2021), while also strengthening their bargaining position in the market (Bel, Fageda & Mur, 2014).

Despite the benefits identified in Chapter 2, inter-municipal cooperation is frequently accompanied by barriers that may limit its effectiveness and long-term sustainability. These barriers are commonly grouped into institutional and legal, economic, and political-administrative factors. Financial barriers include insufficient funding linked to vertical fiscal imbalance and unstable financing arrangements (Bird & Vaillancourt, 1998; Halling & Bækgaard, 2024; Tricaud, 2025).

Cooperation is also often undermined by divergent interests, political conflicts, fears of losing political autonomy, and low levels of trust. (Leroux & Pandey, 2011, Teles & Swianiewicz, 2018) Critical studies further point to disadvantages such as loss of control, increased bureaucracy, lack of financial transparency (Spicer, 2017, Andersen & Møller, 2018), and unequal distribution of costs and benefits among partners (Feiock, 2007; Steinacker, 2004; Tricaud, 2021).

Institutional support and legal uncertainty arise from demanding coordination processes and unclear legislative frameworks (Strebel & Bundi, 2023). Evidence from Slovakia additionally confirms that high transaction costs, the absence of benchmark indicators, and weak state support are among the main reasons why many inter-municipal cooperation initiatives fail to achieve their intended outcomes (Mikušová Meričková et al., 2023; Ondrejko, 2025).

Building on these theoretical and empirical insights, our study focuses on three main dimensions of barriers to inter-municipal cooperation:

- **Political-administrative barriers**, including differences in political leadership orientation, lack of trust, bureaucratic operating procedures, resistance to change, administrative burden, and capacity constraints in the implementation of joint projects (Feiock, 2007; Tavares & Feiock, 2018; Brown, Potoski & Slyke, 2016; Goodman, 2015).
- **Institutional and legal barriers**, relating to the legal form of cooperation, the degree of formalisation of agreements, the existence of measurable performance indicators, specific partner selection criteria, and the overall state policy framework towards inter-municipal cooperation (Goodman, 2015; Feiock, 2007).
- **Economic barriers**, including transaction costs, disparities in financial and human resources among municipalities, availability of funding, project financing mechanisms, and the efficiency of budgetary resource utilisation (Bel & Sebő, 2021; Lowery, 2000; Warner & Hefetz, 2002; Feiock, 2007; Goodman, 2015).

When analysing the factors influencing the outcomes and effectiveness of inter-municipal cooperation, it is necessary to consider the broader institutional and political context in which cooperation among municipalities takes place. In particular, the role of political and institutional support for cooperation, as well as the overall governance framework that enables joint service delivery, should not be overlooked. Several authors (Feiock, 2013; Bel & Sebő, 2021; Tavares & Feiock, 2018) emphasise that these contextual conditions significantly shape the development and performance of inter-municipal cooperation.

From this perspective, the effectiveness of inter-municipal cooperation may depend on the quality of the institutional environment that supports cooperation among local governments. This includes the existence of a clear legal framework regulating cooperation, the availability of financial mechanisms that facilitate joint projects, and the managerial capacity of municipalities to coordinate complex interorganizational arrangements. At the same time, the political willingness of local leaders to engage in cooperation and the level of trust among cooperating municipalities represent important preconditions for the successful implementation of joint activities.

However, empirically assessing the influence of these external factors is often challenging. Institutional conditions, legislative frameworks, and political environments are difficult to quantify, particularly in contexts where systematic data on inter-municipal cooperation are limited. As a result, many empirical studies focus primarily on internal determinants of cooperation that can be more easily captured through survey-based research, such as perceived barriers, incentives, and expected benefits of cooperation (Bel, Fageda & Warner, 2009; Mikušová Meričková et al., 2024; 2026).

3.1 Barriers of inter-municipal cooperation

In this context, the present study concentrates on the barriers perceived by municipalities themselves, as these perceptions reflect the practical experience of local governments in establishing and maintaining cooperative arrangements. Understanding how municipalities evaluate these factors provides valuable insights into the mechanisms that facilitate or hinder the development of inter-municipal cooperation.

Consequently, the analysis presented in this chapter seeks to answer the following research question: “Why is the potential of inter-municipal cooperation in the conditions of the Slovak Republic underused?” To address this question, municipalities assessed selected barriers to inter-municipal cooperation using a five-point agreement scale, where 1 represented strong agreement and 5 represented

strong disagreement. The individual barriers were pre-classified into three analytical categories corresponding to the main factors limiting inter-municipal cooperation: economic barriers, political-administrative barriers, and legal-institutional barriers.

Table 31: Economic barriers to inter-municipal cooperation to inter-municipal cooperation (N=487)

Economic barriers	Mean	Std. Deviation
Lack of financial resources	1.92	0.898
Lack of personnel	2.02	0.881
Costs associated with establishing and managing cooperation	2.20	0.899
Problems with the distribution of competencies between municipalities	2.71	1.029
Problems with the distribution of benefits resulting from cooperation	2.70	0.987

Source: Author’s primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The results suggest that municipalities perceive financial and human resource limitations as the most significant economic barriers to inter-municipal cooperation. The strongest agreement was observed for the statement that a lack of financial resources represents a barrier to cooperation (M = 1.92), followed by a lack of personnel (M = 2.02). These findings indicate that limited financial capacity and insufficient administrative staff are key constraints affecting municipalities’ ability to initiate or sustain cooperative arrangements.

Respondents also moderately agreed that costs associated with establishing and managing cooperation represent a barrier (M = 2.20). This suggests that the transaction and coordination costs related to cooperation – including administrative, organizational, and management efforts – may discourage municipalities from engaging in collaborative initiatives.

In contrast, relatively weaker agreement was observed for barriers related to institutional and governance issues, such as the distribution of competencies between municipalities (M = 2.71) and the distribution of benefits resulting from cooperation (M = 2.70). Although these issues are still perceived as relevant, the results indicate that municipalities consider resource constraints to be more significant obstacles than governance-related challenges.

Overall, the findings highlight that economic barriers to inter-municipal cooperation are primarily associated with limited financial and human resources, rather than with conflicts over authority or benefit sharing.

Table 32: Political and administrative barriers to inter-municipal cooperation (N=487)

Political and administrative barriers	Mean	Std. Deviation
Conflict between the goals of participating municipalities	3.11	0.967
Different political orientation of neighbouring municipalities	3.60	0.991
More complex management and coordination	3.00	0.974
Concerns about loss of control and flexibility	3.14	1.007
Resistance from employees and personal disagreements	3.47	0.927
Reluctance to cooperate and preference for maintaining autonomy	3.34	0.998

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The results suggest that political and administrative barriers are perceived as less significant obstacles to inter-municipal cooperation compared to economic and resource-related barriers. Overall, the mean values for these items range between 3.00 and 3.60, indicating a relatively moderate or weaker agreement that these factors represent major barriers.

Among the examined factors, the strongest perceived barrier relates to more complex management and coordination of cooperative arrangements ($M = 3.00$), suggesting that respondents acknowledge the administrative challenges associated with coordinating activities among multiple municipalities. Similarly, respondents moderately agreed that conflicts between the goals of participating municipalities ($M = 3.11$) and concerns about loss of control and flexibility ($M = 3.14$) may complicate cooperative initiatives.

Slightly higher mean values were observed for reluctance to cooperate and the preference for maintaining municipal autonomy ($M = 3.34$) and resistance from employees or personal disagreements ($M = 3.47$). These findings indicate that while such factors may occasionally arise, they are not widely perceived as dominant obstacles.

The least significant barrier appears to be different political orientations of neighbouring municipalities ($M = 3.60$), suggesting that political differences between local governments do not substantially hinder inter-municipal cooperation in most cases.

Taken together, the results indicate that municipalities perceive political and administrative barriers as secondary barriers, whereas financial and human resource limitations play a more prominent role in constraining cooperation.

Table 33: Legal and institutional barriers to inter-municipal cooperation (N=487)

Legal and institutional barriers	Mean	Std. Deviation
Low support from the central government	2.16	0.887
Unstable political environment	2.26	0.977
Complex legislative environment	1.88	0.863
Lack of institutional support	2.07	0.875

Source: Author’s primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The results indicate that municipalities perceive institutional conditions as an important factor influencing the development of inter-municipal cooperation. Among the examined barriers, the strongest agreement was observed for the statement that a complex legislative environment represents a barrier to cooperation ($M = 1.88$). This suggests that the regulatory framework governing inter-municipal cooperation may be perceived as complicated or administratively demanding, which can discourage municipalities from engaging in cooperative arrangements.

Respondents also indicated that insufficient institutional support ($M = 2.07$) and low support from the central government ($M = 2.16$) represent relevant barriers. These findings suggest that municipalities expect stronger systemic support from higher levels of government, including clearer policy frameworks, guidance, and institutional mechanisms facilitating cooperation.

A slightly weaker agreement was observed for the barrier related to an unstable political environment ($M = 2.26$). Although political instability may influence the functioning of local governance, it appears to be perceived as a somewhat less significant constraint compared to legislative complexity or insufficient institutional support.

Overall, the findings highlight that institutional barriers to inter-municipal cooperation are primarily associated with regulatory complexity and insufficient systemic support from higher levels of governance, rather than with purely political instability.

After identifying the overall importance of economic, political-administrative, and legal-institutional barriers, the analysis further examines whether these barriers are perceived differently by municipalities with and without practical experience of inter-municipal cooperation. This comparison is important because barriers may operate differently depending on the municipality’s position in relation to cooperation.

For municipalities that do not participate in inter-municipal cooperation, barriers may function primarily as entry constraints that discourage the initiation

of cooperative arrangements. These may include insufficient financial resources, lack of personnel, complex legislation, or limited institutional support. By contrast, municipalities already involved in cooperation may be more aware of barriers that emerge during the implementation and management of cooperative arrangements, such as coordination difficulties, conflicts between municipal goals, problems with the distribution of competences and benefits, or concerns about autonomy and control.

To examine these differences, municipalities participating in inter-municipal cooperation were compared with municipalities that do not cooperate. Since the analysed variables were measured on a five-point Likert scale, the Mann–Whitney U test was used. The analysis distinguishes between economic barriers, political-administrative barriers, and legal-institutional barriers. The results are presented in Table 34 - Table 36.

Table 34: Differences in perceived economic barrier between cooperating and non-cooperating municipalities (Mann–Whitney test)

Economic barrier	Mean rank (Cooperating municipalities)	Mean rank (Non-cooperating municipalities)	U	Z	p
Lack of financial resources	288.46	356.72	21652	-3.999	<0.001
Lack of personnel	294.31	331.95	24500.5	-2.219	0.026
Costs of establishing and managing cooperation	300.98	303.69	27751	-0.160	0.873
Problems with distribution of competences	316.39	238.44	20750.5	-4.523	<0.001
Problems with distribution of benefits	315.43	242.52	21219.5	-4.250	<0.001

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The analysis identified several statistically significant differences in the perception of economic barriers to inter-municipal cooperation. Municipalities that do not cooperate reported significantly stronger agreement with barriers related to lack of financial resources and lack of personnel.

On the other hand, municipalities already engaged in cooperation perceived more strongly the barriers related to the distribution of competences and benefits among cooperating municipalities. This may reflect the practical challenges that arise during the implementation and management of cooperative arrangements.

No statistically significant difference was found regarding the barrier associated with the costs of establishing and managing cooperation, suggesting that both groups perceive this factor similarly.

Overall, the findings indicate that non-cooperating municipalities emphasize resource constraints, whereas municipalities with cooperation experience are more aware of organizational and governance-related challenges. The study by Frère and Védrine (2024) shows that voluntary inter-municipal cooperation can be understood as a non-cooperative game in which municipalities decide to transfer competences to the inter-municipal level only when such a decision corresponds to their individual interests. The willingness to cooperate is influenced not only by potential economies of scale, but also by fiscal heterogeneity among municipalities. Municipalities with higher fiscal capacity may be less willing to transfer competences if they expect to contribute disproportionately to jointly provided services. These findings highlight the importance of distributional concerns and strategic behaviour as potential barriers to deeper inter-municipal integration.

Table 35: Differences in perceived political and administrative barriers between cooperating and non-cooperating municipalities (Mann–Whitney test)

Political-administrative barrier	Mean rank cooperating	Mean rank non-cooperating	U	Z	p
Conflicts between municipal goals	316.50	237.96	20695.5	-4.566	<0.001
Different political orientation	314.22	247.63	21807.5	-3.859	<0.001
More complex management and coordination	317.74	232.74	20095	-4.951	<0.001
Fear of losing control and flexibility	315.34	242.87	21260.5	-4.216	<0.001
Resistance of employees and personal conflicts	319.28	226.22	19345.5	-5.430	<0.001
Unwillingness to cooperate and preference for autonomy	321.60	216.38	18214	-6.100	<0.001

Source: Author's primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

Statistically significant differences were identified for all examined political-administrative barriers. Municipalities that already participate in inter-municipal cooperation reported higher mean ranks, indicating a stronger perception of these barriers compared with municipalities that do not cooperate.

The most pronounced differences were observed for the barriers related to unwillingness to cooperate and the preference for maintaining municipal autonomy, as well as employee resistance and personal conflicts. These findings suggest that municipalities involved in cooperation are more aware of the practical governance challenges and coordination difficulties that arise during the implementation of cooperative arrangements.

Thus, while non-cooperating municipalities tend to emphasize resource limitations, cooperating municipalities highlight organizational and political challenges associated with coordination and shared decision-making.

Table 36: Differences in perceived legal and institutional barriers between cooperating and non-cooperating municipalities (Mann–Whitney test)

Legal-institutional barrier	Mean rank cooperating	Mean rank non-cooperating	U	Z	p
Low support from the central government	295.31	327.70	24990	-1.900	0.057
Unstable political environment	298.84	312.76	26708	-0.808	0.419
Complex legislative environment	292.87	338.03	23801.5	-2.666	0.008
Lack of institutional support	296.96	320.73	25791	-1.394	0.163

Source: Author’s primary research, 2026

Note: Response scale: 1 = strongly agree, 5 = strongly disagree.

The analysis of legal and institutional barriers revealed a statistically significant difference only for the perception of a complex legislative environment ($U = 23801.5$, $p = 0.008$). In this case, municipalities that do not participate in inter-municipal cooperation reported higher mean ranks, indicating stronger agreement that legislative complexity represents a barrier to cooperation.

For the remaining factors, including low support from the central government, unstable political conditions, and lack of institutional support, no statistically significant differences were identified between the two groups of municipalities.

These results suggest that although legal and institutional factors may influence the development of inter-municipal cooperation, their perception does not differ

substantially between cooperating and non-cooperating municipalities, with the exception of legislative complexity.

In the case of economic barriers, municipalities that do not cooperate emphasised constraints related to insufficient financial resources and lack of personnel more strongly. In contrast, municipalities already engaged in cooperation more frequently identified challenges related to the distribution of competences and benefits among cooperating municipalities, which reflects the practical governance issues that arise once cooperation is implemented.

A similar pattern was observed for political and administrative barriers, where municipalities participating in cooperation perceived more strongly issues such as coordination difficulties, conflicts of interests between municipalities, resistance of employees, and concerns about losing autonomy. These results suggest that municipalities with cooperation experience are more aware of the organisational and managerial complexities associated with collaborative governance.

Finally, the analysis of legal and institutional barriers revealed fewer differences between the two groups of municipalities. A statistically significant difference was identified only in the perception of the complex legislative environment, which was more strongly emphasised by municipalities that do not cooperate. Other factors, such as low support from the central government, unstable political conditions, and lack of institutional support, were perceived similarly by both groups.

These results highlight the importance of experience with cooperative governance in shaping municipalities' perceptions of both the advantages and the challenges of inter-municipal cooperation. At the same time, they indicate that strengthening institutional support mechanisms and sharing practical experiences between municipalities could contribute to reducing scepticism toward cooperation and promoting its wider adoption.

3.1.1 Determinants of perceived barriers of inter-municipal cooperation

In order to better understand the conditions under which municipalities perceive inter-municipal cooperation as constrained by barriers, the analysis was extended to examine selected structural and institutional determinants that may influence the perception of these barriers. Specifically, the analysis focused on municipality size, the number of cooperating partners, the sector of cooperation, and the legal form of cooperation.

Following the approach used in the analysis of determinants influencing the perception of inter-municipal cooperation benefits, non-parametric statistical methods were also applied to assess the perception of barriers. The Kruskal–Wallis test was applied to analyse differences across municipality size categories, while Spearman's rank-order correlation coefficient was used to assess the relationship

between the number of cooperating municipalities and the perception of selected barriers. The Mann–Whitney U test was used to examine differences between two independent groups of municipalities, particularly cooperating and non-cooperating municipalities, as well as differences associated with selected institutional characteristics of cooperation.

The results of the Kruskal–Wallis test did not confirm that the perception of barriers to inter-municipal cooperation differs substantially according to municipality size. Municipality size therefore does not appear to represent a major differentiating factor in how municipalities perceive barriers to cooperation.

In the area of economic barriers, a statistically significant difference emerged only for the barrier related to the costs associated with establishing and managing cooperation ($H = 11.441$, $p = 0.043$). This finding suggests that municipalities of different sizes may perceive the transaction and coordination costs of cooperation differently. However, no significant differences were found for the perception of insufficient financial resources, lack of personnel, or problems related to the distribution of competences and benefits.

No statistically significant differences according to municipality size were found for political-administrative barriers or for legal-institutional barriers. This means that municipalities across different population categories perceive issues such as coordination difficulties, conflicts of interests, political differences, legislative complexity, or lack of institutional support in a broadly similar manner.

Overall, the results suggest that municipality size plays only a limited role in shaping perceptions of barriers to inter-municipal cooperation. Differences between municipalities of various sizes appear only in the perception of the costs of creating and managing cooperation, while most other barriers are perceived relatively similarly across size categories.

To examine whether the number of cooperating municipalities is associated with perceived barriers to inter-municipal cooperation, Spearman's rank-order correlation was applied (Table 37).

Table 37: Relationship between the number of cooperating municipalities and the perceived barriers of inter-municipal cooperation (Spearman's correlation)

Dimension	Variable	Spearman's ρ	p-value	Dependence	Type of relationship
Economic barriers	Lack of financial resources	-0.036	0.442	No	Not significant
	Lack of personnel	-0.053	0.253	No	Not significant
	Costs of establishing and managing cooperation	-0.036	0.438	No	Not significant
	Problems with distribution of competences	0.002	0.958	No	Not significant
	Problems with distribution of benefits	0.013	0.782	No	Not significant
Political and administrative barriers	Conflict between goals of participating municipalities	-0.015	0.743	No	Not significant
	Different political orientation of neighbouring municipalities	0.055	0.235	No	Not significant
	More complex management and coordination	-0.028	0.546	No	Not significant
	Fear of losing control and flexibility	-0.036	0.433	No	Not significant
	Resistance of employees and personal conflicts	0.032	0.493	No	Not significant
Legal and institutional barriers	Unwillingness to cooperate and preference for autonomy	0.033	0.472	No	Not significant
	Low support from the central government	-0.005	0.916	No	Not significant
	Unstable political environment	-0.054	0.247	No	Not significant
	Complex legislative environment	-0.042	0.360	No	Not significant
	Lack of institutional support	-0.046	0.314	No	Not significant

Source: Author's primary research, 2026

The results indicate that no statistically significant relationships were found for economic barriers, political-administrative barriers, or legal-institutional barriers. This means that an increase in the number of cooperating partners does not, by itself, appear to intensify or reduce perceptions of financial constraints, personnel shortages, coordination problems, conflicts, or legislative obstacles.

Overall, it may be concluded that the number of cooperating municipalities is not a key determinant of how municipalities perceive the barriers to inter-municipal cooperation. The size of the cooperation network therefore appears to play only a marginal role in shaping perceptions of the limits and difficulties associated with inter-municipal cooperation.

The analysis also examined whether municipalities cooperating in different analytical sectors perceive barriers to inter-municipal cooperation differently. The results indicate that statistically significant sectoral differences were identified mainly in relation to perceived benefits, while the perception of barriers remained largely similar across sectors.

This suggests that barriers to inter-municipal cooperation are not strongly conditioned by the functional area in which cooperation takes place. Financial constraints, administrative complexity, institutional support, and coordination-related challenges appear to represent more general obstacles that may affect municipalities across different policy domains. In addition to these economic, political-administrative, and legal-institutional barriers, recent research also highlights the importance of spatial barriers. Long distances, regional borders, and limited administrative capacity in sparsely populated municipalities may hinder cooperation and reduce the ability of those municipalities most in need of cooperation to participate in it effectively (Grip & Karlsson, 2026).

The Mann–Whitney U test further examined whether municipalities using different legal forms of inter-municipal cooperation differ in their perception of barriers (Table 38). The results show that statistically significant differences were identified mainly for associations of municipalities and joint municipal offices. No statistically significant differences were found for contractual cooperation or for the establishment of a legal entity.

Table 38: Statistically significant Mann–Whitney results by legal form of cooperation

Legal form of cooperation	Barrier with significant difference	Mean rank: not using form	Mean rank: using form	U	Z	p
Association of municipalities	Conflict between the objectives of participating municipalities	260.45	234.52	24573.000	-2.057	0.040
Association of municipalities	Different political orientation of neighbouring municipalities	264.22	232.35	23901.500	-2.525	0.012
Association of municipalities	Unwillingness to cooperate and tendency to preserve autonomy	260.94	234.24	24486.000	-2.115	0.034
Association of municipalities	Low support from central government	264.20	232.36	23905.000	-2.547	0.011
Association of municipalities	Unstable political environment	271.17	228.35	22664.500	-3.384	< 0.001
Joint municipal offices	Problem with the division of competencies among municipalities	269.78	237.26	16889.500	-2.165	0.030
Joint municipal offices	Problem with the distribution of benefits resulting from cooperation	272.96	236.42	16568.000	-2.444	0.015

Source: Author's primary research, 2026

Municipalities cooperating through associations of municipalities perceived several political and institutional barriers more strongly, including conflicts between the objectives of participating municipalities, different political orientations among neighbouring municipalities, reluctance to cooperate combined with a preference for maintaining autonomy, low support from the central government, and unstable political conditions. This pattern indicates that broader association-based forms of cooperation may expose municipalities to greater political heterogeneity and governance-related challenges.

In the case of joint municipal offices, statistically significant differences were identified for two barrier-related items. Municipalities participating in joint municipal offices perceived more strongly problems related to the distribution of competences between cooperating municipalities and problems associated with the distribution of benefits arising from cooperation. These results suggest that shared administrative structures may raise practical coordination issues regarding the allocation of responsibilities and the fair distribution of outcomes among participating municipalities.

Overall, the findings indicate that the legal form of inter-municipal cooperation influences the perception of barriers in a selective manner. Associations of municipalities are associated with a stronger awareness of political, institutional, and coordination-related barriers, while joint municipal offices are associated with barriers related to competence allocation and distributional fairness. By contrast, contractual cooperation and the establishment of a legal entity did not show statistically significant differences in the perception of barriers.

Table 39: Summary of determinants influencing the perception of barriers to inter-municipal cooperation

Determinant	Statistical method	Significant differences	Main empirical pattern
Participation in inter-municipal cooperation	Mann–Whitney U	Yes – several variables	Non-cooperating municipalities emphasise resource and legislative barriers, while cooperating municipalities perceive governance, coordination, and distributional barriers more strongly
Municipality size	Kruskal–Wallis	Very limited	Differences appear only in the perceived costs of establishing and managing cooperation
Number of cooperating partners	Spearman correlation	No significant relationships	The number of partners does not significantly influence the perception of economic, political-administrative, or legal-institutional barriers
Analytical blocks of cooperation	Mann–Whitney U	Limited	Barriers are perceived relatively similarly across sectors
Legal form of cooperation	Mann–Whitney U	Yes – selective	Significant differences were found for associations of municipalities and joint municipal offices, but not for contractual cooperation or legal entities. Associations are linked to political and institutional barriers, while joint municipal offices are linked to competence and benefit-distribution challenges.
Position within cooperation	Mann–Whitney U	Minimal / not central	The initiating or joining role does not substantially change the perception of barriers

Source: Author's primary research, 2026

Taken together, the findings suggest that the limited use or effectiveness of inter-municipal cooperation in Slovakia cannot be explained by a single barrier. Rather, it results from a combination of resource-related, institutional, political, and governance-related constraints. Financial and personnel shortages represent important obstacles, particularly for municipalities that do not yet participate in cooperation. These municipalities tend to perceive cooperation through the lens of limited capacity and complex legislative conditions, which may discourage them from initiating cooperative arrangements.

By contrast, municipalities with direct experience of cooperation are more aware of the practical challenges that arise during the implementation and management of cooperative arrangements. These include coordination difficulties, conflicts

between municipal goals, concerns about autonomy, and problems related to the distribution of competences and benefits. This suggests that practical experience with inter-municipal cooperation increases not only the recognition of its benefits, but also awareness of its operational and governance-related limits.

The analysis of structural and institutional determinants further shows that municipality size and the number of cooperating partners play only a limited role in shaping the perception of barriers. More important are practical experience with cooperation and the institutional form through which cooperation is organised. Associations of municipalities are associated with stronger awareness of political, institutional, and coordination-related barriers, while joint municipal offices are associated with challenges related to competence allocation and the distribution of benefits.

Overall, the results support the view that inter-municipal cooperation represents a relevant but conditional governance solution for local public service delivery in Slovakia. Its potential can be realised only when municipalities are supported by sufficient financial and human resources, clear institutional rules, effective coordination mechanisms, and mutual trust among participating local governments. Without these enabling conditions, the potential of cooperation may be weakened by transaction costs, coordination failures, and accountability problems (Blåka, Jacobsen, & Morken, 2023; Spicer, 2017; Bel et al., 2025). Aldag and Warner (2018) show that municipalities with positive past experience in shared service delivery are more likely to maintain longer-term agreements. This finding is consistent with the ICA framework, which emphasises the role of trust and repeated interaction in reducing cooperation risks and transaction costs.

4. RECOMMENDATIONS FOR THE PRACTICE OF INTER-MUNICIPAL COOPERATION IN THE CONDITIONS OF THE SLOVAK REPUBLIC

This chapter focuses on fulfilling the final partial objective of the monograph, which is to draw conclusions regarding the validity of the theoretical assumptions in practice under the specific conditions of the Slovak Republic and to propose possible solutions for the practical management of inter-municipal cooperation.

The chapter builds on the theoretical foundations, the results of the authors' own empirical research, and the key problems identified in the preceding parts of the monograph. Its aim is to formulate specific measures that may contribute to the more effective functioning of inter-municipal cooperation, the more efficient use of available resources, and the improvement of the quality of local public services.

The proposed recommendations reflect both the practical experience of municipalities and the specific characteristics of the Slovak local government system, particularly its high degree of territorial fragmentation, the limited administrative and financial capacities of smaller municipalities, and the need for more stable institutional support. Their implementation may help mitigate coordination and distributional problems, strengthen trust among cooperating municipalities, and support more sustainable territorial development. At the same time, the recommendations are intended to promote the long-term stability, systematic development, and greater effectiveness of inter-municipal cooperation in Slovakia.

Based on the results of the analytical part of the monograph, it can be concluded that inter-municipal cooperation, has considerable potential to increase the efficiency of local public service delivery in the conditions of the Slovak Republic. However, its practical implementation is limited by several economic, political-administrative, and institutional-legal barriers.

These findings are also consistent with international literature, according to which the success of inter-municipal cooperation depends not only on the existence of economic incentives, such as economies of scale, but also on the quality of the institutional framework, the level of trust among actors (Klok, Denters & Boogers, 2018), and the effectiveness of governance mechanisms. In this context, the concept

of ICA can be applied, as it highlights the need to minimise transaction costs, coordination problems, and risks associated with cooperation.

When formulating recommendations, it is also appropriate to draw on the experience of countries where inter-municipal cooperation has been developed over the long term and functions effectively. In France, inter-municipal cooperation is institutionalised through so-called intercommunal structures, EPCI, which have their own competences and budgets. This model, introduced in 1999 and based on own tax authority, ensures a high degree of stability and professionalisation of cooperation (Abidi et al., 2020).

In Germany, special-purpose municipal associations, Zweckverbände, are widely used, particularly for the delivery of technical services such as water management and waste management. This is one of the most important forms of inter-municipal cooperation in the German federal state of Brandenburg. Its main objective is to solve practical problems and reduce costs. The advantage of this model lies in the clear allocation of competences and high efficiency (Franzke, 2018).

Scandinavian countries, such as Sweden, use more flexible forms of cooperation based on voluntariness and a high level of trust among municipalities. This model allows rapid adaptation to changing conditions while minimising administrative burden. Such an approach may increase efficiency and the professional capacity of staff without undermining the democratic accountability of individual municipalities. However, research conducted in three municipalities in northern Sweden also shows that, despite these advantages, the outcomes of such cooperation may remain rather limited over a longer period, leading to considerations of municipal amalgamation as an alternative (Wiberg & Limani, 2015).

The Netherlands represents an example of regionally organised cooperation, where municipalities establish joint agencies for the delivery of public services. This approach enables the effective use of resources and better coordination at the regional level. These examples suggest that successful inter-municipal cooperation is based on a combination of a clear institutional framework, financial incentives, professionalisation, and trust among actors (Klok et al., 2018).

The formulated recommendations therefore reflect the identified barriers while also drawing on established international models of inter-municipal cooperation. Their aim is to propose measures that will contribute to increasing the efficiency, stability, and sustainability of inter-municipal cooperation in the conditions of the Slovak Republic.

The effective functioning of inter-municipal cooperation requires an adequate legislative and institutional framework, which is currently insufficiently developed in the conditions of the Slovak Republic. For this reason, several systemic measures need to be adopted at the national level. First, it is necessary to strengthen the legislative anchoring of inter-municipal cooperation. The current system is based predominantly on voluntariness, which leads to instability and the short-term nature

of cooperative arrangements. The introduction of more formal and stable forms of cooperation, or even partially mandatory models in certain areas of public service delivery, could contribute to increasing the efficiency and continuity of service delivery.

Financial incentives also represent an important instrument for supporting inter-municipal cooperation. The state should create mechanisms of preferential financing for municipalities involved in cooperation, for example through subsidies, grants, or preferential access to EU funds, as can be observed in examples from abroad. Such measures would motivate municipalities to develop joint projects while reducing their financial risk.

Another important measure is the delivery of methodological support by the state. This should include the development of standardised procedures, methodologies, and model contracts that would facilitate the process of establishing and managing cooperation among municipalities. A lack of professional capacity is one of the significant barriers identified in the analytical part of the monograph. Available guidelines and practical examples from practice would help municipalities better navigate legal and organisational issues and minimise the risk of ineffective solutions. Such support could include, for example, training, consultancy services, or the creation of a central platform for sharing experience among municipalities. Strengthening professional support would thus increase the quality of cooperation and support its long-term sustainability. Slovakia could draw inspiration from France, which provides methodological support for inter-municipal cooperation through central administration, particularly the Direction générale des collectivités locales, which coordinates policies towards local governments and prepares methodological guides, such as the Guide de l'intercommunalité, containing procedures for the establishment and management of cooperation among municipalities (Ferry et al., 2025). The importance of state incentives and administrative capacity is supported by Bischoff and Wolfschütz (2021), who found that inter-municipal cooperation in West Germany was more likely to emerge in clusters of shrinking municipalities and where administrative expenditure pressures were higher. They also show that state subsidies have a strong positive effect on the emergence of cooperation. These findings are relevant for Slovakia, where many small municipalities face limited administrative and human capacities, and support the need for targeted financial incentives and institutional support, especially in administrative and back-office functions.

Last but not least, it is necessary to support the professionalisation of inter-municipal cooperation. This means creating shared professional capacities, for example in the form of joint offices or specialised managers responsible for managing cooperation at a professional level. Such an approach would contribute to reducing the administrative burden on mayors and improving the quality of management.

In addition to systemic measures, municipalities themselves also play a key role, as they are the main actors in inter-municipal cooperation. Their approach

and willingness to cooperate fundamentally influence the success of inter-municipal cooperation.

One of the most important preconditions for effective cooperation is building trust among municipalities. Trust represents a fundamental element that reduces transaction costs and facilitates coordination, as confirmed by Arntsen, Torjesen and Karlsen (2018) in their work. Municipalities should therefore create platforms for regular communication, for example through meetings of mayors or working groups.

Another important aspect is the strategic planning of cooperation. Before entering into cooperation, municipalities should conduct a cost-benefit analysis, which would make it possible to identify potential advantages and risks. Cost-Benefit Analysis, abbreviated as CBA, would in this case represent a suitable tool for assessing inter-municipal cooperation, as it allows for the systematic comparison of individual alternatives before a decision is made. In the study *Cost-Benefit Analysis for Supporting Inter-municipal Decisions on Drinking Water Supply*, the authors used CBA to evaluate options for inter-municipal cooperation in the field of drinking water supply. The analysis made it possible to identify both economic and broader social effects of different cooperation alternatives and to compare them with individual solutions adopted by municipalities. The results showed that CBA provides a structured framework for informed decision-making, helps identify potential economies of scale, and at the same time draws attention to possible risks, thereby supporting the effective planning of inter-municipal cooperation (Sjöstrand et al., 2019). As the academic literature points out, the absence of such analyses often leads to ineffective or dysfunctional cooperation.

The professionalisation of management also plays an important role. The management of cooperation should not be based solely on political representatives but should be supported by professional capacities. The creation of joint managerial positions or expert teams can significantly contribute to the efficiency and stability of cooperation. The academic literature indicates that obtaining specialised professional staff is, in many cases, possible precisely through pooling capacities within inter-municipal cooperation. Such an approach enables municipalities to secure professional management that individual local governments could not afford on their own, while also improving the quality of services provided and the efficiency of management (Bakoš et al., 2021).

Finally, it is necessary to ensure transparency and control in the functioning of cooperation. Clearly defined rules for financing, allocation of competences, and regular evaluation of results are essential for maintaining trust and efficiency. The role of evaluation appears to be particularly important in the early stages of cooperation. Aldag and Warner (2018) suggest that formal evaluation may help municipalities identify what works in their specific context and what adjustments are needed to make cooperation more sustainable. Over time, as cooperation becomes more formalised and partners gain experience, the need for intensive evaluation may decrease.

Table 40: Recommendations and Expected Benefits of Inter-municipal Cooperation

Identified barrier	Recommendation	Level of implementation	Expected benefit
Insufficient legislation	Strengthening the legal framework for inter-municipal cooperation	State	Stability of cooperation
Voluntary nature of cooperation	Introduction of incentives or mandatory elements in selected services	State	Higher level of municipal involvement
Lack of financial resources	Subsidies and financial bonuses for cooperating municipalities	State	Motivation to cooperate
Lack of professional capacities	Methodological support and training	State	Higher quality of management
Weak trust among municipalities	Building partnerships and regular communication	Municipalities	Reduction of transaction costs
Absence of analyses	Mandatory cost-benefit analyses before entering into cooperation	Municipalities	More effective decision-making
Unprofessional management	Introduction of joint management	Municipalities	Higher efficiency
Unclear competences	Clear contractual relationships and rules	Municipalities	Better coordination
Low transparency	Reporting and control mechanisms	Municipalities	Higher trust
Formal or non-functional inter-municipal cooperation	Introduction of performance evaluation through KPIs	Municipalities + State	Real efficiency

Source: Authors

Based on the identified barriers and international experience, it is possible to propose a concept of inter-municipal cooperation suitable for the conditions of the Slovak Republic. The proposed concept should be based on voluntary cooperation supported by financial incentives from the state. Such an approach would respect the autonomy of municipalities while also motivating them to cooperate. As already noted in the previous parts of the monograph, municipalities in Slovakia generally show low willingness to accept forced amalgamation; therefore, voluntary cooperation supported by incentive-based instruments from the state represents a more realistic alternative.

From an institutional perspective, it is appropriate to establish joint organisational units with clearly defined competences and responsibilities. The

management of these units should be ensured by professional management, which would increase the efficiency and stability of cooperation. This is supported by Bel and Warner's (2016) meta-regression analysis, which shows that professional management is an important driver of inter-municipal cooperation, especially in studies including small municipalities. In the Slovak context, this is particularly relevant due to the fragmented municipal structure and limited administrative capacity of many small municipalities.

Financing should be based on a combined model consisting of municipal contributions, state subsidies, and external sources, such as European Union funds. Such a concept would enable the diversification of resources and reduce financial risk.

An important component of the concept is also the introduction of control mechanisms and performance evaluation. The establishment of measurable indicators, such as service costs and service quality, would enable the continuous assessment of the effectiveness of cooperation and the identification of potential shortcomings.

The proposed concept also reflects the principles of the ICA framework, as it seeks to minimise transaction costs, reduce cooperation risks, and support coordination among actors. Despite the proposed measures, possible limits and risks of their implementation must also be taken into account. One of the main risks is political unwillingness to cooperate, which may result from divergent interests or a lack of trust among municipalities.

Another problem is the lack of professional capacities, which may limit the ability of municipalities to implement the proposed measures. In this context, support from the state is crucial, particularly in the areas of education, training, and methodological assistance.

There is also a risk of formalism in cooperation, where cooperation exists only on paper without any real contribution to service delivery. It is therefore necessary to place emphasis on real outcomes and effectiveness, rather than merely on the formal establishment of cooperation arrangements.

Inter-municipal cooperation in the conditions of the Slovak Republic is applied in various areas of local public service delivery, with its importance increasing particularly in the context of the high fragmentation of territorial self-government and the limited capacities of smaller municipalities. It is used most prominently in areas where economies of scale, more efficient use of resources, and access to professional capacities can be achieved, which individual municipalities are often unable to secure independently.

A key area of inter-municipal cooperation is technical infrastructure, particularly waste management, water management, maintenance of local roads, and public lighting. In practice, this mainly involves the joint delivery of waste collection and disposal services, the operation of water supply and sewerage systems, or the coordination of winter road maintenance. These services are characterised by

high fixed costs, creating conditions for achieving economies of scale through cooperation among several municipalities. In the Slovak context, associations of municipalities are common institutional arrangements for jointly delivering these services, thereby reducing delivery costs.

Another important area is the delivery of administrative and support activities. This mainly concerns joint construction offices, economic and accounting services, public procurement, and legal and IT services. These forms of cooperation respond primarily to the lack of professional capacities in smaller municipalities, which often cannot afford to employ qualified staff on a full-time basis. The joint delivery of these activities makes it possible to increase the professionalisation of public administration while reducing personnel costs.

Inter-municipal cooperation is also gradually developing in the field of social services, where municipalities jointly provide facilities for seniors, home care services, or community centres. This area is becoming increasingly important due to demographic change and population ageing. Cooperation enables more efficient use of capacities and the delivery of higher-quality services that individual municipalities would not be able to provide independently at the required level.

In the field of education, inter-municipal cooperation is implemented mainly through joint school districts or the operation of school facilities such as kindergartens, school canteens, and leisure-time centres. This model enables the optimisation of capacities and ensures the availability of educational services even in smaller municipalities that do not have a sufficient number of pupils to operate school facilities independently.

Inter-municipal cooperation also plays an important role in regional development and strategic planning. Municipalities form micro-regions or other forms of cooperation in order to jointly prepare and implement development projects, particularly those financed from European Union funds. Such cooperation enables coordinated territorial development and increases the chances of obtaining external financial resources, although in practice it is often limited by its formal character and insufficient institutionalisation.

In the field of security and crisis management, inter-municipal cooperation is reflected mainly in the joint delivery of services performed by volunteer fire brigades, civil protection units, or municipal police. Cooperation in this area enables more efficient use of equipment and human resources and contributes to faster responses to emergencies.

Finally, inter-municipal cooperation is also applied in tourism and territorial marketing, where municipalities jointly promote the region, organise cultural events, and develop tourism infrastructure. Examples include regional tourism organisations, which contribute to increasing the attractiveness of the territory and supporting the development of the local economy.

On this basis, it can be concluded that inter-municipal cooperation has the greatest potential in the Slovak Republic particularly in the areas of technical infrastructure and administrative services, where it enables economies of scale and more efficient use of limited resources. In other areas, such as social services or regional development, it represents a rather promising instrument whose importance is likely to increase in the future.

4.1 The model of the inter-municipal cooperation process

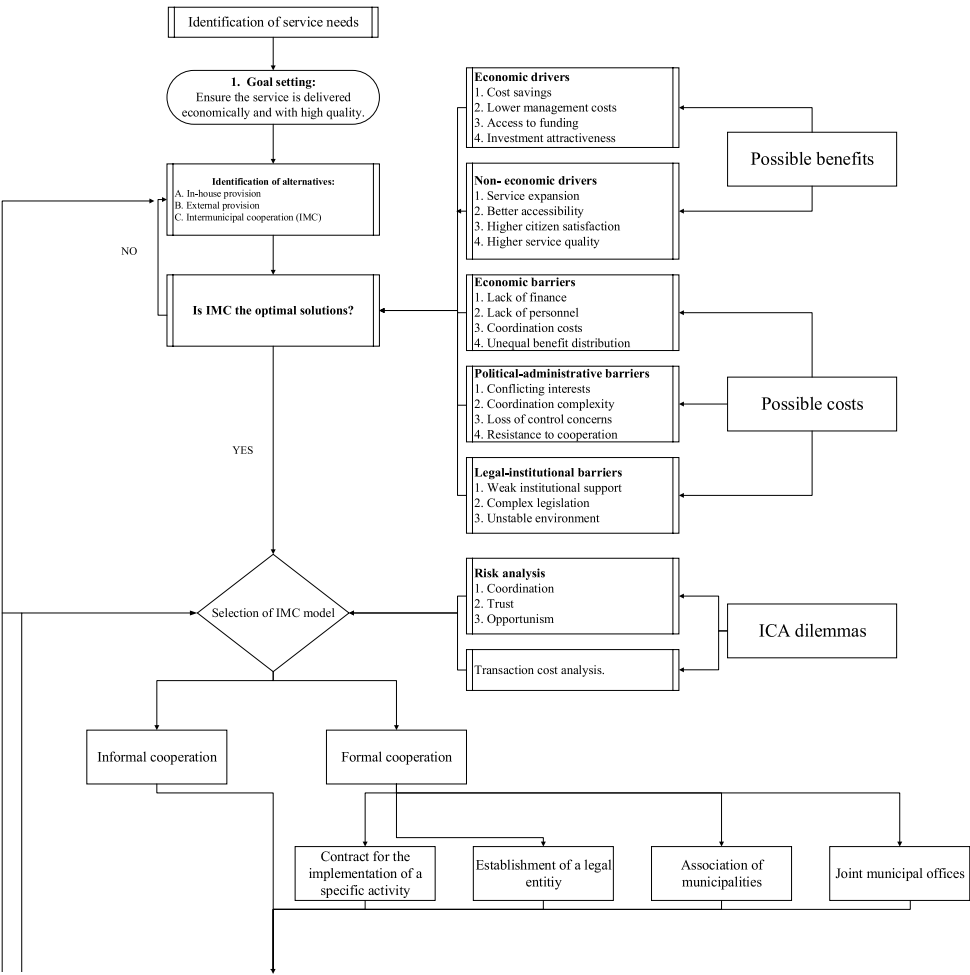
The model of the inter-municipal cooperation process (Figure 4), based on the conclusions of the theoretical and empirical research presented above, captures a comprehensive decision-making and implementation framework for cooperation among municipalities. It covers both the decision on whether inter-municipal cooperation should be used (“whether to cooperate”) and the subsequent process of managing and implementing such cooperation (“how to design and govern cooperation”).

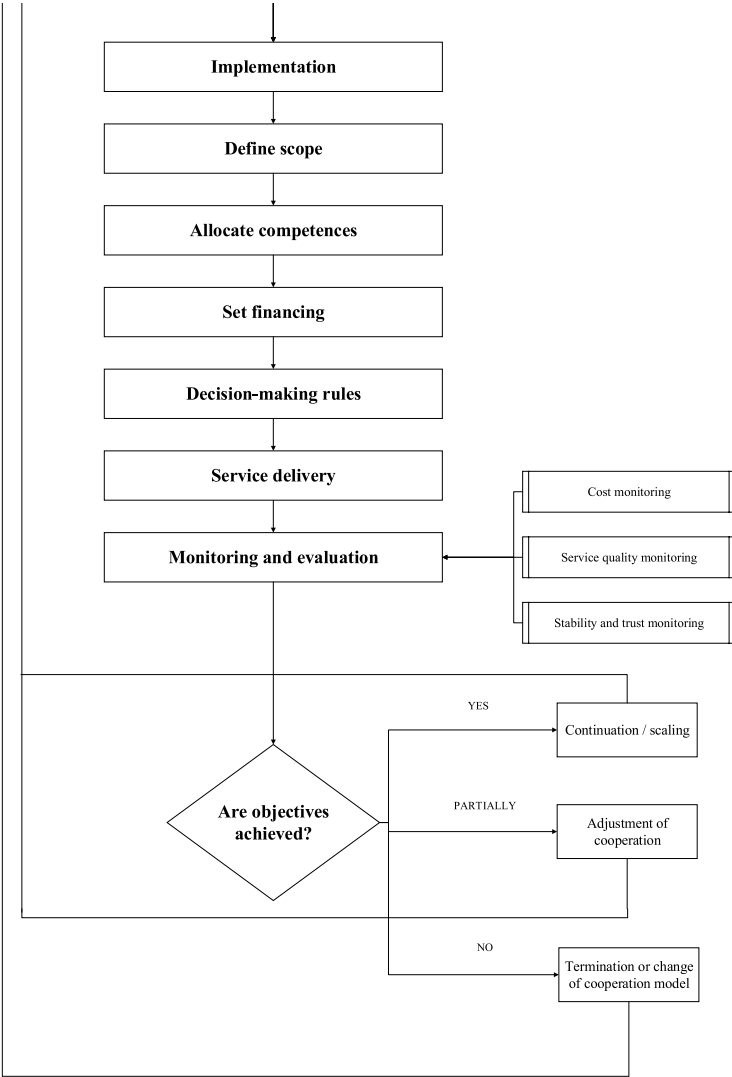
The construction of the model is grounded in a systemic approach to public service delivery, the aim of which is to ensure that services are delivered economically and at an adequate level of quality. Since these services are financed from public resources, the principles of economy, efficiency, and effectiveness in the use of public funds should be fulfilled. This, in turn, requires an *ex ante* evaluation of alternative service delivery arrangements in relation to the intended objective.

The selection of possible alternatives should be based on the conditions under which the service is to be delivered, namely the legislative and economic environment, as well as the capacities and assumptions of the public institution itself. From a legislative perspective, this includes the legal status of the public institution, its legal form of operation, the minimum service standards defined in the relevant policy sector, and the rules governing public procurement.

A systemic approach to public service delivery in the public sector presupposes a comprehensive and stable legal framework that guarantees a plurality of ownership forms and the right of public, private, and third-sector actors to compete for the delivery of publicly financed services. Activities that must be ensured or supported publicly, whether due to market failure or redistributive objectives, may therefore remain fully or partially publicly financed, while their actual production takes place in a pluralistic environment of public, private, and civil-sector actors, that is, within a public–private–civil mix (PPCM). In this context, each specific case of service delivery can be understood as a distinct public contract carried out within a regulated market in which potential providers compete.

Figure 4: The model of the inter-municipal cooperation process





The effective application of PPCM principles in performing the allocative functions of the state has proven to be a modern and beneficial way of increasing public sector efficiency and improving the quality of public services. At the same time, the appropriate combination of service production and financing must always be selected with regard to the specific context and conditions. It is essential to distinguish clearly between the question of who should produce the service and who should pay for it. According to both economic theory and practical experience, there are no universally valid objections either to public or to private production of services financed from public resources; what matters for efficiency and quality is not ownership per se, but the conditions under which production takes place.

Current research on local public service delivery shows that contracting out, or externalisation, is a frequent solution in local service delivery, but it also highlights the significant risks associated with this approach. In many countries, these risks have contributed to processes of remunicipalisation. At the same time, inter-municipal cooperation and contracting out are not mutually exclusive; they may be combined in a hybrid arrangement in which two or more municipalities jointly contract out services to an external provider. This arrangement combines elements of both inter-municipal cooperation and privatisation.

For this reason, the model works with three basic alternatives of service delivery: first, individual in-house provision using the municipality's own capacities; second, external provision; and third, inter-municipal cooperation. This typology reflects decision-making across two key dimensions: "make or buy" and "individual versus cooperative delivery".

The selection of a service delivery mode is closely associated with the assessment of the potential benefits and barriers of individual forms of service delivery. In the case of external service delivery, empirical research indicates that outsourcing does not always lead to the expected outcomes in terms of more efficient, economical, and effective use of public resources (Mikušová Meričková et al., 2023). These mixed results are primarily related to the variability of transaction costs in managing internal and external service delivery (Brown and Potoski, 2005), as well as to the gradual decline of competition in certain market segments or increasing market concentration (Bel & Costas, 2006; Bel & Fageda, 2011; Dijkgraaf & Gradus, 2007).

In this context, inter-municipal cooperation emerges as an alternative mechanism of service delivery that can combine the advantages of both internal and external delivery. It enables municipalities to achieve economies of scale and improve the quality of service delivery without full externalisation, while maintaining a higher degree of control over service delivery.

However, its actual implementation depends on a specific structure of benefits and barriers that significantly influence municipal decision-making.

Based on theoretical and empirical insights, the barriers to inter-municipal cooperation can be categorised into three main dimensions. The first dimension

comprises **political-administrative barriers**, including differences in political leadership orientation, lack of trust among partners, rigid bureaucratic procedures, resistance to change, administrative burden, and limited capacities for implementing joint projects (Feiock, 2007; Tavares & Feiock, 2018; Brown, Potoski & Van Slyke, 2016; Goodman, 2015). The second dimension includes **institutional and legal barriers**, related to the legal form of cooperation, the degree of formalisation of agreements, the existence of measurable performance indicators, partner selection criteria, and the broader policy framework governing inter-municipal cooperation (Goodman, 2015; Feiock, 2007). The third dimension consists of **economic barriers**, such as transaction costs, disparities in financial and human resources among municipalities, availability of funding, project financing mechanisms, and the efficiency of budgetary resource allocation (Bel & Sebő, 2021; Lowery, 2000; Warner & Hefetz, 2002; Feiock, 2007; Goodman, 2015).

These barriers translate into the core dilemmas of inter-municipal cooperation as conceptualised within the ICA framework, namely the coordination dilemma, the distributional dilemma, and the autonomy dilemma. Political-administrative and economic barriers are primarily reflected in coordination problems related to aligning goals, processes, and decision-making. Unequal distribution of costs and benefits leads to the distributional dilemma, while concerns over the loss of control are associated with the autonomy dilemma (Tricaud, 2025).

At the same time, the benefits of inter-municipal cooperation can be analysed along two complementary dimensions. The **economic dimension** relates to increased efficiency in service delivery, economies of scale, territorial development, improved access to additional financial resources, and the exploitation of agglomeration effects. The **non-economic dimension** includes improved equality in access to services, higher citizen satisfaction, and enhanced quality of governance, particularly through participatory public policy processes.

The decision between external provision and inter-municipal cooperation thus represents a trade-off between expected benefits, transaction costs, and the degree of control over service delivery. The optimal choice depends on the nature of the service, institutional conditions, and the capacity of municipalities to manage the coordination, distributional, and autonomy dilemmas inherent in cooperation.

In the subsequent phase, following the selection of the service delivery mode and the identification of inter-municipal cooperation as a suitable alternative, the model proceeds to the selection of an appropriate governance mechanism. This involves choosing a specific form of cooperation, ranging from informal arrangements to more formalised structures. Informal cooperation typically includes ad hoc coordination or voluntary agreements, while formalised cooperation may take the form of contracts for the implementation of specific activities, the establishment of a legal entity, associations of municipalities, or joint municipal offices. These forms differ in their degree of formalisation and associated level of risk, and represent alternative ways of addressing the identified ICA dilemmas.

However, the empirical results of the analysis suggest that the selection of a specific legal form of inter-municipal cooperation is only weakly conditioned by the type of service provided. The relationship between blocks of public services and the choice of legal form was not found to be statistically significant in most cases, indicating that municipalities tend to apply different forms of cooperation relatively flexibly across sectors.

An exception is observed in the case of joint municipal offices, where a statistically significant relationship with certain types of services was identified. The findings indicate that joint municipal offices are more likely to be used in sectors characterised by higher administrative and technical demands, particularly in the areas of technical infrastructure and administrative functions. In these contexts, municipalities primarily seek to pool administrative capacities, share professional staff, and ensure the effective performance of delegated competencies. A positive association was also observed in sectors related to existential security, such as social services.

In contrast, no statistically significant association was identified between the type of service and the use of contractual cooperation or the establishment of legal entities. These forms of cooperation appear to be utilised across a broad range of service areas without clear sectoral specialisation, suggesting that their selection is influenced rather by contextual, institutional, or strategic factors than by the functional characteristics of the service itself.

Following the selection of the specific legal form of inter-municipal cooperation, the model proceeds to the implementation phase, which represents the operationalisation of the chosen governance arrangement. This phase is critical, as it translates the selected cooperation form into concrete institutional and organisational settings.

The first step of implementation involves defining the scope of cooperation, i.e. specifying the exact range of services, activities, and responsibilities that will be jointly provided. This step is closely linked to the nature of the service (administrative vs. technical), as well as to the objectives identified in the initial phase of the model.

Subsequently, municipalities allocate competences among participating actors. This includes a clear division of roles and responsibilities, which is essential for mitigating coordination and distributional dilemmas as conceptualised within the ICA framework. The clarity of competence allocation directly affects accountability, efficiency, and the overall functionality of the cooperative arrangement.

The next step concerns the establishment of financing mechanisms. Municipalities must determine how the costs of service delivery will be shared, whether through proportional contributions, service-based payments, or other financial arrangements. This stage is particularly sensitive to distributional dilemmas, as perceived inequities in cost-sharing may undermine the stability of cooperation. Following

this, governance rules are defined, including decision-making procedures, conflict resolution mechanisms, and monitoring arrangements. These rules represent a key instrument for managing coordination complexity and reducing the risk of opportunistic behaviour.

The cooperation is then formalised through appropriate legal and contractual instruments corresponding to the selected form (e.g. contract, founding documents of a legal entity, or administrative arrangements within joint municipal offices). Once formalised, the cooperation enters the service delivery phase, where the actual delivery of services takes place. This phase is followed by monitoring and evaluation, which focuses on three key dimensions: cost efficiency, service quality, and the stability of cooperation, including trust among participating municipalities.

Finally, the model incorporates a feedback loop through the evaluation of outcomes. Depending on whether the objectives are achieved, municipalities may decide to continue and scale cooperation, adjust its parameters, or terminate and redesign the governance arrangement. This iterative process reflects the dynamic nature of inter-municipal cooperation and its dependence on continuous learning and adaptation.

CONCLUSION

The aim of the first chapter of the monograph was to answer the first of the questions posed in the introduction: “Why should inter-municipal cooperation lead to increased efficiency?”

Based on a content and causal analysis of knowledge obtained through secondary data collection and the historical development of the issue under study, using the methods of abstraction and approximation within the theoretical analysis of existing knowledge and findings from previous studies in this field, the following answer can be provided:

Reform efforts aimed at reducing public expenditures (particularly in Western economies) and transforming the centralised system of public service delivery (especially in transition and newly transformed economies), with the objective of increasing the efficiency of publicly financed services, led to the demonopolisation of public service systems and the implementation of new alternative service delivery arrangements (ASDA), introducing elements of competition into publicly financed services.

While in previous decades—also under the influence of New Public Management theory—contracting (externalisation) was perceived as an efficient method of public service delivery, current international research, as well as the author’s own research at the national level (e.g. the VEGA project *Management of Contracting in the Public Sector*), points to the risks and unmet expectations associated with contracting. The result is both a theoretical reflection and a practical trend towards the internal delivery of local public services, commonly referred to as “remunicipalisation”.

However, under conditions of excessive territorial fragmentation and insufficient financial and human resources in the delivery of local public services (which is also the case in Slovakia), remunicipalisation becomes problematic. Therefore, it is necessary to pay particular attention to the concept of inter-municipal cooperation in the delivery of local public services (inter-municipal cooperation cooperation).

The aim of the second chapter of the monograph was to answer the second question posed in the introduction: „What is the potential of inter-municipal cooperation in the conditions of the Slovak Republic?”

The results indicate that inter-municipal cooperation in the Slovak Republic does not represent a marginal phenomenon; on the contrary, it constitutes a relatively widespread mechanism for the delivery of public services. Based on the most recent and representative dataset (2026), cooperation is present in a substantial share of municipalities and covers a broad range of policy areas. At the same time, its

application varies significantly across different types of services. The highest levels of cooperation are concentrated in sectors with higher demands on technical and administrative capacity, particularly in technical infrastructure (e.g. spatial planning, construction administration, environmental services, and waste management), as well as in selected areas of human development and existential security, especially education and social services. These findings are consistent with previous empirical research showing that inter-municipal cooperation tends to emerge in service areas characterised by higher costs, technical complexity, and potential economies of scale (Bel et al., 2013; Soukopová & Klimovský, 2016; Bel & Warner, 2015, Tricaud, 2021; Persson, 2026, Bel et al., 2025).

In these areas, the economic benefits of cooperation are evident, particularly in the form of economies of scale, cost reduction, and increased efficiency of service management, confirming findings by Ferraresi, Migali and Rizzo (2018) and Struk and Bakoš (2021). At the same time, the results indicate that inter-municipal cooperation is perceived not only as a tool for improving efficiency but also as a mechanism for enhancing the quality of public service delivery, especially in terms of service accessibility, citizen satisfaction, and professionalisation of public administration. These findings correspond with broader research on collaborative governance and public service quality (Ansell & Gash, 2008; Emerson, Nabatchi & Balogh, 2012, Persson, 2026; Bel et al., 2025, Swianiewicz & Teles, 2018).

This led us to formulate the third research question: “Why is the potential of inter-municipal cooperation in the conditions of the Slovak Republic underused?”.

A key finding of the research is the dual role of economic factors, which function both as benefits and as barriers to cooperation. While cooperating municipalities emphasise cost savings and more efficient service delivery, municipalities without experience of cooperation tend to perceive economic factors primarily as constraints, particularly due to the lack of financial and human resources. This paradox reflects conclusions presented in the literature (Bel & Warner, 2015), which highlight that expected efficiency gains from cooperation are often offset by transaction costs, coordination complexity, and asymmetries in administrative capacity (Brown & Potoski, 2005; Feiock, 2007). The findings further suggest that municipalities without practical experience of cooperation tend to focus on short-term costs and risks, while potential long-term benefits remain underestimated.

The identified barriers confirm that the most significant obstacles to cooperation are economic in nature, particularly in the form of limited financial and human resources. In contrast, municipalities already engaged in cooperation more strongly perceive barriers related to governance, such as the distribution of competences and benefits, as well as coordination complexity. Political-administrative and legal-institutional factors do not represent primary barriers to initiating cooperation; however, they play an important role in its implementation and long-term

sustainability, especially in relation to governance quality, autonomy, and legislative complexity (Goodman, 2015; Tavares & Feiock, 2018).

An important contribution of the study is the analysis of legal forms of cooperation. The results indicate that inter-municipal cooperation in Slovakia is predominantly institutionalised through joint municipal offices and the establishment of legal entities. While the choice of legal form is generally not strongly conditioned by the type of service, joint municipal offices exhibit a degree of functional specialisation. They are significantly more likely to be used in sectors characterised by higher administrative and technical complexity, particularly in technical infrastructure, administrative functions, and social services. In contrast, the establishment of legal entities and contractual cooperation appear more flexible and less sector-specific, suggesting that their use is influenced more by broader institutional and strategic considerations than by the nature of the service itself. These findings contribute to the ongoing debate on governance structures and institutional design in inter-municipal cooperation (Agranoff, 2004; Bel & Sebő, 2021).

From a policy perspective, the findings highlight that inter-municipal cooperation in Slovakia functions primarily as a pragmatic governance mechanism addressing capacity constraints in a highly fragmented municipal system (Mikušová Meričková et al., 2023; 2026). While institutional and financial support from higher levels of government remains important, the key enabling factors lie in administrative capacity, governance design, and the ability to manage coordination and distributional dilemmas, as emphasised in the ICA framework (Feiock, 2007; Bel & Sebő, 2021).

At the same time, several limitations of the present analysis should be acknowledged. First, the empirical results are based on self-reported perceptions of municipal representatives, which may not fully reflect objective performance outcomes. Second, the analysis identifies statistical associations rather than causal relationships. Third, some subgroup analyses were conducted on relatively small samples, which may limit the generalisability of the findings. Fourth, post-hoc comparisons were not performed for municipality size categories, limiting the precision of interpretation. Finally, certain forms of cooperation, such as associations of municipalities, were not represented in the analysed dataset.

Despite these limitations, the study provides valuable insights into the perceived benefits and barriers of inter-municipal cooperation in Slovakia and contributes to a better understanding of the conditions under which cooperative arrangements can enhance the efficiency and quality of local public service delivery.

Future research should not focus solely on individual service areas but should examine inter-municipal cooperation across the full spectrum of public services, with particular attention to differences between administratively and technically demanding sectors. In line with the findings of this study, further analyses should more explicitly address the relationship between the type of service and the

governance form of cooperation, especially the functional role of joint municipal offices in administratively and technically complex areas. From a methodological perspective, longitudinal approaches and in-depth case studies are recommended, as they can better capture the dynamic nature of cooperation, its evolution over time, adaptation processes, and potential path dependencies.

Greater attention should also be paid to the implementation phase of inter-municipal cooperation, particularly to governance design, allocation of competences, and coordination mechanisms, which have proven to be key determinants of effectiveness. In this context, the role of facilitative leadership, social capital, trust, and behavioural factors should be further explored, as these elements significantly influence both the initiation and long-term sustainability of cooperation.

Comparative research across Central and Eastern Europe could provide valuable insights into how different institutional settings shape the performance of inter-municipal cooperation and help identify transferable best practices. At the same time, future research should more systematically address the role of legal forms of cooperation, as current evidence suggests that while their selection is not strictly sector-dependent, certain forms—particularly joint municipal offices—exhibit a degree of functional specialisation.

From a policy perspective, it is important to explore how targeted policy instruments, capacity-building measures, and adjustments to the legal framework can support municipalities not only in initiating cooperation but also in managing and sustaining it effectively over time. This is particularly relevant given the identified gap between the relatively high declared willingness of municipalities to cooperate and the practical barriers that hinder the implementation and long-term stability of cooperative arrangements.

Based on the findings, several policy implications can be formulated. First, systemic support for inter-municipal cooperation should be strengthened at the national level, particularly through methodological guidance, standardised cooperation models, and simplification of the legislative framework. At the same time, financial incentives should be introduced to encourage municipalities to cooperate in areas requiring higher levels of capacity and resources.

Second, it is essential to strengthen administrative and managerial capacities at the local level, including support for the professional management of joint structures such as joint municipal offices. Policy measures should also focus on building trust among municipalities, for example through facilitated cooperation platforms, exchange of experiences, and dissemination of best practices.

Finally, greater emphasis should be placed on improving the design of cooperative arrangements, particularly in terms of clear allocation of competences, transparent financing mechanisms, and fair distribution of benefits. Such measures can help mitigate the key dilemmas identified within the ICA framework, especially the coordination dilemma, the distributional dilemma, and the autonomy dilemma. Clear

rules for decision-making and allocation of responsibilities can reduce coordination problems among municipalities, while transparent financing and fair distribution of costs and benefits can limit distributional tensions. Properly designed governance mechanisms can also alleviate concerns about the loss of autonomy of individual municipalities. In this way, the long-term stability, mutual trust among partners, and overall effectiveness of inter-municipal cooperation can be strengthened.

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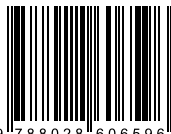


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