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Reforming local government: Must it always be democracy versus efficiency?

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Abstract

The financial crisis from 2008 has had a profound impact on Irish local government. Councils were faced with a disastrous combination of factors – declining funding from central government, difficulties in collecting commercial rates as businesses struggled, and a drastic fall in revenue from development levies. Staffing levels in the local government sector were reduced by over 20 per cent, significantly more than the losses suffered by central government ministries and departments. Yet the financial crisis also offered an opportunity for reform and a fundamental reappraisal of subnational government in Ireland. A reform strategy produced in 2012 paved the way for the Local Government Reform Act, 2014. As a result of this legislation, the number of local authorities was reduced from 114 to 31 with the complete abolition of all town councils. The number of council seats also fell from 1,627 to 949. Using Scharpf's dimensions of democratic legitimacy, this article assesses whether the focus of the 2014 reforms was on output legitimacy (efficiency and effectiveness) as opposed to input legitimacy (citizen integration and participation).

Keywords: Local government, democracy, efficiency, reform

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Introduction

> This year will see the most fundamental reform of local government in over 100 years. (Taoiseach Enda Kenny, TD, delivering the 15th Annual Philip Monahan Memorial Lecture in University College Cork, and promoting the local government reform agenda, 31 January 2014)

With this quote, the Taoiseach was referring to *Putting People First: Action Programme for Effective Local Government*, which was published in October 2012 by the Department of the Environment, Community and Local Government. This policy document paved the way for a bill which was published one year later. The legislation which duly followed in 2014 did not follow normal practice in being titled a 'local government act'. Rather, an extra word was inserted and the legislation of 2014 became the Local Government Reform Act. Reform can be a troublesome concept. The eighteenth-century political theorist and philosopher Edmund Burke noted: 'Change does not equal reform. For change to be regarded as reform, it must result in something better than before; it must result in an improvement.' Of course, local government reforms can take different trajectories depending on the reasons for the changes being introduced. In Ireland, as in many countries, the reforms were a response to the financial crisis since 2008. The crisis, which started with the collapse of overheated housing markets, ultimately undermined banks which had been excessively generous in providing mortgages. The results were failing banks and bailouts. This banking crisis had an enormous negative impact on local government internationally (Local Government and Public Service Reform Initiative, 2010):

- loss of dividends from banks partly owned by local governments, such as Dexia and the Austrian Kommunalkredit (€52.7 million in the case of Flemish communes);
- loss of reserves and devaluation of pension funds (fourteen Dutch municipalities lost €85 million and British local authorities lost over €1 billion in failing Icelandic banks);
- difficulty in obtaining or rolling over credit for investment (particularly from previously active foreign lenders, such as the Scandinavian banks in the Baltic states or Austrian banks in Central and Eastern Europe);
- increased cost of servicing debt denominated in euros with depreciating national currency.

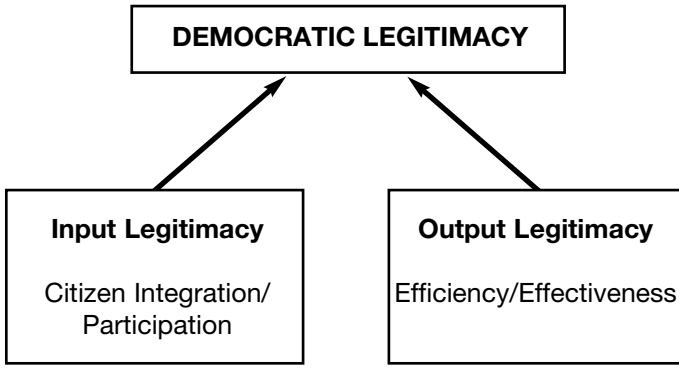
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Irish local authorities were faced with a very challenging cocktail of financial factors too – a decline in central government funding, difficulties in collecting commercial rates because of struggling businesses and the virtual disappearance of development levies due to the collapse of the construction sector. Drastic measures were taken, and local authority staffing decreased by 24 per cent in the five years to 2013 and gross savings of €839 million were achieved in the same period (Quinn, 2015, p. 13).

The financial crisis accordingly provided the context for local government policy at this time – including the *Report of the Local Government Efficiency Review Group* (2010) and the reports of the Local Government Efficiency Review Implementation Group (2012, 2013) – culminating in *Putting People First* and the Local Government Reform Act, 2014. It also provided the backdrop to the general election of 2011, where political reform was a dominant theme.

This article aims to critically assess Irish local government policy since the financial crisis, with a focus on the democratic dimension. According to Kersting & Vetter (2003), local government reform should be judged in terms of the maintenance of local democracy – in other words, sustaining and strengthening local legitimacy. Scharpf (1970, 1997, 1999) argues that there are two fundamental dimensions to democratic legitimacy – input legitimacy and output legitimacy – and both have to be taken into account when evaluating reform strategies (see Figure 1).

Figure 1: Dimensions of democratic legitimacy



Source: Scharpf (1970, 1997, 1999).

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A discussion on input–output legitimacy can be tied to Dahl's (1994) concept of 'democratic legitimacy'. He argued that a focus on output can lead to a democratic deficit, while a focus on input can lower the effectiveness of policymaking because inclusive decision-making may be lengthy or individuals might not act in favour of the common good (see Bevir, 2006; Börzel & Risse, 2005; Lieberherr, 2013). This conflict between input and output legitimacy can generate conflict, although the concepts are not mutually exclusive.

The hypothesis examined in this article is as follows: in the period since the financial crisis, output pressures have outweighed input pressures in Irish local government policy.

Irish local government after the financial crisis

Ireland's financial crisis has been written about extensively. The impact of the crisis on the national budget cannot be overstated. As highlighted by Turley & Flannery (2013, p. 42), the general government balance, which had been in a surplus of 2.6 per cent in 2006, fell into a deficit of 7.3 per cent in 2008, 13.9 per cent in 2009 and 30.9 per cent in 2010. In addition, different sources of taxation revenue, especially those relating to property, plunged dramatically. Though the impact was not immediately felt in local authority budgets in 2008, a sharp drop in local government finance soon followed. Declining funding from central government and the virtual disappearance of development levies meant that local authority budgets 'contracted substantially' (Considine & Reidy, 2015, p. 131), resulting in major expenditure reductions. Accordingly, the period from 2008 has been a challenging one for the local government sector and we have witnessed substantial change, if not reform. Callanan (2016) details these changes using the headings of territorial, functional, financial, managerial and efficiency, and participative reforms.

In 2008, when Ireland nosedived into recession, a Green Paper on local government reform was published, entitled *Stronger Local Democracy*: *Options for Change*. It contained some significant proposals, with a focus on stronger democratic processes and improving the balance of powers between management and elected representatives. Though largely a consultation document, *Stronger Local Democracy* included a useful and well-framed discussion on the issue of introducing directly elected mayors to Ireland (see Callanan, 2008; Quinlivan, 2015). It favoured the introduction of a directly

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elected mayor not only in Dublin but across the other city and county councils, and drew on examples from New Zealand, Germany, Italy, the Netherlands, Sweden, Finland and England. Additionally, the Green Paper called for a greater devolution of local decisions from county council to town council level, and it advocated an enhanced role for people in local decision-making, including local plebiscites, petition rights, participatory budgeting and town meetings (Department of the Environment, Heritage and Local Government, 2008). While the Green Paper contained exciting ideas around local government reform, its timing was bad due to the unfolding fiscal and economic crisis. A White Paper was prepared in 2010 but it never saw the light of day as local government reform dropped down the list of government priorities.

By 2010, expenditure consolidation was the priority and we saw the publication of the *Report of the Local Government Efficiency Review Group*. Predictably, it called for 'a reduction in local government staffing and reform of administration and financing' (Quinn, 2015, p. 13) and it proposed over 100 recommendations. The follow-up reports by the Local Government Efficiency Review Implementation Group (2012, 2013) showed that the local government sector achieved notable reductions in expenditure and staffing levels. There is some dispute over the precise figure for the decline in staffing, with Quinn (2015) claiming it was 24 per cent and Callanan (2016) stating it was 21 per cent. Whichever figure we take, it is worth noting that local government suffered 'the largest reduction in staff numbers across the public sector, and compared to a 4 per cent fall in those working in education and a 7 per cent fall in those working in central government ministries and departments' (Boyle, 2014). In line with national decisions on public sector pay, local government staff also experienced a decline in pay levels.

In the general election campaign of 2011, political reform was a dominant theme and the subsequent programme for government pledged 'fundamental reorganisation of local governance structures' (Government of Ireland, 2011). The focus on structure was borne out in 2012 with the publication of the government's action plan, bearing the title *Putting People First: Action Programme for Effective Local Government*. This plan called for the territorial reorganisation of local government to achieve efficiencies and cost savings. In the foreword to the document, the Minister for the Environment, Community and Local Government, Phil Hogan, TD, outlined his vision as follows: 'Local government structures in Ireland have not been updated since

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the 19th century. I am renewing those structures and introducing more effective democratic arrangements, which will increase efficiency and provide better value for money for the people it serves. This will involve radical measures, such as a substantial reduction in the number of councillors and the number of local and regional authorities.'

To give effect to this vision, Minister Hogan proposed a reduction in the number of local authorities from 114 to 31. This would involve the complete abolition of all 80 town councils, reducing local government to a single tier. The remaining 34 city and county councils would be reduced by three due to mergers in Waterford, Limerick and Tipperary. As part of this overhaul, the minister claimed that council seats would fall from 1,627 to a maximum of 950. This proposal was indeed radical, although it directly contradicted the 2008 Green Paper, which promoted an enhanced role for town councils with devolution of functions from county to town level.

In proposing the abolition of the town councils, Minister Hogan drew on the fact that the sub-county tier was neither consistent nor comprehensive. The town councils existed only in specific areas, covering a mere 14 per cent of the population. They also had few major functional responsibilities since being stripped of water and sanitary powers in 2001. Ultimately, *Putting People First* was just an action plan but its main provisions became law two years later with the passing of the Local Government Reform Act, 2014. While the headline-grabbing dimension of the legislation was the drastic reduction in the numbers of councils and councillors, there was much more to the act than structural reform, as will be now discussed.

Functions

Historically, local authorities in Ireland are responsible for a narrow range of functions (see Callanan & MacCarthaigh, 2008; Collins & Quinlivan, 2010; Loughlin, 2011). *Putting People First* spoke of strengthening the role and functions of local councils but provided few details. The Local Government Reform Act, 2014, did not generally devolve powers from central to local government but it did give local authorities a more overt role in economic development. *Putting People First* argued that local government had 'unique characteristics and a strategic position that make it well placed to lead economic development' (Department of the Environment, Community and Local Government, 2012, p. 21), and the 2014 legislation followed up on this by stating that each local authority should establish a local

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community development committee (LCDC). In addition, each local authority was given the responsibility to prepare a six-year local economic and community plan, which would promote development in its functional area. Local enterprise offices (LEOs) would also be created to provide advice, information and support to people in starting or growing their own businesses. In an effort to align local government and local development activity, it was furthermore decided that responsibility for the management of partnership programmes, such as LEADER, would transfer to local councils and the LCDCs. This move generated some controversy and it is not yet clear how the alignment of development activity at local level will be supported by a national framework. Quinn (2015, p. 17) commented, 'The local-level reforms will only succeed if there is a whole-of-government approach at national level to programme design, delivery and evaluation.'

Another possible influence to the issue of local economic development is the establishment of municipal districts under the 2014 Act. Following the abolition of the town councils and the holding of local elections in 2014, ninety-five municipal districts came into being, covering the entire area of each county and, for the most part, corresponding to local electoral areas.

Members of the county council elected from a local electoral area become a member of the municipal district. The municipal districts have the potential to provide a more balanced, comprehensive and equitable system of representation within counties. The fundamental problem, however, is that they are not councils and are not legitimate local government corporate entities. There are no direct elections to the municipal districts and they do not have revenue-raising capabilities. As such, it can be argued that municipal districts are little more than glorified area committees of the county councils. Nonetheless, given that the municipal districts perform a range of statutory functions in respect of their own districts, they offer the potential to construct a new system of sub-county government due to their strengths in terms of territorial balance. It can be argued that the old town council model and the new municipal district model are mirror opposites in terms of their strengths and weaknesses (see Table 1).

Marrying the strengths of both systems – i.e. the comprehensive territorial advantages of the municipal districts plus the democratic legitimacy advantages of the town councils – could be an interesting option in the future. This would involve establishing municipal district

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Table 1: Comparison of the town council and municipal district models

Model	*Strengths*	*Weaknesses*
Town council	Genuine tier of local government with direct elections Ability to raise finance (rating authorities) A focal point for communities – the town hall Most self-financing part of the local government system	Unbalanced, only covering 14 per cent of the country Too few powers
Municipal district	Comprehensive and balanced, covering the entire country Linked to local electoral areas and covering town and hinterland	Not legitimate local government units, as no direct elections No revenue-raising ability Lack of powers No public legitimacy

councils with direct elections. Such a development could enhance both input and output legitimacy. A new tier of elected local government close and accessible to the citizen would create participatory opportunities in influencing local policymaking. Equally, on the output side, there is no reason why properly resourced municipal district councils could not deliver high-quality levels of service in a cost-effective manner. After all, the town councils were the most efficient element within the local government system in terms of being self-financing and maintaining commercial rates at lower levels than those of their county council counterparts (Quinlivan & Mehigan, 2011).

Aside from an increased role in local economic development, there was little else about functions in the Local Government Reform Act, 2014. However, one power was removed from councillors with the elimination of the controversial Section 140 of the Local Government Act, 2001. Councillors can now no longer direct the executive in respect of planning decisions. The ending of Section 140 was a recommendation of the Mahon Tribunal, which examined corruption in planning processes.

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Under the subheading of 'functions', two other issues warrant brief mention. Firstly, in 2014 the supply and treatment of water were transferred from local councils to a national utility company, Irish Water. Secondly, while there is a tendency to focus on the lack of functions under the remit of local authorities, there have been significant changes in how councils fulfil existing functions. After the recommendations of the Local Government Efficiency Review Group in 2010, we have seen changes to procurement systems, a reduction in the use of consultants and an increasing number of shared-service projects in areas such as HR, payroll, pensions and ICT (see Callanan, 2016; Quinn, 2015). For example, Laois County Council now operates the payroll and superannuation functions for virtually all of the local authorities. However, a key distinction has to be made between the progress in terms of service-level and operational cooperation and the lack of progress with regard to longer-term strategic cooperation in areas such as planning. A recent document prepared by the Department of Housing, Planning, Community and Local Government (2017) notes: 'Commitments to joint strategies have not been honoured and joint committees to improve coordination have broken down. Disputes about costs and standards of services have arisen in relation to some inter-authority agreements. In some areas there has been a serious lack of cooperation, including boundary disputes, and conflicting policies and competition.'

Democratic participation

The Local Government Reform Act, 2014, failed to build on the ideas contained in the 2008 Green Paper surrounding participative reforms such as local plebiscites, participatory budgeting and petition rights. However, there have been changes to facilitate greater civic participation in local government. This has been achieved through the establishment of public participation networks (PPNs). The PPNs – replacing the existing community and voluntary fora – have been created in each local authority to enable the public to take an active, formal role in the policymaking and oversight responsibilities of the council. There are now structures in place to ensure public participation and representation on decision-making bodies within local government, such as strategic policy committees.

While input dimensions were neglected during Ireland's post-2008 reforms, it would be incorrect to claim that they were entirely ignored. Scharpf (1999) contends that input-side democratic legitimacy requires *mechanisms or procedures* to link political decisions with

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citizens' preferences. To some extent, it can be argued that elections themselves are such mechanisms to the degree that they give people influence in policymaking. The 2008 Green Paper – featuring input-dimension proposals such as local plebiscites, participatory budgeting and petition rights – never came to legislative fruition but a more limited set of participatory processes was introduced. A Working Group on Citizen Engagement with Local Government reported in 2014 and the government implemented its recommendation to introduce PPNs at city/county and municipal district levels. Each PPN should have:

- a city/county plenary which deals with issues at that level;
- a municipal district plenary in each municipal district which deals with issues at that level;
- linkage groups dealing with specific issues;
- a secretariat at city/county level that is a facilitation and communication mechanism.

It is too early to assess the impact of PPNs across the country but there is a hope that they will improve public participation in local government decision-making. While accepting that many consultation processes of local authorities are required by law, it is also the case that some local authorities are leading the way in terms of innovative participation mechanisms. As noted by Callanan & MacCarthaigh (2008), 'most local councils have youth councils to give a voice to young people in their area and make recommendations to the local council, and an increasing number have established a similar forum for older persons' (see Callanan, 2016). The local authorities played a central role in founding the Irish Age Friendly Cities and Counties programme (an adaptation of the World Health Organisation's Age Friendly Cities and Communities model). In addition, before and after 2008, local authorities have steadfastly increased their role in areas such as social inclusion, adult literacy, childcare and lifelong learning.

As Callanan & MacCarthaigh (2008) rightly point out, local government has been to the forefront in using online platforms, social media and customer panels, as well as traditional calls for written submissions to development plans and other proposals. One area where members of the public are entitled to make submissions to the local authority is in relation to the annual Local Property Tax (LPT). The LPT broadens the revenue base of councils and it has been described as 'an important but minor victory for local government in

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Ireland' (Considine & Reidy, 2015, p. 141). Introduced in 2013, the LPT initially was anything but a local tax for councils, as the money was retained by central government. However, from 2015, councils have been able to retain 80 per cent of the revenues generated, with the balance held centrally for the purpose of equalisation. Local authorities have the power to vary the LPT annually by a maximum of 15 per cent.

One reform proposal in the 2014 Act that should have led to democratic participation through a local plebiscite was the introduction of a directly elected mayor for the Dublin Metropolitan Area. The legislation proposed the holding of a Dublin plebiscite to coincide with the local elections on 23 May 2014. Controversially, the 2014 Act contained a provision that each of the four local authorities constituting the Dublin Metropolitan Area would firstly have to individually adopt a resolution in favour of holding the plebiscite (see Quinlivan, 2015). Three of the four authorities – Dublin City Council, South Dublin County Council and Dún Laoghaire–Rathdown County Council – comfortably adopted resolutions in favour of the plebiscite. Crucially, Fingal County Council voted against by sixteen votes to six. The Fingal veto meant that the proposal died and did not go before the people of Dublin on 23 May as planned, despite the fact that the combined vote across the councillors from all four authorities was 98–19 in favour. There was merit to the concerns expressed by members of Fingal County Council who voted down the proposal, principally the justifiable complaint that the 2014 Act did not provide enough detail about the role and powers of the mayor, and so people would not know precisely what they were voting on. Despite this setback it seems only a matter of time before the issue of a directly elected mayor for Dublin returns to the agenda of central government.

Though the mayoral proposal fell by the wayside, the Local Government Reform Act, 2014, did introduce changes in relation to executive management. The Irish local government system has traditionally operated a corporate model with the county/city manager accountable to the elected councillors, who in turn are answerable to the people at election time.

In theory, this equates to the relationships between a CEO (city/county manager), a board of directors (elected councillors) and the shareholders (electorate). Under the 2014 legislation, the title of city or county manager was replaced by CEO, reinforcing the corporate model.

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The principal change introduced in 2014 was in relation to the appointment of the CEO. Traditionally in Irish local government, the elected members formally appointed the city/county manager but they were obliged to do so, i.e. the legislation stated that the council *shall* appoint the candidate recommended by the Public Appointments Service. However, under the 2014 Act, councillors have been given veto powers. Within three months of having received a recommendation from the Public Appointments Service, the council must meet and decide to appoint *or not* appoint the person recommended. If the council decides not to approve the appointment, reasons for such a decision must be furnished to the recommended person. It will be interesting to see if bringing the appointment of the CEO into the political arena becomes an issue for local authorities in the future.

Discussion

Undoubtedly, the period since 2008 has brought major changes to the Irish local government landscape, some of which have been described above. An entire tier of local government and 83 councils in total have been removed. The number of councillors has been reduced by over 40 per cent. Councils have lost more than 20 per cent of their staff and budgets have been decimated. Water functions have been transferred upwards from local authorities to a central utility company. The LPT has been introduced as a source of revenue for councils. Municipal districts have been created. Local government has an enhanced role in economic development. LCDCs and LEOs have been formed. PPNs are there to ensure involvement of citizens in local decision-making. City and county managers are now CEOs. Councillors can veto the appointment of a CEO. The issue of a directly elected mayor for Dublin was raised and defeated, but it will come again. Significant cost savings and efficiencies have been achieved. New ways of working have been found, including a shared services approach to back-office services.

What does it all mean? Is Irish local government better than it was in 2008, before the financial crisis? Has the system been reformed? Quinn (2015, p. 7) argues that our approach to local government reform has been reactive rather than proactive, and concludes: 'There is little evidence of a clear and consistent philosophy underpinning reform, so the cumulative changes represent a unique blend of innovation, incrementalism and entrenchment'. Rhodes & Boyle

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(2012, p. 40) assert that 'reforms targeting local government have resulted in very little devolved authority or capacity in local government'. The conclusion by the Council of Europe's Congress of Local and Regional Authorities (2013), following their 2013 visit to Ireland, was that the system remains intensely centralised. The group's commentary on *Putting People First* was especially damning: 'The new policy paper [*Putting People First*], although it praises decentralisation in spirit, does not appear to provide many concrete steps in that direction. Some of the actual steps proposed go in the opposite direction.'

An economic crisis accompanied by fiscal restraints and dramatic reductions in local government budgets invariably leads to a concentration on territorial and functional reforms (e.g. boundary changes and amalgamations) and a neglect of democratic dimensions of reform. This was certainly the case in Ireland post 2008 and the tone struck by the Local Government Efficiency Review Group (2010) was carried into *Putting People First* and the Local Government Reform Act, 2014. The main manifestation of this were the structural and territorial changes introduced with the abolition of 80 town councils and the mergers of two authorities in Waterford, Limerick and Tipperary. By any standards, a 73 per cent reduction in the number of local authorities from 114 to 31 was a drastic measure. With 114 local authorities, Ireland already possessed, from a comparative perspective, fewer local authorities than most countries in Europe and had very high citizen-to-council and citizen-to-councillor ratios. With just 31 councils, an even greater distance has been created between the citizen and the local council. The predictable rationale for the structural changes involved economies of scale and cost savings but the international research evidence suggests that large-scale authorities do not necessarily produce efficiencies and savings (see Byrnes & Dollery, 2002; Callanan et al., 2014). Once local government stops being *local*, a democratic deficit is created and the evidence shows that citizen satisfaction with local services tends to be higher in smaller local authorities. Currently, the government is considering more local government amalgamations in Cork and Galway, which could reduce the number of councils still further to 29. It may only be a matter of time before smaller county councils are amalgamated to sustain the 'big is beautiful' narrative. Interestingly, enhanced local government strategic cooperation may emerge as an alternative to amalgamations or boundary revisions. The report by the Carlow Boundary Review Committee (2016) concluded that the high level of

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cooperation between the two councils (Carlow and Laois) at both operational and strategic levels made a boundary extension or any other reconfiguration unnecessary.

The trend towards fewer and larger local authorities is not irreversible. The leader of the Labour Party, Brendan Howlin, TD, a senior member of cabinet in the coalition government from 2011 to 2016, has described the abolition of town councils as a major mistake and has called for their reinstatement. In February 2017 the leader of Fianna Fáil, Micheál Martin, TD, outlined his party's policy for local government reform and argued that the 'bigger is better' philosophy was not the way forward, stating, 'dispersing power to the appropriate level of governance from supranational bodies such as the EU down to the lowest tier of government is critical to ensuring that people are not isolated from the decisions that shape their lives'.[1] Martin has proposed the reshaping of Irish local government and recommends the creation of a commission to establish a new town council structure together with community councils.

As discussed previously, a ready-made structure is potentially in place at sub-county level with the 95 municipal districts. These could become municipal district councils with direct elections, revenue-raising powers and devolved functions. To make this a reality, there would need to be a significant shift in central–local relations and a departure from the centralised thinking which has been endemic since the foundation of the state in 1922. For example, while local government is *recognised* in Bunreacht na hÉireann (Irish Constitution), it is not *protected.* In 2013 the government proposed the abolition of Seanad Éireann (Irish Senate) but it could not proceed without the approval of the Irish people by way of referendum as the Seanad is protected in the constitution. This is the not the case for local government, and the abolition of 83 local authorities in 2014 happened without the need for a referendum.

The hypothesis put forward at the beginning of this article was as follows: in the period since the financial crisis, output pressures have outweighed input pressures in Irish local government policy. This flows from Scharpf's two dimensions of democratic legitimacy. The input and output dimensions are consistent with the belief that local government essentially exists for two reasons. The first is for the efficient delivery of public services locally (output legitimacy). The

[1] Speech delivered at the Annual Public Lecture Series of the Centre for Local and Regional Governance, University College Cork, 16 February 2017.

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second is as a bulwark of democracy and a safeguard against central government domination (input legitimacy). Equally, these can be described as the economic model of local government and the political model of local government. Scharpf (1970, 1999) argues that democratic legitimacy is a two-dimensional concept which refers to both the inputs and outputs of a political system. The two dimensions are not mutually exclusive, i.e. you can have democratically strong *and* efficient local government.

There is little doubt, as described in this article, that output considerations dominated local government policy considerations in the years following the financial crisis. Understandably, given the serious state of the country's economy and the commitments given as part of the *EU/IMF Programme of Financial Support for Ireland*, the government concentrated on expenditure consolidation, cost savings, value for money and efficiency. The abolition of the town councils, in conjunction with the other amalgamations, was premised on the belief that it would result in a cost saving of €420 million.

Combined with the reduction in the number of councillors and staff, as well as cost savings through shared-service projects and other measures, the local government sector surpassed the recommendations of the Local Government Efficiency Review Group (2010). Loughlin's (2011, p. 66) conclusion that 'the democratic dimension of Irish local government has been strongly over-ridden by its administrative dimension' supports the hypothesis. Kersting & Vetter (2003, p. 333) claim that there is a tendency for local government reforms to be 'dominated by a business and management-oriented terminology, while the questions of citizen participation, integration and democratic responsiveness are often neglected'. Drawing on Scharpf's work, they argue that this is logical given that input deficiencies generally do not imply the same stress for local and national decision-makers as that implied by financial constraints.

Conclusion

This article concludes that since the financial crisis that commenced in 2008, Irish local authorities have made great strides to become more efficient and cost-effective (output legitimacy). However, efforts with regard to citizen integration and participation have not been as impressive or consistent. Local government policy, as dictated by central government, has missed an opportunity by focusing on efficiency *over* democracy rather than trying to reform both

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dimensions simultaneously. Pierre (1990, p. 38) expresses the difficulty faced by many governments during recessionary times: 'On the one hand, local governments are to act as the vehicle of local democracy, providing services responsive to local needs and conditions. On the other hand, local governments must constitute the local branch of the nation-state administrative apparatus, executing state policies in key policy areas. Here, bureaucratic efficiency is the key objective.' It is hoped that, having achieved much on the output side during the initial phase of reform, attention will now be focused on the input side during the next phase of reform. Most of the weaknesses that were evident in the Irish local government system prior to 2008 remain, e.g. lack of constitutional protection, centralism, narrow functional base, lack of administrative and financial autonomy. We have taken a few tentative steps on the way to local government reform but there is a long road to travel.

> The spirit of democracy is not a mechanical thing to be adjusted by abolition of forms. It requires change of heart.
> (Mahatma Gandhi)

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