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## Article

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## Territorial diagnostics and citizen perception of municipal public management, towards an efficient reform of Local Administration

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**Abstract.** Spain has a population distribution dispersed in small population centres where 60% of municipalities have less than 1,000 inhabitants. This situation generates a financial and functional incapacity to guarantee the successful and efficient provision of local public services. In order to fulfil its competences and improve services, a territorial diagnosis of the investigated area is necessary to adapt the size and structure of its administration. However, the social superstructure is reluctant to change the form of administrative action, despite being perceived as slow and bureaucratic by citizens. For this reason, this work proposes a reform to improve local economic and financial management by redesigning its administrative structure, thus achieving citizen recognition of the advantages of change. The proposal is developed through a computerised reporting model for public decision-making, the result of which is a systematic spatial report of administrative-financial decisions, which optimises decision-making and makes public management more visible.

**Keywords.** local development, municipality, public provision.

**JEL Codes.** H11, H41, H73

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### 1. Introduction

Although the main task of any Public Administration is to "administer", this cannot be understood as an end but rather as a service in the common interest. To this end, all administrations, regardless of their size, must concentrate their efforts on seeking the best possible organisation, which will enable them to provide their own services as efficiently and as fairly as possible for the benefit of their citizens.

For this reason, the position put forward is the defence of the "adaptation and organisational modernisation of the Administration". In this sense, the organisational structure -administrative form- "must be" the one that best suits the characterisation of the territory under analysis



(Rodríguez, 2006; Bel, 2011). To this end, it is necessary for the parties involved (institutions, companies, citizens) to know the socio-economic state of their territory through the diagnostic of their present situation and future expectations.

Therefore, we speak of governance (administration) as a concept linked to the idea of innovating in order to improve. Any administrative change must involve the introduction of improvements in the provision of public services, in the regulation of spaces for citizen participation and in territorial development. For this reason, innovation should be seen as synonymous with learning, adaptation and the involvement of all the agents that form part of the Administration to achieve the most appropriate administrative organization for each spatial and demographic reality.

So, the study is based on two questions: if the structure of the Local Administration in Spain is the most convenient to fulfil its functions, and how does the citizen interpret the management of this administrative level closest to the citizen. These questions introduce the objective of the study.

As a result, the main objective of this research is to propose a reform of the economic-financial management of local administrations, a change that will increase the efficiency of local authorities' resource management and improve the provision of public services through a redesign of their administrative structure. Also, it offers a proposal based on a systematic spatial reporting of administrative-financial decisions that demonstrates the possibility of achieving a greater adaptation of municipal size to the socio-economic reality, as well as the optimisation of local decision-making and the obtention of a more effective and efficient public function model.

For this reason, the contribution of the work is located in the elaboration of an automatic and objective comprehensive scorecard (CMI) that allows us to know the efficiency in the management of municipal public services.

Regarding the structure of the study, it begins by exposing the regulatory framework that regulates municipal economic-financial management in Spain. Next, the functions to be carried out by each municipality and the current municipal structure in Spain are identified. The applied part of the work begins with the study of the perception of the citizen in relation to the management of municipal services. The study concludes with the presentation of the proposed automatic territorial diagnosis system in relation to the provision of local public services and the result that is expected from it, and that is materialized in a technical-administrative-financial report where the effectiveness of public management municipal is evaluated.

## **2. Theoretical framework**

In this section, a specific analysis of the situation of local administrations in Spain is presented. Through a study of the theoretical context at a regulatory and demographic level, at the same time as a sociological analysis of the opinions of the citizens of these localities is developed. And

therefore, on the economic, administrative and efficiency impact of this public organisation and management.

## **2.1. Regulatory framework and context.**

The general socioeconomic situation, the demographic dynamics as well as the current socio-political picture make the complexity of guaranteeing an optimal provision of local public services (LPS), in time and form together with the economic-financial sustainability of the Local Administration (LA) one of the most important challenges of the Public Administration in Spain.

This is compounded by the crisis situation in which we have found ourselves, which began in 2008, prolonged by the complexity and instability of international relations in general, the crisis resulting from COVID-19 and the redistribution of economic forces on the world map. All this comes together, giving rise to a growing interest and concern for the profitability obtained through the use given to public resources and, in particular, the concern to preserve the Welfare State achieved (welfare, education and health).

The immediate effect of the described reality is the intensification of the search for a more efficient, accessible and financially sustainable public management as a political urgency (Bel, 2011; Elizalde, 2020). For the first time, we ask ourselves what the "gain" obtained from the public resources employed is.

To address this dual problem: "a growing financial need and greater efficiency in the use of public resources", the reform of article 135 of the Spanish Constitution in 2011, endorsed by Organic Act 2/2012 on Budgetary Stability and Budget Sustainability, established the need to ensure "budgetary stability" as a principle that will govern the work of all administrations.

The application of this constitutional precept to the local sphere requires a major regulatory adaptation to guarantee the application of the principles of budgetary stability, financial sustainability and efficiency in its management, given its heterogeneity in terms of size, population and socio-political dimension. Therefore, it is necessary to adapt the basic aspects of LA's functioning and organisation to space and time. The administrative adaptation of which required legal sanction through Act 27/2013, on the Rationalisation and Sustainability of Local Administration, whose objectives include:

1. Establish municipal powers, avoiding duplication with respect to those exercised by other administrations in the same area.
2. Rationalise the local organisational structure in order to comply with the principles of efficiency, stability and financial sustainability.
3. Guarantee rigorous and effective financial and budgetary control.
4. Promote and favour private economic initiatives by reducing the administrative bureaucracy that presides over the management of this administrative level.

The second of these objectives, set out in the preamble of Act 27/2013, is the subject of this paper.

## 2.2. Status and situation.

Spanish municipal structure dates to a Royal Decree of 1833, which established the economic and political competences of the Local Entities together with the design of the Local Administration at two basic levels: province and municipality. Since that date, changes in the municipal map have been extremely limited, especially when compared to those in the dynamics of settlement, distribution, management and economic production, as well as the effects of these on any territory. Thus, the institutional architecture shows a growing mismatch between municipal structure and geoeconomic evolution (Rodríguez, 2011; Del Campo and Ferreiro, 2013).

Therefore, it is difficult to understand how the public institutions responsible for defending the common interest can remain unchanged in the face of a rapidly changing socio-economic scenario. Even more, bearing in mind that the origin of the municipal structure that arose as a result of the aforementioned Royal Decree stems from a centralist conception where provinces and municipalities were instruments at the service of central power, their functions being to improve tax collection and control citizens' movements.

Thus, to the question of whether these are the functions that the LA should perform in the future, the answer should be negative. Simply because of the mere passage of time and the technical progress inherent to it, municipal functions have grown disproportionately from the mid-19th century to the present day (Rodríguez, 2011). Consequently, it is obligatory to refer to what the municipal functions are:

- a. *Representative body of the democratic will and political conception for the citizen* → Administration that serves as the basis for the organisation of political power and generates an identification of the citizen with that territory.
- b. *Organisation that provides and offers "public" services to the citizen* → a form of "company" that offers and provides services of general interest and cannot be replaced by the market.
- c. *Promoter of socioeconomic development* → acting as a sociocultural, productive or touristic dynamiser and serving general interest beyond the municipal borders.

From these functions, it can be deduced that a basic function of the municipality and, by extension, its governing body, the City Council, is to act as a political-administrative nucleus in the lives of its neighbours. In light of this, it is worth asking whether this will be its main role in the future or whether it will be to attend to the needs and demands of citizens in a reality that is not only social but also spatial, and which is changing with unusual speed. The answer to this question requires identifying the most convenient municipal structure at a spatial, functional and political level (De la Mora, 1997; Del Campo y Ferreiro, 2013).

Moreover, identifying a spatial demarcation is not only a question of geographical dimension. In fact, it is possible to identify up to three dimensions linked to the concept of territory and which must converge in the same administrative space:

- a. *Institutional*: establishing the political relations of individuals and defining the capacity to decide their public representatives.
- b. *Functional*: coverage in the provision of different collective services, acquiring a dimension beyond the traditional municipal framework.
- c. *Relational*: sphere in which to establish social and economic relations between individuals: labour and housing.

The coincidence of these three dimensions in the same physical space is a factor that generates economies of scale in local public provision (Rodríguez, 2006). Having reached this point, it is worth asking what the current structure of the Spanish Local Administration is. Information is presented in Tables 1 and 2, where a comparative analysis of the municipal size by population and autonomous community is made, respectively, in the decade between 2021 and 2012.

With regard to the population distribution of the municipalities, it is worth noting that more than 60% of them have less than 1,000 inhabitants. This reflects the fact that the Spanish administrative map is a large area populated by a large number of small population centres with little capacity in terms of effective demand and socio-productive structure. A reality where municipalities with more than 50,000 inhabitants represent less than 2% of the total, and where, separating the municipalities into those with more and those with less than 5,000 inhabitants, the former have seen their weight in the total reduced over the decade analysed, with no significant process of concentration being detected.

**Table 1.** Municipal distribution of Spain by population group, 2012-2021.

Segment-Population	2012			2021		
	Nº	%	% Accumul.	Nº	%	% Accumul.
<101	1.193	14,70	14,70	1.137	14,01	14,01
101-500	2.670	32,89	47,59	2.697	33,24	47,25
501-1.000	1.033	12,73	60,32	1.052	12,96	60,21
1.001-2.000	912	11,24	71,56	922	11,36	71,57
2.001-5.000	991	12,21	83,77	1.000	12,32	83,89
5.001-10.000	560	6,90	90,67	553	6,81	90,70
10.001-20.000	355	4,37	95,04	361	4,45	95,15
20.001-50.000	257	3,17	98,21	250	3,08	98,23
50.001-100.000	83	1,02	99,23	82	1,01	99,24
100.001-500.000	57	0,70	99,93	56	0,69	99,93
>500.000	6	0,07	100,00	6	0,07	100,00

**Note.** Own elaboration based on INE data.

Accordingly, the size of the territory and its population are related. In terms of population density, three groups of Communities can be distinguished, which are shown in Figure 1:

1. *Underpopulated*: this makes the provision of SPL very difficult and limited (lack of market and dispersion). These communities have an average population density of 40 inhabitants/km<sup>2</sup>, with more than 90% of their municipalities having <10,000 inhabitants and suffering from distressing population and economic desertification. These are: Aragon, Castile and Leon, Castile-La Mancha, Navarre, La Rioja and Extremadura.
2. *Intermediate group*: with an average density of 105 inhab/km<sup>2</sup>, it maintains a high-risk status characterised by ageing and dispersed settlement. Its threat is the lack of productive fabric. These are: Andalusia, Asturias, Cantabria and Galicia.
3. *Sufficient average population size*: it has a service sector of considerable size and diversity. Its average density is 400 inhabitants/km<sup>2</sup> and its average population size is capable of sustaining the necessary SPL. These are: Balearic Islands, Canary Islands, Catalonia, Valencia, Madrid, Basque Country and Murcia.

The most revealing fact in Table 2 is the large difference between the number of Spanish municipalities with ≤10,000 inhabitants (91%) and their population (20%). This shows the structural weakness of the majority of Local Corporations in Spain. In thirteen communities, the percentage of municipalities with ≤10,000 inhabitants exceeds 75%, while in ten, the population of these municipalities does not reach 25%.

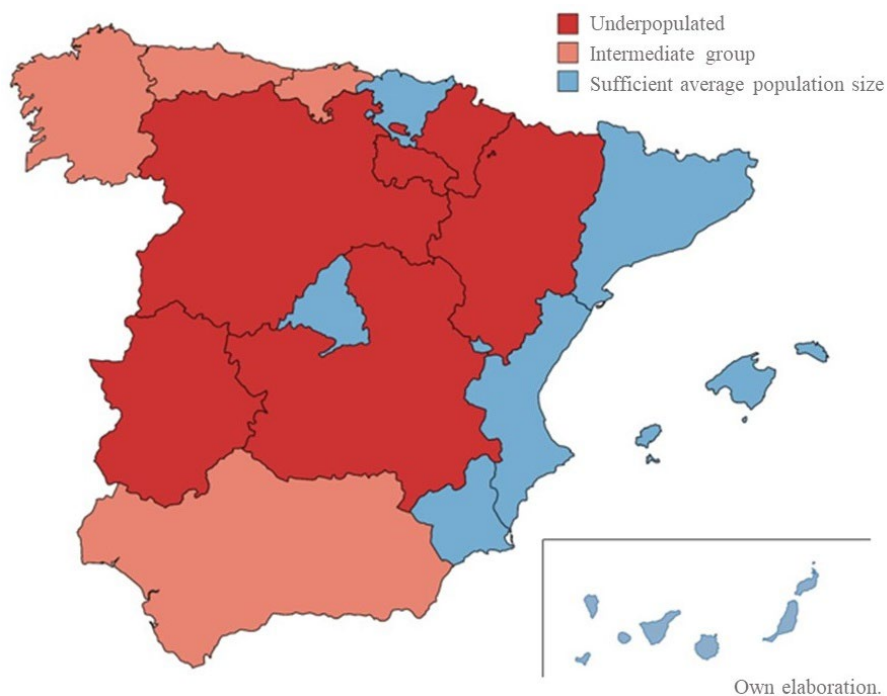


Figure 1. Population density of the Autonomous Communities in Spain, 2021.

Table 2. Municipal size of Spain by Autonomous Community 2012-2021.

Autonomous Community	Number Mun.	Population/N° Municipalities		Population Density (inhab/km <sup>2</sup> )	%		Popu. Mun. ≤ 10.000 / N° Mun. ≤ 10.000	
		2021	2012		Popu. in Mun. ≤ 10.000	% Mun. < 10.000	2012	2021
Andalusia	785	10.960	10.793	108	19%	81%	2.738	2.592
Aragon	731	1.846	1.814	28	30%	98%	<b>578</b>	<b>547</b>
Asturias	78	13.812	12.972	105	15%	76%	2.514	2.503
Balearic I.	67	16.708	17.508	292	15%	64%	3.973	4.041
Canary I.	88	24.072	24.693	428	10%	52%	4.805	4.747
Cantabria	102	5.822	5.730	115	35%	90%	2.171	2.255
Cast-León	2248	1.133	1.060	25	43%	99%	<b>506</b>	<b>466</b>
Cast-Man.	919	2.309	2.230	26	44%	96%	1.070	1.023
Catalonia	947	7.995	8.198	259	18%	87%	1.712	1.735
Valencia	542	9.464	9.332	247	17%	81%	2.027	1.986
Extremad.	388	2.878	2.731	26	50%	97%	1.521	1.418
Galicia	313	8.830	8.612	98	29%	82%	3.244	3.066
Madrid	179	36.305	37.716	1038	6%	72%	2.861	3.027
Murcia	45	32.766	33.744	216	45%	31%	4.052	4.095
Navarre	272	2.370	2.432	64	42%	96%	1.121	1.067
Basque C.	251	8.837	8.821	330	19%	82%	2.015	2.017
La Rioja	174	1.860	1.838	64	33%	97%	<b>700</b>	<b>632</b>
<b>Total</b>	<b>8.131</b>	<b>5.824</b>	<b>5.828</b>	<b>99</b>	<b>20%</b>	<b>91%</b>	<b>1.343</b>	<b>1.301</b>

Own elaboration based on INE data.

Notes: Mun=Municipalities; Popu=Population



If the observed reference variable is the average municipal population of municipalities with  $\leq 10,000$  inhabitants, six communities did not reach 1,500 inhabitants/municipality in 2021, one more than in 2012. In the decade considered, eleven regions reduced their average population size. The number of Autonomous Communities that do not reach 10 municipalities  $> 50,000$  inhabitants is 15 in 2012 and 16 in 2021. Meanwhile, the number of Communities that do not reach 25 municipalities with  $> 20,000$  inhabitants in the same years is 12 and 14, respectively, with dispersed settlement increasing.

In addition, this picture of the municipal structure in Spain was reinforced by a series of socio-political factors (De la Mora, 1997; Ramió and Salvador, 2012). These aggravated the negative effects caused by the expansion of municipal activity derived from the displacement and relocation of productive factors:

- a. The growth and modernisation of the country means that any municipality wants to match the competencies of other municipalities in administratively more advanced countries.
- b. The democratic system requires bringing the "Administration vs. administered" closer together; in this line, the municipality goes from being an Administration that serves the Citizen Demand to taking on competencies that are not its own due to its proximity to the citizenry.
- c. The municipal "interest" in satisfying Citizen Demand led to an increase in the demands of its citizens, generating a circular process of sustained growth in the demand for new SPL.

### **2.3. Study approach: the administrative perception of citizens.**

After the overview above, a scenario of socio-political debate on the sustainability of the basic structure of the Local Corporations is opening up. This debate arises between two antagonistic positions on the management of the LPS: absolute globalism and maximum localism. This does little to help in identifying the desired municipal model: a system organised under a theoretical and legal nominal autonomy, although with an evident incapacity to execute it for many of the Spanish municipalities; or a flexible system, capable of adapting to the needs of socio-economic and geospatial evolution, fully assuming its competences.

Furthermore, and in view of the magnitude of the tasks that the Local Administration serves, a question immediately arises: Are the municipalities in Spain, with their current structure, in a position to carry out these functions, or even to expand them, or on the *contrary*, *are they unable to provide an effective response to their basic competences as entities of political representation, providers and suppliers of collective services?*

To answer this question, it is necessary to have adequate and sufficient information on the general state of the territory under diagnosis, a comprehensive territorial diagnosis adjusted to the characteristics of the space investigated. The technical aspect and the socio-economic reality

mean that this knowledge has a more practical than political character and origin (Guy, 2011; Durán, 2016, Del Campo et al, 2021) and, where demagogy has no place, these issues are as varied as those listed below (Bonney and Armijo, 2005; Alfaro and Gómez, 2016; INE, 2018) and whose common characteristic is their continuous modification:

- State, evolution, movements, demographic projection and population.
- Socio-economic structure, activity and productive settlement.
- Provision and management of collective services: distribution and accessibility.
- Basic demands of the population: economic, identity and social.
- Transfer of competences from the environment.
- Municipal financial and budgetary situation.

Therefore, if society and its economy are immersed in a continuous process of change (modernity and progress), the institutions that serve the collective interest should not remain static over time (Bosch and Solé-Ollé, 2012). For instance, two antagonistic processes: infra-municipalism and urban mega-congestion, escape the current conceptualisation of municipality (De la Mora, 1997; Bel, 2011), exemplifying the mismatch between the current local administrative structure, the socio-economic dynamics and the new models of spatial occupation.

However, experience shows how the historical, sociocultural and geopolitical superstructure conditions any initiative to modify either the current administrative boundaries or the way of providing LPS, maintaining the primacy of the idea of the classic municipality as the "only" criterion for this purpose, regardless of its limitations. A classic municipality is understood to be one that was designed following the municipal administrative structure included in RD 1833.

In fact, it is only in the current socio-economic situation of crisis and financial and social urgency to maintain the Welfare State that a certain awareness seems to emerge regarding the profitability and use given to public resources and which administrative level is best able to provide certain services.

But *what is the public's perception of the administration's performance?* This is a key question for assessing the expected aptitude in the face of a transformation of LA in size and form. This information will allow a generic evaluation of many of the problems and obstacles of a social nature derived from a change in the way public services are approached and provided by the Administration.

This information is summarised in Table 3, where up to six argumentative constructions can be distinguished regarding the population's perception of its administration. In these, it is worth noting that the general view transmitted by citizens with respect to the actions and function of government is "traditional", that is, it defends a normative conception of public action and is averse to change. The administration is seen as an instrument of guarantee and protection, while the private sector is associated with the idea of profit and inequality.

The documentary basis for the results obtained comes from the information collected in the "survey on the quality of public services" and the "survey on public opinion and fiscal policy" conducted by the Sociological Research Centre (CIS) in the period 2015-2020, considering 2015 as the base year of study. The analysis was completed with information on periodicity and

compliance from the Ministry of Public Administrations (MAP) and indicators of subjective well-being, obtained through a survey by the National Statistics Institute (INE). The appendix shows the list of questions considered to assess citizen perception of government activity in a broad sense, summarised schematically in Table 3.

**Table 3.** Citizen perception of the activity of Public Administrations, 2015.

<b>General perception</b>	The citizen gives a negative assessment when asked abstract or generic questions about the administration and its employees (bureauphobe citizen).
<b>Perception of management areas</b>	In contrast, when asked about specific areas of government or public policy, they respond positively (bureaucophile citizen).
<b>General public-private perception</b>	Better general evaluation of private management (agility + efficiency) than public management (bureaucracy + delays), it would be positive to incorporate private management techniques in the Administration.
<b>Perception of social effect public-private provision</b>	When choosing between public vs. private management for the provision of basic services, the majority choose public management, as it is associated with satisfying the common interest and being a guarantee of equality.
<b>Institutional perception</b>	The LA is the administrative level with the least bureaucratic connotation, its actions are more visible and it creates a sense of belonging.
<b>Perception of interadministrative management results</b>	While, in terms of the management of public resources, it is the Autonomous Communities that are most highly valued, the City Council is associated with identity more than with functionality.

**Note.** Compilation based on data from: CIS, MAP, INE, accumulated results 2015-2020.

**Table 4.** Evolution of Citizen Perceptions of Administration, 2016-2021.

	<b>Evolution(ΔVar.2021/2016)</b>	
General perception	Constant	+1,6%
Management areas perception	Increasing	+9,6%
General public-private perception	Constant	+1,2%
Social perception public-private provision	Decreasing	-5,6%
Institutional perception	Constant	-1,0%
Inter-administration results perception	Increasing	+3,2%

Own elaboration based on data from: CIS, MAP, INE, accumulated results 2016-2021.

Moreover, perception is a subjective issue with great variability in terms of space and time, and the period analysed is 6 years. Table 4 shows the evolution (trend): increasing, constant or decreasing followed by each of the six arguments described in Table 3, and also includes the average variation rate observed in the 2016-2021 period with respect to 2015-2020 regarding the degree of satisfaction (trust) or dissatisfaction (distrust) conveyed by the Administration in its relationship with citizens. This variation was obtained from the identification and selection of those questions (Annex) with significance in relation to each of the arguments developed in the previous table. The trend observed was classified according to the following criteria: increasing  $\geq 2\%$ ; constant  $< 2\%$  and  $> -2\%$ ; and decreasing  $\leq -2\%$ .

According to the data in Table 4, it can be affirmed that beyond a general perception of slowness (waiting times) and administrative bureaucracy (documentary requirements), when

looking deeper into the management of public services, there is a prevailing defence of public intervention without changing its basic form of action. More management and less bureaucracy in the public sector are something desired by all, but its implementation generates doubts and mixed feelings.

Citizens show a general interest in an agile and efficient public activity. However, change in public management is viewed with suspicion (concern). Only as social interaction grows and the comparison with other territories is visualised, the subject realises that certain changes in the provision of basic (collective) services are those that facilitate an improvement in their living conditions, whether these are of an economic nature or in the form of greater satisfaction by perceiving a higher quality in the provision of those services (López Doblas, 2018; Elizalde, 2020).

For that reason, only through persuasion and practical conviction of the collective and individual benefits (making these visible) that a reform or adaptation of the municipal size to the socio-economic reality entails is it possible to achieve social and political fruition of the need for this administrative change, without this entailing a social or identity crisis in the face of a municipal merger, creation of commonwealths, consortiums, metropolitan areas or cooperation agreements (Guy, 2011; Durán, 2016). In this respect, political pedagogy plays a transcendental role, conveniently showing what is gained and lost with a change in the management and provision of any basic service.

The complexity and dimension of the problems faced by all administrations, especially LA, due to its heterogeneity, means that they cannot be solved exclusively through regulatory changes (Ramíó and Salvador, 2012; Del Campo, 2014); a change of mentality is needed in search of formulas to better provide LPS. The search for an effective and efficient public service model must be seen as a necessity, and for this it is necessary to start from a correct knowledge of the analysed space in all its areas (Guy, 2011). Communication based on knowledge and management of the treated environment constitutes the support for this change of mentality.

The search for the best administrative structure for each territory should be an objective in order to provide the best possible provision of those services that are essential in the daily work of any person. Except for certain general services of exclusively national scope, such as defence, justice, infrastructures or foreign relations, no administration is better than any other for exercising a given competence in terms of basic territorial services. It can only be considered as such if it is the one that best adapts to the specificity of the environment, its surroundings and the socio-economic circumstances of the space and time analysed.

**Table 5.** Outsourcing or Privatisation vs. Innovation or Empowerment in Public Management.

Under the impression that it is impossible for the Administration to have the capacity to maintain quality services in a context of spending restrictions, it is decided to defer the management of certain services to the private sector, while maintaining their public nature.
Outsourcing ≠ Privatisation <ul style="list-style-type: none"> <li>• Outsource, the responsibility remains public, the administration directs and controls and the private agency manages.</li> <li>• Privatisate, the public responsibility for the service ceases to be public.</li> </ul>
Is outsourcing a negative option? <ul style="list-style-type: none"> <li>• It is not always synonymous with dismantling the public sector or reducing the public services provided.</li> <li>• It may be the only possible strategy to maintain the Welfare State in a context of diminishing public resources.</li> </ul>
What services are outsourced? It is not true that only Welfare State services are outsourced: care, health and education; they are also outsourced: economic, cultural and administrative services.
Necessary condition for the private operator to provide quality public services: that the administrations exercise their planning, control and evaluation functions.
Private organisations are not always more efficient than public organisations in the provision of public services, because of: <ul style="list-style-type: none"> <li>• Suffering from bad management.</li> <li>• The need for immediate profit.</li> </ul>
Considering the above, might it not be thought that the most correct option at times would be to improve the functioning of public organisations from within, without resorting to outsourcing or privatisation? Focusing on the updating and training of their staff in a general sense: values and functions.
Is it possible to see outsourcing as a sign of the failure of public organisations to provide quality public services?

**Note.** Own elaboration.

Going deeper into the initial idea of innovation and public modernisation, Table 5 shows a flexible and innovative characterisation of two ways of acting in the search for optimal administration in the provision of LPS adapted to the characteristics of the territory, and whose distinction is necessary to know. On the one hand, we have the traditional formulation represented by the concepts of outsourcing and/or privatisation (working with or as the private sector outward vision); and on the other hand, administrative adaptation and modernisation (working from within to improve the public sector), where innovation and training are the references for the development of a better public function.

Precisely, the aim of this work is to contribute from a technical approach to disseminate and extend the effective possibility that an internal adaptation of the municipal size to the changes due to the mobility of goods and factors is possible. This would be a way of contributing to the improvement in the provision of LPS (optimising citizen welfare), increasing efficiency in the management of local resources, without forgetting the cost and equity in the access and location of such services (Galera, 2019).

The issue of the unsustainable dimension (economic, financial, human, technical...) of Local Corporations has been recurrent for several decades. (Bosch y Solé-Ollé, 2012; Durán, 2016).

These deficits prevent them from fulfilling their main objectives: the provision of basic services and political representation (Bosch and Solé-Ollé, 2012; Del Campo, 2014; Galera, 2019).

On the basis of the established objective, the work aims to serve as a guide to embark on a path aimed at optimising the local administrative structure, stressing the need to provide the necessary technical information in all the transcendental areas: demography, socio-economic structure, location, size and provision of collective services, as well as that derived from their financial-budgetary situation. In this way, to help those who are responsible for making decisions to opt for the most convenient solution in order to increase the well-being of the citizen obtained from the provision of LPS.

Below, an automatic instrument for diagnosis and proposal for improvement in the economic-financial management of local services is presented, based on the adaptation and redesign of the established municipal administrative structure. The starting point of the developed design is the selection of the basic and transcendent indicators to evaluate the municipal capacity in the provision of those public services that are proper (compulsory) to its administrative size.

### **3. Diagnostic proposal to rationalise the provision of Local Public Services through the Management (GE) and Knowledge (CO) of the Environment (ME).**

The proposal is based on an application that will facilitate decision-making by those government structures responsible for configuring the optimal administrative size in the provision of LPS (Blasco et al, 2013; Del Campo et al, 2021). Being aware that municipalities do not have a common pattern of behaviour or the same characteristics in basic aspects: size, socio-economic capacity or demographics. Therefore, the objective is to offer a tool that evaluates and organises the necessary qualitative and quantitative information to facilitate decision-making on the ideal municipal size and to explain this decision.

The instrument is configured as an automatic and periodic reporting model of the demographic, socio-economic, provisional and financial situation of the municipalities under study, which will allow us to detect not only financial problems but also social and sustainability problems that condition the survival and viability of these municipalities, as well as facilitating their comparability.

Thus, the resulting output is a management system based on the provision of relevant information on a computer tool, the ultimate result of which is a diagnostic report and a proposal for economic-financial improvement and sustainability in the provision of LPS. This is based on the rationalisation of its competences and structure, based on the information obtained from the management and knowledge of the territory analysed.

The informatics support used is represented graphically in Figure 2, which takes as a documentary basis all the relevant technical and situational information of the municipality(ies) under study in the areas of geo-demography, labour structure, socioeconomic level, public provision and financial-budgetary situation, for the three complete years prior to the analysis. The

system is fed back each year (Blasco et al, 2013; Del Campo et al, 2021), eliminating the oldest year and incorporating the most recent (phase 1 of action).

Once the information referred to in the previous paragraph has been collected and entered into the system, the system offers three types of output variables (phase 2 of action):

- a. Individual indicators of provision or service, where the direction followed by the indicator and the intensity of the variation observed are taken into account. They are obtained through official statistics and ministerial websites, being selected based on the characteristics of the investigated territory.
- b. Combined indicators of provision or service, made up of the integration of several indicators, or else put in reference to a dependent variable. Indicators are valid for all municipalities with a minimum population size capable of generating the requested information (more than 1,000 inhabitants).
- c. Relationships of sustainability in the provision of LPS, based on the situation with its demand/supply nexus. The alerts to be considered will be obtained from these relationships.

Finally, the application offers qualitative results: a list of those policies that should be implemented, the most appropriate administrative categorisation for the investigated area, and what would be the recommended implementation proposal (phase 3 of action), collected in a "*Systematic administrative-financial report*".

The system is expressed schematically, by means of the following list of actions:  
*Initial data (level\_1) → Basic indicators and data ordering (level\_2) → Evolution and analysis of variation of basic indicators (level\_3) → Identification of alerts detecting problems (level\_4) → Recommended measures/policies (level\_5)*

GRAPHICAL SCHEME - LOCAL RATIONALISATION PROPOSAL GE.CO.ME				
INDICATORS		GE.CO.ME.		RESULTS
Population Assessment (1): status, evolution and projection	→	Measurement and evaluation of individual indicators		Improvement planning: policies to be implemented
Population Assessment (2): natural and migratory movements	→	↓		
Assessment on socio-productive structure: business fabric and economic specialisation	→	FRAMEWORK FOR EVALUATION GE.CO.ME.	→	Administrative categorisation: form administrative smart
Assessment on socio-labour structure: activity, occupation and labour mobility	→			
Assessment of environmental conditions: equipment and infrastructure	→			
Evaluation on social services: care, health, education, leisure and culture	→	↑		Obtaining a judgment: decision and form of implementation
Assessment on financial status: operation, financing and redistribution	→	Measurement and evaluation of Combined combined: Alerts		

Figure 2. Proposed model to rationalise the provision of SPL. Own elaboration.

The information in Figure 2 shows independently the three levels of action in which the information management and processing model is materialised. Three interrelated levels, where the success of each one is a function of the previous one:

- Level 1: Design, analysis and selection of indicators.
- Level 2: Measurement and evaluation of indicators, IT development.
- Level 3: Diagnosis, strategic proposal and organisational decision.

The necessary leadership to carry out any administrative reform, guaranteeing its sustainability, as well as the undeniable combination of the double political objective of "efficiency vs. equity" requires making decisions based on relevant and responsible information in the double sense of quality and quantity.

Therefore, it is about political leadership and management based not only on the capacity and ability of the politician but also on knowledge and, above all, on the most convenient information in relation to the service to be provided.

Politicians must know the reality of the territory they govern and manage, its needs and the consequences of their activity, which is why the dissemination action based on the management (GE) and knowledge (CO) of the environment (ME) is essential if the aim is to modify the way in which the LPS are provided. This requires a clear understanding of the relevant parameters when



making such a decision, only then will it be possible to explain to the different interest groups (citizens, social groups, etc.) the reasons and criteria that motivated them.

#### **4. Systematic administrative-financial reporting of municipal finances. A way of transmitting a public reform.**

According to the previous point, this report is the result of the application developed, which is configured as an automatic reporting of periodical information, supporting decision-making in the provision of SPL and self-supported by the Administration analysed.

The report has been created on the basis of a computerised support and aims to establish an automated decision-making model based on the socio-economic and financial capacity of the analysed environment. The designed application uses Excel as computer support, which through the Visual Basic language for applications (VBA) allows us to generate custom forms with text boxes and drop-down lists. Its objective is to facilitate the detection of financial problems, the control of public income and expenditure, the perspective of vital sustainability and the management of municipal services, and its comparability. Its characteristics are *easiness of obtaining and simplicity; completeness and relevance; transparency and agility; and updating and participation*.

As a result, the report allows a more systematic, comprehensible and transparent presentation, greater convenience in its layout, and its regular review will contribute to its continuous improvement. In addition, the integral vision of local problems facilitates the commitment of all the agents involved in its management, their motivation and orientation towards an efficient use of the resources available to the Municipal Finance.

For this purpose, Table 6 shows by "case" the diagnosis, results and actions to be implemented, of the "systematic municipal administrative-financial report", or output of the model.

The study covers four areas of action: demography and population; socio-labour structure; living conditions and provision of SPL; and financial-budgetary capacity. For each area, a partial situation proposal is obtained and the actions to be implemented are listed, distinguishing between (Alfaro and Gómez, 2016; Del Campo et al, 2021):

- DAC Actions (direct administrative control): local capacity to carry them out.
- IAC Actions (indirect administrative control): outside local competence.

In addition, the report presents a partial proposal for each area, providing guidance on its immediate sustainability and the most desirable direction to take. The merger of the partial proposals converges in an overall proposal aimed at showing the way forward if the level of SPL provision is to be improved in the medium and long term.

**Table 6.** Proposal for action and improvement of Local Administration (hypothesis).

<b>Population Control and Regeneration Capacity</b>	
Result	Reduced survival capacity, unsustainable structure
DAC	Providing incentives to encourage births
DAC	Subsidise public transport during the busiest times for business and education.
DAC	Promote the development of the traditional local community business.
Proposal	Set out measures to encourage a merger by integration
<b>State and evolution of the labour market</b>	
Result	Small domestic market and low labour dynamism
DAC	Granting of advantageous land for new economic activities
DAC	Create an official and standardized contracting office
DAC	Reduction of the IVTM (Tax on Motor Vehicles) for new economic activities, bonuses for creating and maintaining employment.
DAC	Promote the development of the traditional business of the area.
Proposal	Examine the viability of administrative size: merger by integration or selective merger
<b>Living Conditions and Infrastructures Report</b>	
Result	Risk of provision and equipment due to reduced density
DAC	Grant building licences adjusted to the available environment and equipment.
IAC	Aggregation of population centres, elimination of unsustainable ones due to lack of population
DAC	Develop cooperation policies with other local corporations to manage basic facilities and services.
IAC	Redistribution of students in schools according to level and installed capacity
Proposal	Examine the viability of administrative size: merger by integration or selective merger
<b>Management Control and per-capita co-responsibility</b>	
Result	Efficient and inequitable (inequitativa) municipal management
DAC	Increase the economic performance derived from own heritage
IAC	Renegotiate the interest rate of the debt according to market conditions
DAC	Reduce non-basic current transfers granted
DAC	Reduction of urban property tax (IBI) according to the size of the family unit.
Proposal	Reducing direct taxation vs. other own revenues
<b>General Proposal: adopt measures for a municipal integration in the short and medium term.</b>	

**Note.** Own elaboration.

The technical maintenance and updating of the information that feeds the proposed application recommend that it be located at the administrative level with the necessary capacity and personnel (province, municipalities with more than 10,000 inhabitants, ...).

## 5. Conclusions and the need for change.

This paper discusses two different but intrinsically related issues. On the one hand, the identification of a problem in the provision of LPS. The origin of this situation lies in the lack of capacity of most municipalities in Spain to meet the basic needs of their neighbourhood in an efficient and accessible way in space and time, which is apparent in:

- Lack of internal market, lack of population and dispersed settlement.
- Lack of a developed productive fabric with the capacity to attract people.

- Dependent financial structure, preventing any management and political autonomy.

On the other hand, after identifying the problem to be solved, "how to improve the provision of LPS through an optimal Local Government in size and shape", the work moves on to how this problem should be communicated. Besides, made known to all parties concerned, so that they understand and accept it as something globally good. The work moves on to how this problem should be communicated and brought to the attention of all affected parties, so that they comprehend it and take it as something globally good.

So, being political pedagogy and the exposition of the expected results through the identification of the benefits and costs derived from the proposed administrative reform the way to make people see the need to modify the management framework at the local level, changing the mentality of the social agents. Therefore, the starting point for the success of the proposed change is a good knowledge of the management (GE) carried out to date and the knowledge (CO) of the environment (ME) or territory being explored.

In this sense, the next study step is to decide if the conclusions of the resulting technical report should be advisory or binding. In this sense, the spatial evolution, both demographic and socioeconomic, leaves us with little doubt that if we do not take immediate measures, we will be able to do little to avoid the abandonment and relocation of most of the national territory.

Finally, and as a social justification for the proposal presented, there are several arguments in favour of this administrative change, including the following:

1. The size and complexity of Public Administrations makes their adaptation very costly, making them obsolete in terms of the effectiveness of their proposed organisational solutions and even more so in a society in constant change.
2. The competitiveness of a country and the quality of life of its citizens is a function of the efficiency of its administration. Having a Public Administration that does not create dysfunctions in private activity and efficiently performs its tasks: regulation, control and management of services and stimulation of socio-economic activity, is a necessary condition for the country's growth and development.
3. All public resources have the same origin: productive activity and, within this, mainly private activity. For this reason, the Administration, more than anyone else, must be responsible for the use and profitability of the funds placed at its disposal. And as the first function of any administration is precisely to "administer" and not to produce, if the administrative size implies duplicities and rigidities, which are the origin of a waste of resources, this is something that we cannot consent to by sitting back and waiting.

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**Appendix. Questions on citizens' perception of the Administration.**

1	Public services are generally performing satisfactorily.
2	Public services are generally performing better than 5 years ago.
3	The quality of public services needs to be evaluated, or are these resources better used for other purposes?
4	What is your preferred way of contacting the Administration: in person, by telephone, letter, e-mail or web?
5	You were satisfied with your last transaction or action you carried out with the Administration.
6	The service obtained in that last procedure or action was better than expected.
7	Do you think that this service would be better or worse provided by a private company?
8	Identify the reason for your assessment of the comparative public-private provision.
9	Change in the provision of public services is generally desirable.
10	The last time I contacted the Administration I was satisfied.
11	The last time I contacted the administration by telephone I was satisfied.
12	Whether or not you were satisfied with the last time you accessed the electronic office because of its ease of use.
13	Whether or not you were satisfied with the last time you accessed the electronic office because of the information it contained.
14	Are you or are you dissatisfied with the last time you entered the e-Office because of the management time?
15	I was generally satisfied with the last visit I made to the e-Office.
16	Do you usually trust the performance of public employees in general?
17	How much confidence do you have in the Central Administration?
18	How much confidence do you have in your regional government?
19	How much confidence do you have in your local government?
20	What is the satisfaction in terms of living conditions according to the population density of their place of residence: high, medium or low?
21	How do they rate the functioning of public education services?
22	How do you rate the performance of public health services?
23	How do you rate the performance of public services in justice?
24	How do they rate the performance of public transport services?
25	How do you rate the performance of public construction works services in general?
26	Society benefits from the payment of taxes and social security contributions in general.
27	Taxes are paid fairly in general.
28	In your case, you benefit less between what you pay to the administration and what you get.

**Note.** The related questions have been taken from the "Quality of Public Services" and "Public Opinion and Fiscal Policy" surveys, both prepared by the CIS. These questions were completed and corrected in those cases where the question was altered or modified in its design or configuration during the period under study (2016-2020) with the subjective welfare indicators obtained through a survey by the INE and the information published by the MAP on periodicity and compliance in the provision of the public services surveyed.