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DISTRICT COUNCILS – BETWEEN COMMUNITY AND ADMINISTRATION: THE CASE OF POZNAN¹

ABSTRACT

Communities in cities were transformed significantly in the second half of the twentieth century. Weaker social ties and growing individualism have been combined with the growing role of formal institutional structures. Local governments became increasingly dominated by central structures. Decentralisation emerged as an attempt to reform this tendency. This article presents and analyses district councils in Poznan in respect of their success in promoting public involvement, accountability, and efficiency of public services delivery. It is argued that their impact on accountability, public control of authority, public involvement, and public activity is not significant. Instead, growing distrust of district councillors towards the city can be observed. Moreover, despite certain minor differences in administration costs, the structure of districts' expenses is relatively homogeneous which may lead to the conclusion that district councils do not help to adjust the services to the varied inhabitants' preferences.

1. INTRODUCTION – COMMUNITIES AND FORMAL INSTITUTIONS IN CITIES

Communities in cities, treated as distinctive units with specific characteristics, started to be the object of intensive research since the Chicago School made them a central focus of investigation. Park, Burgess and others used the term "natural area" to depict more or less homogeneous units within cities. Communities attracted a lot of scholarly attention, focused on social

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^{1.} The collection of data analysed in the paper was sponsored by a grant obtained from the Social Science Faculty, Adam Mickiewicz University, and a grant from the City of Poznan. Help from workers of the Office of the City of Poznan is gratefully acknowledged. Catherine Murray read the manuscript, offered valuable comments and corrected the language.

fragmentation; on various types of spatial behaviour; on social construction of communities; on the role of physical design etc. The key issue in the research has been the relation between physical dimension and communal life. The Chicago School tradition concentrated mostly on the spontaneous aspect of social behaviour. Institutions were also taken into consideration as a product of voluntary action. The emphasis was on neighbourhoods, self-assistance activities, social control, and grassroots organisations. Nevertheless, the formal institutions play an increasingly important role in the life of city communities. Their growing importance can be attributed to the neo-Keynesian policies, with the increase of the top-down delivered welfare in the developed countries. The strengthening of cities' administration was connected with the evolution of communities. As a result, today's communities are to a large extent, shaped by the formal institutions. Moreover, local governments, which for a long time could be treated as a representative of communities, are under profound transformation. They lose their power and legitimacy. These two processes are intertwined and contribute to the fading of local life.

This article focuses on this double process based on the case of Poznan. District councils in Poznan are presented as an attempt of decentralisation, and they are evaluated in terms of their success in promoting public involvement, accountability, and efficiency of public services delivery.

2. COMMUNITIES IN THE PROCESS OF CHANGE

Many communities studied in the first half of the twentieth century were in the process of transformation. The change accelerated and the recent shape of urban communities posed the question of their very existence. Local proximity, the spirit of community, territorial ties, shared values and norms, social control, social integration and other characteristics typically attributed to a community were questioned (Fischer, 1981; Giddens, 1990). Although M. Stein's diagnosis of the eclipse of community was criticised as too radical, many authors diagnose fundamental changes in the nature of a city's communities (Stein, 1960; Wellman and Leighton, 1979). Two main factors were indicated as responsible for these changes.

Firstly, the impact of economy is marked. Changes of the labour market and employment type (as well as unemployment) brought individualism, which was always attributed to urban life. However, it reached an intensity that undermined the very sense of community (Chandler, 2000). It is a widely accepted fact, that societies have become increasingly individualized. Coleman (1993) claims primordial social relations, based on family and

community ties, have been vanishing. Beck (1992) considers individualisation as a mark of modernity and Giddens (1990) observes territorial disembeddedness of individuals' activities.

Secondly, in the cultural context, the concept of mass society describes the decline of communal ties, and emergence of a new, only physical role of space (Vidich and Bensman, 1958; Sampson, 1988).

Although links to working places and interest groups caused an erosion of local ties, studies have shown, that community life does not disappear, rather its character changes (Crow and Allan, 1994; Wellman and Leighton, 1979).

The changing shape of a city's community, connected with broader socio-economic evolution, broadened the amount of services delivered by the welfare state, hence leading to the expansion of bureaucracy. The impact of economic activities on urban life, bringing unemployment, the necessity to commute, etc. increased the scope of regulatory policies.

As a result of the state's growing role, the self-reliance of communities has weakened (Bridger and Luloff, 1999). Communities transformed into territorial associations of consumers. The supply side of services became dominant. This process was connected to the shrinking role of local governments, which traditionally represented the internal interests of a community.

3. CHANGES ON THE ORGANISATIONAL LEVEL OF COMMUNITIES

On the organisational level, important changes occurred since the 1960s. Coulson (2004) argues that in the 1960s, a dual polity still existed. The central government was busy with national and international spheres, while local issues were left to local governments. In the 1960s and 1970s a wave of reforms changed the Western governmental systems. The reforms were based on a neo-Keynesian approach, with the aim of dealing with market failures. Decentralised and de-concentrated administrative functions were common. Also planning, evaluation of performance and other managerial approach tools were introduced to governing practice. These were still basically Weberian-type reforms. A new approach appeared in the 1980s, with the increased popularity of a free market "mood". The new public management introduced an entrepreneurial approach towards local public administration (Osborne and Gaebler, 1992).

Managerial-type changes of a government, coupled with the globalised growth of economies, undermined the capacity of the political and administrative systems to control their performance. This process of hollowing out the state (Rhodes, 1994) includes growing international interdependences and decentralization. It produces multi-level governance, where negotiated exchanges between different institutional levels of governance prevail. Also the hierarchical command and control approach does not work, while bargaining can work without predefined legal or constitutional framework (Peters and Pierre, 2001). As a result one can see interpenetration of neighbourhoods, local, regional, national, and international level. Many interliked actors pursue their interest without one dominant power. As a result, the very ability to effectively govern is questionable and co-operative forms of governing are emerging. Governance describes the new situation is based on network management, where public and private interests intervene (Sørensen, 2002). Moreover, it often operates beyond formal local government structures. As a result, one can argue, that the fundamentals of the communities organisation are substantially altered.²

4. THE CRISIS OF LOCAL DEMOCRACY

The changes of the operations and formal institutions' functions on the local level are combined with a transformation of local communities, which altogether can be treated as an overall crisis of local communities and local democracies. First, low interest in public life is widely observed. Research by Fenwick and Elcock (2004) on perception of local political representatives in four British local councils, shows a low turnout in local elections and lack of interest from citizens. Blanc and Beaumont (2005) present a case of formal 'neighbourhood democracy' failure in Denmark, where the introduction of local executive housing committees collapsed because tenants did not take part in elections. Fenwick and Elcock (2004) conclude that people are not interested in the structure of public management unless it is of their direct interest.

Second, public life started to be occupied by a partisan type of involvement. In Britain, France, Denmark and other countries in the last 30 years, political parties penetrated the local political life. As a result, for a person involved in a public issue, a typical way to a local council is through membership to a political party. Domination of political parties in the local public scene

^{2.} Despite ambiguities connected with governance we can notice that in the context of sustainable development governance is treated as flexible and encouraging public participation.

undermines grassroots civic activities. At the same, time politicians are motivated by opportunism, which permeates local life (Papadopoulos, 2003).

Third, the position of executive powers in local settings is weak and unstable. The competences and the legal (electoral) solutions cause, in many cases, a situation, where decision making is a complicated procedure. Additionally, the political system promotes a stronger private sector (e.g. in health care) and marginalises the local councillors and local activists (Coulson, 2004).

Fourth, there is a significant decline of representation. Local politicians can promise little, because the results of their actions and policies are dependant on other levels of power and on other actors. As a result, representation is not connected to the elections and representative democracy, but to the perceived right to represent. Local officers and elected members are confused with the representativeness of their partners. The loss of representativeness is a serious danger to the functioning of elected bodies. As a remedy, public participation is widely accepted. However, Chandler (2000) criticises the idea of public involvement, which gives socially skewed results and leads to the promotion of certain lobby groups. Similarly, Blanc and Beaumont (2005) are sceptical about the idea of deliberation – which can be superficial and not efficient. Not only does the low level of turnout cause the weakening accountability of authorities against voters, but networks in the form of cliques, substitute government. This jeopardises transparency and accountability (Rhodes, 2000). Such blurred form of representation calls into question the legitimacy of power. Weak legitimacy, where lack of protests is a simple sign of legitimate action, prevails in local authorities.

Fifth, the government's capacity for delivering services is restricted. Bailey (2001) attributes crisis in local governance to a new, post-welfare era. The failure to manipulate the demand, the growing interdependence between countries, the growth of the quantity of local services delivered by the local governments, combined with decentralisation and market-driven mechanisms reinforce local governments' inability to guarantee their obligations. This leads to a "withdrawal" postulate and governance is a method used by authorities, to escape from obligations that are impossible to comply with.

Sixth, bureaucracy plays the role of an independent political actor, as it is able to mobilize resources as an active actor in elections.

The drawbacks mentioned above, highlight the peculiar situation of local democracy. The lack of interest and low turnout does not bring information from citizens on their preferences. As a result polices produce suboptimal effects, there is lack of proper allocation, and costs of services' delivery are

high. For Papadopoulos (2003) current governance networks not only bring into question the content of polices, but also the process. Bailey (2001) emphasises resistance to adaptation. For instance, it is hardly possible to cancel a service if it is against the interests of politicians and bureaucrats.

4.1. Decline of local government or revival

According to some authors, the changes in local life are symptoms of a serious problem – they diagnose the decline of local democracy (Ashworth, Copus and Coulson, 2004; Blanc and Beaumont, 2005). Low election turnouts, lack of trust in politicians and the political process, a climate of cynicism and political disengagement leaves no space for the dual polity – where central government leaves space to local governments (Coulson, 2004). Cochrane (2004) downgrades the role of local government, which is neither the crucial link between central government and the local communities, nor has it a distinctive role as the most legitimate expression of the local communities' will. For Cochrane, it is just an element of the governance structure network.

Despite the above mentioned difficulties, some authors are more optimistic. Wollman (2004) studying changes of local governments in Germany, France, Sweden, and England notices significant differences between countries concerning local government, yet he identifies a general trend towards decentralisation, and the enhancement of local political leadership and the strengthening of democratic and deliberative forms of participation. Bogason (2003) notices a similar situation in Denmark. Growing influence of local inhabitants, as end users, appears in the form of participation in boards of directors, and advisory boards.

5. REFORMS OF LOCAL DEMOCRATIC SPHERE

Facing these difficulties, there are proposals to recover democratic governance on the local level. Bailey (2001) pinpoints at two main directions of reform: (a) reforms focused on the demand side; and (b) on the supply side. Although he sees a higher potential on the supply side, he also shows some consideration for efforts on the demand side.

5.1. Demand side reforms

Following the public choice school, Bailey (2001) is sceptical about possibilities to manipulate demand. However, there is space for improvement in this area, in terms of detecting better information on demand. Low turnout, which is the prevalent situation, does not transmit information on

citizens' expectations. As a result, it is difficult to change the quality of services in order to adjust it to demand, or to detect demand for new services.

As a second best option, referendums can reveal demand. Also, informing citizens on the issues at hand can produce refined demand. Deliberative techniques, aiming to deliver information on all matters can be very expensive and time consuming. This applies also to citizens who usually trust decision makers or, withdraw from interest in public life. Nevertheless, it is accepted that disseminating information can be helpful in any case.

A weaker method of getting information about preferences is to rely on leaders' opinions. Leadership can help to bring "hidden" preferences to light (e.g. oppressed minorities, "silent majority" etc.).

Bogason (2003) argues, that after 1980 citizens started to be more independent, and new influence channels emerged in three forms. The first is the "ad hoc democracy" where local activists, who are not devoted to maximize their individual preferences work for the common good, and cooperate with neighbours. In Denmark, local entrepreneurs appeared, "the every day makers" (Bang and Sørensen, 1999), who are active in running local projects based on grants, and often establish organizations. The second form of influence is the "user democracy" appearing as, for instance, participation of inhabitants in boards of directors of local service delivery corporations (it can lead, however, to local corporatism). The third form distinguished by Bogason is the "associational democracy" emphasizing the growing role of NGOs influencing the public sector.

Bogason takes a realistic perspective on his description of local democratic life. He argues that a traditional voter exists, but loses interest and relies on traditional political parties. These voters are relatively passive participants in local life, close to "clients" who are just users of communal services. On the other extreme, there are "activists", who are the equivalent of businessmen in the public sphere; these are the "members of associations". Diversification of participation in public life, as observed by Bogason, is the consequence of fragmentation of local government and local services delivery.

5.2. Supply side reforms

On the supply side, reforms are focused on two issues: improvement of the performance of the local bureaucracy, and decentralisation. In the former case, several controls on bureaucracy are applied, within a managerial scheme, such as audits, performance checking etc. Another method is to build a competitive environment, which aims at efficiency. Mandatory tendering procedures are also applied within this approach.

Decentralisation is probably the most often discussed measure in the context of coping with several weaknesses of local democracy, although there are also proponents of consolidation. Swianiewicz (2002) lists several arguments in favour of the consolidation process. First of all, bigger units have the advantage of economies of scale. Second, bigger units can deal better with spill over effects (individuals use local infrastructure but live elsewhere and do not bear the cost). Third, interest groups can be stronger, and participation more developed in bigger municipalities, since they can provide diversified functions that can generate more public interest. Fourth, civic life can grow in conditions less prone to nepotism in a pluralistic context that can develop as a big diverse unit.

These arguments are resisted by supporters of localism, who advocate fragmentation. Localism suggests devolving power and resources from central control and shift it to local democratic structures (Ashworth, Copus and Coulson, 2004). Arguments for fragmentation include the following advantages: possibility for citizens for "voting with the feet" if they are dissatisfied; higher level of accountability; higher level of trust in public authorities; better adjustment to inhabitants' preferences; motivation of inhabitants to participate in public life; less bureaucracy. It is also argued that more units in a given territory can produce more innovations and measures to attract investment.

Programs strengthening accountability, and participation are advocated by proponents of decentralisation. For Cowell (2004) the possibility to get the public involved and getting information on their preferences are the crucial aspects of decentralization. Fenwick and Elcock (2004) propose new arrangements that combine better management and greater public involvement. Participation should be linked with a new role for the local authority as 'community leader', facilitating the local debate and detecting needs of consumers, communities, and city managers. Blanc and Beaumont (2005) focus on a successful example of a development policy based on participation - the district of Kreutzberg in Berlin. In the 1980s a program to improve the standard of dwellings was introduced, based on the decision of inhabitants, who would participate in improving their own dwellings or agreed to pay a higher rent.

The discussion on decentralisation is far from conclusive. Contradictory developments can be observed among different countries. France is an example of a traditionally fragmented local government, while in Britain and the Nordic countries larger units were introduced in the last 20-40 years.

6. THE CASE OF DISTRICT COUNCILS IN POZNAN

6.1. The Polish case in context

Outside Anglo-Saxon countries, centralisation is treated as being close to autocracy. Such a view is even more common in post-communist countries. Polish local governments share some features of the western countries mentioned above, but show some major differences too. Obviously, similarities can be found between local government in Poland and in other post-communist countries.

In Central and Eastern European countries, local government existed only in a superficial form, during the communist era. It was practically a part of the centralised administration ruled by the communist party that froze spontaneous local community life.

In Poland, research conducted in the 1980's (and earlier) gives a gloomy picture of local life under the centralised regime (Starosta, 1995; Jalowiecki, 1989). Local government was reintroduced in 1990 as a legal body in a fundamental constitutional change. Decentralisation took the form of giving real power to the local governments and the functional reform, based on the subsidiarity principle. The first elections, in 1990, brought into power new councillors, mostly without any previous experience in public life, although many of them were involved in the anticommunist opposition activities during the 1980s. The re-establishment of local governments brought a wave of enthusiasm and creativity. Contrary to Hungary, the Czech Republic and the Slovak Republic, in Poland there was no territorial decentralisation.

In communist countries, there was a wave of consolidation in the 1970's. It was in accordance with the general belief, within the communist doctrine, in economies of scale (Swianiewicz, 2002). In Hungary, Czechoslovakia, Poland and Bulgaria the number of local governments was reduced. At the beginning of the 1990s' this process was reversed. In Hungary, the Czech Republic and the Slovak Republic the number of local government units increased. In Poland and in Bulgaria, new fragmentation was operated to a much lesser extent.

Presently, in most of Central and East European countries local governments are relatively small: more that 50% of all local governments in the Czech Republic, 40% in Slovakia, and 15% in Hungary are units with less than 500 inhabitants. In Poland the average population of a municipality is 16. 000; 35. 000 in Bulgaria and 66. 000 in Lithuania (Swianiewicz, 2002).

6.2. Satisfaction with local government in Central and East European countries

In some countries in Central Europe municipalities are very small, which is in accordance with the accountability postulate but leads to difficulties in the provision of public services. Swianiewicz's (2001) research on inhabitants' satisfaction with local government performance shows a negative correlation with size, except the smallest municipalities in the Czech republic (smaller than 500) and in Hungary (smaller than 1.000). The highest satisfaction with services is expressed in municipalities between 2.000 and 10.000 inhabitants.

Spending per capita for administration can be used as an indicator of efficiency. In terms of financial efficiency, a negative correlation can be observed with the size of units: in smaller units the proportion of spending on administration is higher (Swianiewicz, 2002). The same applies to the relationship between the size of municipalities and the turnout in local elections: the smaller the unit, the higher the turnout. This can serve as a partial confirmation of the zero sum game between economic efficiency and democratic accountability.

6.3. District councils

Changes that started in Poland in 1989 were based on the belief, that strong local government is one of the democratic values of a new political system. The new law on local government, passed in 1990, was prepared within a democratisation and decentralisation spirit. It intended to remove the obstacles for local activities and self-governing. New legislation aimed at opening the space for local activity and creativity.

In this spirit, a measure included in the new law provided the possibility to establish sub-local councils. These were not meant to be new legal bodies, but elements of the existing local governments. In rural areas it is rather an obvious idea, since there is a long tradition of villages' self-governing, which survived even through communist times. In this respect, the law gave a way for the introduction (or sustenance) of parish councils with village heads, elected by a community.

In urban areas, the situation is quite different, since district councils were rather a novelty. In the communist period, local organisations of the centralised political and administrative system were established. They were present more often in bigger cities, in the form of "block committees". In 1962 there were 10 684 block committees in Poland, with more than 80 thousand activists (Cieśla, 1971). They were weak, with limited consultative

competences. Their performance was criticised even during those times. Moreover, in many cases, inhabitants' co-operatives played a role of local territorial "self-government".

The decentralisation spirit of the beginning of 1990s introduced the idea of implementation of sub-local councils in the cities. Given a very general statement in the law, city councils could adopt two different approaches. In about half of Polish cities the top-down approach was adopted - the city councils divided the territories, prepared a legal framework (including the elections procedure), organized elections and established district councils. Other cities took a bottom-up approach, "offering" to inhabitants the possibility to establish a district council and to organise elections when the local initiative appeared (ZMP, 1996).

After 15 years, the picture of district councils and their performance is not clear. Chmielnicki (2002) and Maczynski (2002) suggest that the general character of the legal provision causes ambiguity about their role and competences. Authors recognise poor performance of district councils due to the vagueness of the law. Also, representatives of city offices express dissatisfaction with the present shape of district councils. From the point of view of city administrations, the units are "trouble makers". They are difficult to coordinate, demanding supervision, while bringing little "value added".

6.4. District councils in Poznan

Poznan is situated in west-central Poland; with its 560 000 inhabitants and a territory of 262 km² it is one of the biggest cities in Poland, and the capital of a province (Wielkopolska). The process of district council creation was initiated in Poznan just after the new local governments were re-established in 1990; in 1991 the first district council was elected. They constantly grew and by 2003 there were 65 units (Table 1). Currently, most of the city's territory is covered by districts, except some suburbs with lower population density.

Some districts were established through the division of bigger ones. Also, within the last years in some units there was shortage of candidates for elections, and elections had to be postponed. In most districts councillors are voted by ballot. In the five smallest units there is a general assembly model used, and candidates are proposed and voted at the meeting.

Districts in Poznan vary enormously in size. The smallest have some hundred inhabitants and the biggest more than 30 thousands. The types of buildings within each district can also be differentiated: there are districts mostly with detached houses, districts with a mixture of modern blocks of flats and 100 years old tenement houses. There are also districts with mixed types of buildings.

Year of	Number of district councils
establishment	established
1991	1
1992	9
1993	9
1994	8
1995	5
1996	5
1997	4
1998	2
1999	6
2000	9
2001	7
2002	0
2003	0
Total	65

TABLE 1Number of district councils established in Poznan

The majority of Poznan inhabitants have little awareness of district councils. Moreover the district councils are often misunderstood and treated as the administrative bodies of building co-operatives, which is a legacy from the communist era, when the two were conflated.

There is no special area of competence set in legislation for these districts. The law leaves space for local initiatives, within the scope of the competence of local governments. The financial resources of the district councils come from the city councils, counted in the poll tax mode. The level is decided yearly by the city council. It is low, however. For example in 2003 the district councils had 0,23% of the whole city budget.³ District councils plan their expenses one year in advance, and these expenses are included in the city budget. There is a growing difficulty with the very process of spending the money. Since district councils do not have a legal status, the tendering procedure has to be done by the city council. This bypasses the

^{3.} There are cities where the proportion is even smaller – for example in Kalisz, a city of 110 thousand inhabitants in central Poland, it was 0.04% in 2003.

councillors. Moreover, increasingly city administration takes a lead in the execution of projects prepared by the districts. Certain activists criticize this practice, since they lose control and the feeling of participation.

TABLE 2Types of expenses⁴ of Poznan's district councils (in EURO: 1 EURO = 4 PLN)

Budget section	Example of actions	Average (1999-2002)
10 Agriculture	"Green Poznan" competitions for gardeners	3 435
600 Transportation and communication	Pavement and road reconstruction and maintenance	60 784
630 Tourism	Tours for pupils; organisation of bike tours; organisation of tours for elderly	3 367
750 Administration	Office, travel reimbursement etc.	119 839
754 Public security and fire protection	Co-financing monitoring systems; co-financing "Safe Poznan" program	3 003
801 Education	Equipment for schools; school competitions	43 079
853 Social welfare	Help to disadvantaged families; help to children from poor families	15 966
854 Educational activities	Equipment for kindergartens, day-rooms for pupils, sponsoring additional activities for pupils	46 112
900 Public utilities and services	Cleaning, sustaining green areas, light for parks	63 569
921 Culture and national heritage	Meetings, special events, donations to community centres	64 613
926 Sport	Building and reconstruction of sport fields; sport events	90 761

In 2000, a new financing scheme was introduced for district councils in the form of grant competition. Applications are proposed by the district

^{4.} The allocation of expenses to particular budget sections is a not entirely precise. Sometimes councils change the title of expenses, moving it to another section. The scale of such shifts is difficult to evaluate. For the present analysis the data are taken for granted.

councils and a jury, consisting of the city's administration representatives and representatives of the district councils, chooses the best ones. The amount of money spent this way was marginal in comparison to the city budget, but significant compared to the total budget of the district councils, accounting for one third of it. One of the reasons the grant system was invented was to promote cooperation among districts. However, few proposals were prepared as joint initiatives. The majority of grants were spent within the sport and recreation sector.

6.5. Research questions, methodology and data

Despite important differences, the post-communist countries face similar problems to Western democracies. Decentralisation requires balancing efficiency improvements by economies of scale, which implies bigger units, and better representation, which implies smaller ones.

In this paper the district councils in the city of Poznan are taken into consideration and treated as a measure applied to cope with weaknesses of urban communities and local governments. It is investigated, whether this solution strengthens the accountability of public authorities, and efficiency of public service delivery.

Poznan is representative of cities where district councils are created with the bottom up approach, as an inhabitants' initiative. There is very limited data collected on the system of district councils in Poland. Poznan is assessed, as a city where the districts operate well, compared to other cities (Wiatr et al., 2003).

The expenses of district councils in Poznan between 1999 and 2002 were taken as a primary body of data. Additional data were gathered on turnout in elections in Poznan; on the grant system; on institutional arrangements within the councils. Data were collected between November 2003 and April 2004 from existing records and interviews with people responsible for district councils in the city administration. 145 in-depth interviews were recorded.

7. RESULTS

Concerning accountability of the district councils system, the functioning of the election system and engagement of inhabitants was assessed. Another aspect of accountability is depicted by interactions between district councils and the city. Analysis of elections show that turnout varies significantly among districts, the highest level reached was 46% and the lowest 2%. The average turnout decreases during subsequent elections, from 12,8% in the

first, 12,5% in the second and 12,1% in the third. Elections are not organized at the same time for all districts, since the moment of establishment varies for each district. The city tries to compact the entire time span for elections, in order to cut costs and to promote elections in one period. Despite such efforts, the turnout is definitely low.

The interaction between district councils and the city, as another aspect of accountability, is not smooth. District councilors complain that the city officers try to avoid consultation with the district councils in the decision making process. Meanwhile district councilors are perceived as incompetent expressing narrow views. District councils do not have high trust in public authorities. Among councilors, especially from small districts, there is a feeling of distrust towards the city. People in small units have a sense of locality, and for them informal conduct is an obvious way to conduct transactions. For them the necessity to follow the city regulations (even if it is required by law) is treated as an unnecessary burden coming from a centralistic view of the city's administration.

Concerning the motivation for citizens to participate in public life, the city's district councils encompass an impressive figure of around one thousand councilors. Nevertheless, research showed that at least a quarter of them are not active, and in most cases only a few are involved in the council's operations. Moreover, the active councilors are often engaged in several circles of activities.

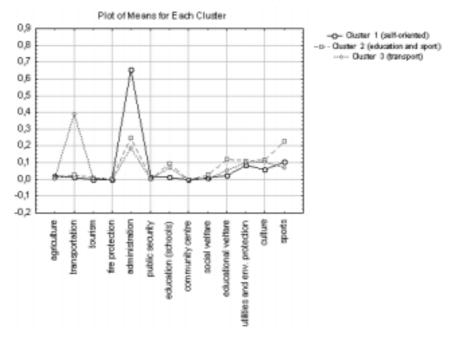
Since 2000, there was trouble finding enough candidates for elections in certain councils, which shows that the motivation for participation is not high. For many councilors the present situation is discouraging, due to growing complications in the modality of spending money (for example cash transfers are not allowed and only bank transfers are possible) and reporting requirements.

Moreover, in terms of inhabitants' involvement in public life, the low electoral turnout supports the view of the disengagement of inhabitants.

Considering the role of the district council system as a measure to increase the efficiency of public services delivery, their spending was analyzed in order to evaluate the impact they are producing in these terms. Since districts are voluntarily established and vary significantly in size, one could expect that their expenses should also vary in kind, presumably reflecting the various preferences. A K-means clustering technique was applied in order to group districts into distinct types, according to the different use they are attributing their resources to, i.e. according to the different type of expenses (Figure 1). This technique produces, for a given number of clusters, groupings with the maximum possible similarity within

and the maximum possible dissimilarity among them. Relative values were used in the calculations in order to standardize expenses. The types of expenses are listed on the horizontal axis, while on the vertical axis the percentage attributed to each type of expense is reflected.

FIGURE 1
Groups of Poznan's District Councils according to their type of expenses
(K-means cluster analysis)



The analysis reveals some variance among the districts, but difference in types of spending are not very important. Interestingly, the administration costs show the highest variability among clusters. Cluster one can be called "self-oriented" since the proportion of administrative expenses is the highest. Cluster two has the relatively higher proportion of expenses for sports and education, while cluster three spends more on transportation facilities (maintenance of roads and pavements etc).

The analysis shows that the smaller the unit (in terms of their population) the higher the proportion of spending for administration (Pearson $r=-0.525,\ p<0.001$). Thus, the data supports the thesis that decentralization increases the bureaucratic costs.

8. CONCLUSION

The crisis of urban communities can be observed in Western countries. The symptoms are a decline of public engagement, weak representation and a retreat of public bodies from the delivery of social services. These phenomena are manifest also in Poland and other post-communist countries and the scale of related problems is large, due to legacies of communist regimes.

The revival of district councils in cities can be treated as an attempt to tackle these difficulties. Districts councils are expected to encourage public engagement, trust in authorities, and accountability. At the same time they can bring better adjustment of services to inhabitants' preferences, and lessen the bureaucracy. The question explored here, based on the example of Poznan, is how successful this attempt was.

In terms of accountability, the role of the district councils is ambiguous. The impact of the district councils on the accountability, public control of authority, public involvement, and public activity is not significant although the districts encourage some activists to participate in the decision making processes. The councilors express dissatisfaction with the possibilities offered by the city, as in the case of administrative requirements connected with spending money. The activists feel discouraged in their public engagement.

Participation of inhabitants (measured by the election turnout) is significant only in the smaller units. However, it is in these units that the proportion of resources spent on administration costs is the highest. This is an example of the balance between accountability and efficiency: it is possible to improve the one only at the expense of the other.

An important question is whether district councils help to adjust the city's services to citizens' preferences. Despite certain differences (especially in administration costs) the districts are relatively homogeneous in terms of spending, which leads to the conclusion that district councils do not help to adjust services to preferences. It could be regarded as a failure of the system. The question is, however, why does the adjustment not work? The first possible answer can be that the needs are relatively homogenous. As a matter of fact Polish cities have to cope with basic infrastructural problems, which can result in similarities in spending. Differences between districts are so acute, however, that the assumption of homogenous preferences is hardly possible to support. The other possible explanation is that district councils do not play the role of aggregating and transmitting the preferences of inhabitants, and this can be explained by an institutional analysis emphasizing that a specific institutional solution is path dependant,

relies on former customs, norms and experience. The idea of introducing district councils in 1990 was mostly ideologically driven. They were created with the notion that a new quality of public life would have (spontaneously) emerged. But what materialised in the post-communist era shows that conduct was related to past experience, and in the communist era public life was powerless and fake. Moreover, after 1990, district councils obtained little resources, so there was no fuel for activation.

District councils evolved and acquired new functions. An issue worth further attention is what these functions are, since district councils hardly promote participation and are not efficient in transmitting information on citizen's preferences.

The system of district councils can be assessed in terms of engagement of inhabitants into city life (and particularly into neighborhood matters). However, the success in this task has been limited, since the local election turnout is low and decreasing, while the cost is high.

District councils were basically meant as a decentralisation mechanism — or supply side reform. It was intended to give "power to the hands of inhabitants". However, citizens widely expressed *desinteressement*. As a result the system works like a demand side reform. It provides information on inhabitants' preferences through local leaders. The grant system seems promising, since it can reveal the preferences based on the leaders' activity. Paradoxically, in small units, the leaders treat the city with distrust, as an opposing power, while in bigger units the leaders are hardly representative. Moreover relying on loosely legitimated leaders necessitates closer control from the city, which increases transaction costs.

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