

# Intermunicipal cooperation in Lithuania: the dilemma of compatibility between local and regional benefits

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## Abstract

Using the interim data of a interview-based qualitative research, the article analyses the cooperation of Lithuanian municipalities in the provision of public services. There are no legal obstacles to horizontal or vertical cooperation between municipalities in Lithuania, thus its potential is largely dependent on the leadership and external drivers of the local municipalities. Notably, as a result of weak regional policy, the cooperation factor is utilised poorly and in a fragmented manner, i.e. depending on the type of the public services.

**Key words:** intermunicipal cooperation, local government, benefits, Lithuania

## Introductory remarks

The scientific literature dedicated to examinations of intermunicipal cooperation does not always give enough attention to presentations of cooperation results. Nevertheless, a consensus has been reached that this phenomenon has a positive impact (Tavares A. F., & Feiock R. C.<sup>1</sup>; Teles F., & Swianiewicz P.<sup>2</sup>; Hulst R. & Van Montfort A.<sup>3</sup>, etc).

Typically, the following benefits to municipalities are identified, often encouraging further cooperation: empowerment of municipalities to solve local policy issues that cannot be dealt with individually; assurance of the quality and scope of municipal services, improving abilities of administrators and growing job satisfaction; growth of the municipality's status and visibility at national or even international level, etc (CDLR<sup>4</sup>, OECD<sup>5</sup>, etc).

Some studies highlight an additional component of intermunicipal cooperation: the benefit to the citizens. Cooperation creates the conditions to achieve economies of scale, i.e. as the available resources are used more productively, opportunities emerge to improve the quality of provided services and to reduce their costs. It is emphasised that the solutions to economic and social challenges are related more to the regional rather than the local level. The municipalities that unite their efforts and available resources for the development of a strong region are likely to achieve more positive results than those that would do it individually (e.g. while attracting residents, investments, jobs etc.). Generally, regional initiatives have the possibilities to meet the wider (regional) population's demands related to provision of public services (e.g. healthcare, education, tourism). Intermunicipal cooperation also improves the quality of life: citizens have a greater choice of services. Furthermore, conditions are provided for communities to grow: they gain a better understanding of the issues faced by themselves and their neighbours as they seek the solutions<sup>6</sup>.

Pieter-Jan Klok, Marcel Boogers, Bas Denters, and Maurits Sanders<sup>7</sup> underline the benefits of local and regional cooperation which differ from the municipal participation in "networks" (in between separate organisation members or the entire network) and the dependence of the received benefits on the costs allocated to cooperation. In the first case, benefits emerge as a result of specific municipalities deciding to cooperate and, typically, they satisfy the interests of only these municipalities and their communities. Other benefits may result from regional cooperation. Using municipal investments into regional infrastructure (e.g. roads, regional business or science park), regional policy development (e.g. in the fields of environmental protection or economic development) has an impact on all residents of the region. However, in this case, the problem of free-ridership may arise, i.e. the results of regional policies or projects can also be used by the municipalities that did not contribute to joint initiatives.

Following the contributions by the researchers from the University of Warsaw, it is worth noting that importance should be attached not only to the cooperation results but also to how the cooperating parties share them, i.e. *qui bono*? With the help of biological terms, the following types of symbiosis are singled out: mutualism – which is the most closely associated with the goal of cooperation, *status quo*, i.e. mutual cooperation as the possibility to survive; commensalism – when the benefit

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<sup>1</sup> Tavares, A. F. & Feiock, R. C. (2017). Applying an institutional collective action framework to investigate intermunicipal cooperation in Europe. *Perspectives on Public Management and Governance*, 1(4), 299-316.

<sup>2</sup> Teles, F. & Swianiewicz, P. (Eds.). (2017). *Inter-municipal cooperation in europe: institutions and governance*. Springer.

<sup>3</sup> Hulst, R. & Van Montfort, A. (Eds.). (2007). *Inter-municipal cooperation in Europe* (Vol. 238). Dordrecht: Springer.

<sup>4</sup> CDLR (2008). Good practices in intermunicipal cooperation in Europe.

<sup>5</sup> OECD (2017). *Multi-Level Governance Reforms: Overview of OECD Country Experiences*. OECD.

<sup>6</sup> The Alberta Urban Municipalities Association. *Intermunicipal Cooperation: Research Paper and Survey Results*.

<sup>7</sup> Klok, P. J., Boogers, M., Denters, B. & Sanders, M. (2018). Inter-municipal Cooperation in the Netherlands. In *Inter-Municipal Cooperation in Europe* (pp. 157-171). Palgrave Macmillan, Cham.

provided by the cooperation is highly asymmetrical, i.e. most of the benefit is gained by one party, though the partner does not suffer damage because of it; protocoooperation – when, in spite of mutual benefit, the cooperation is not necessary<sup>8</sup>.

It can be concluded that the results of intermunicipal cooperation are affected by a variety of legal, economic, social, administrative, political, demographic, geographic, historical, and other factors.<sup>9</sup>

Using the case study of Lithuania (more specifically, Alytus County), this paper focuses on intermunicipal cooperation experiences in the provision of public services.

The problem of the research: what benefits are received by the municipalities (1) when they provide public services individually (separately), (2) when they cooperate with other (separate) municipalities and (3) when they operate at the regional level. Taking into account the observations from the previously conducted comparative studies („*Limited understanding of the benefits of IMC meaning local governments in CEE countries are still burdened by their historical legacy of centralization and resource dependence on the central government; thus, lacking awareness that by working together municipalities could increase local capacity for effective service delivery, reduce disparities between service provision in neighboring communities, and achieve sustainable development of communities*“<sup>10</sup>) a more general question has to be raised: what encourages (or could encourage in the future) municipalities of Lithuania to prioritise intermunicipal cooperation in the provision of public services?

The paper is based on the data of a qualitative study focused on local political and administrative leaders and conducted in February-April of 2019.

### The context of the case of Lithuania

Possibilities of intermunicipal cooperation in the provision of public services are laid down in the *Law on the Local Self-Government of the Republic of Lithuania*<sup>11</sup>:

- In order to achieve common goals, the municipality can enter into contracts of joint activities or joint public procurement contracts with (...) other municipalities.
- The municipality can delegate the implementation of the functions of administrative or public services to another municipality on the basis of mutual agreement of the municipal councils in accordance with the contracts, but the responsibility for the implementation of these functions falls on the municipality which is delegating the functions.

The municipality has to ensure that all residents of the municipality are able to use public services and that these services are continuously provided. In order to provide them, municipalities establish public service providers or conclude contracts with other publicly selected natural or legal persons. Service providers may have different legal statuses: public enterprises, municipal companies, limited liability companies, and other subjects. For this reason, the management of intermunicipal cooperation is regulated in more detail in the legislation governing the activities of specific legal entities. However, the conducted audits have revealed that the existing legislation does not sufficiently regulate the types of cooperation<sup>12</sup>.

Even though the reports of the State Audit<sup>13</sup> and the developed regional development strategies<sup>14</sup> highlight the Lithuanian intermunicipal cooperation's unexploited potential for more productive provision of public services, the existing legislation, public sector development strategies, and the policies that reflect them (reducing the number of municipality-owned companies and the scope of their provided services) still prioritise more active cooperation of municipalities with the private and nongovernmental sector. On one hand, these tendencies are determined by the focus towards good governance. On the other hand, the factor of mistrust in municipalities can also be involved. In the reports of their activities, law enforcement authorities conclude that the self-government level in Lithuania is problematic, it is full of manifestations of corruption, nepotism, and ineffectiveness, while transparency is lacking. In reaction to the aforementioned issues, legislation introduced regulations that were constantly constricting municipal initiatives: they may introduce new public service providers when other providers are not offering public services or cannot provide them to the residents in good quality and for a lower price. This also partially reduces the potential for intermunicipal cooperation.

Since intermunicipal cooperation in Lithuania takes place on a voluntary basis, there is no special register which would specify the cooperation's amount, forms, duration, number of participants, and other characteristics. The cooperation rarely acquires institutionalized forms (e.g. establishment of a joint company) and is much more common as involvement in joint project activities (which impose fewer obligations or commitments). However, the intensity of cooperation varies in different fields,

<sup>8</sup> Swianiewicz, P., Gendźwiłł, A., Krukowska, J., Lackowska, M. & Picej, A. (2016). *Współpraca międzygminna w Polsce: związek z rozsądkiem*. Wydawnictwo Naukowe Scholar. P. 38-42.

<sup>9</sup> Council of Europe (2008). *Intermunicipal co-operation*, Manual of the European Committee on Local and Regional Democracy (CDLR).

<sup>10</sup> OECD (2012) *Enhancing inter-municipal cooperation for water supply and sanitation*.

<sup>11</sup> LR Vietos savivaldos įstatymas, Str. 5. 1994 m. liepos 7 d. Nr. I-533, Valstybės žinios, 1994-07-20, Nr. 55-1049.

<sup>12</sup> Report by National Audit Office of Lithuania (2008). *Viešo ir privataus sektoriaus bendradarbiavimas*. P. 17.

<sup>13</sup> Report by National Audit Office of Lithuania (2017). *Ar savivaldybių kontroliuojamų įmonių valdysena užtikrina efektyvią ir skaidrią įmonių veiklą*. P. 6.

<sup>14</sup> Lithuanian regional policy white paper for harmonious and sustainable development 2017 – 2027 (2017).

which is likely the result of different incentives (e.g. EU structural and investment funds), the cost-benefit analysis of the cooperation itself, and the historical circumstances.

Notably, municipal companies are involved in associations of specific service providers (e.g. Lithuanian Water Suppliers Association; Lithuanian District Heating Association), but they are typically focused on the roles of consulting or interest representation.

The legal framework of Lithuania enables municipalities to establish various joint entities: conduct both horizontal and vertical cooperation<sup>15</sup>. In many cases, the collaboration takes place as a result of soft agreements. The National Audit Office of Lithuania (the supreme audit institution) has concluded: municipalities establish joint municipality-controlled companies only in exceptional cases. Such companies exist only in the waste management sector, where all municipalities, regardless of region, are founders of 10 regional waste management centres. There have not even been any considerations about establishing joint companies in other sectors<sup>16</sup>. Thus, even though there are municipality-controlled companies that conduct similar activities, municipalities start joint companies only in exceptional cases and particularly rarely entrust the functions of the provision of public services to a company controlled by another municipality<sup>17</sup>.

## Examples of intermunicipal cooperation

The practices of cooperation between Alytus region municipalities in the provision of public services can be divided into several categories.

The county's municipalities are united in the Regional Development Council, which is authorized to make decisions related to the promotion of balanced and sustainable development, e.g. reduction of social and economic disparity. The scope and intensity of vertical cooperation between municipalities is determined by the national regional policy, but in Lithuania, as a result of administrative reforms completed in 2010, it is only imitated and thus criticized<sup>18</sup>. Municipalities of Lithuania are divided into 10 counties (administrative regions), each of which unites from 4 to 8 municipalities that have from 96 to 805 thousand residents. Regional development councils, responsible for the development of the counties, are established in the territory of each county. These councils consist of the mayors from the municipalities within the county, the delegated members of municipal councils, a government representative, and the social-economic partners. However, regional development measures basically function only as a mechanism for the redistribution of targeted EU investments. The Ministry of Interior, which formulates and coordinates regional policy, has accurately described the current flawed practices: *“Until now, the issues of regional development were sought to be solved by increasing the independence of the regional development councils in various ways. However, they do not have the power to solve regional-level problems, and their mandate ends with the representation of the interests of separate municipalities or social groups. (...) For this reason, it is actually only possible to discuss rather small territorial units – municipalities, which function on territorial principle and have actual powers of policy formation and implementation (functions, government, and budget). In other words, there is no subject that connects several municipalities and could assume the rights of the regional manager, steward, master”*.<sup>19</sup>

Naturally, the Regional Development Council does not provide public services; however, its activities can be considered a cooperation platform which encourages and prepares municipalities to cooperate and coordinate interests.

The only example of institutionalized regional cooperation is the JSC Alytus Region Waste Management Center (hereinafter – ARWMC), i.e. a company whose shareholders (proportionally to the region's population size) are all municipalities of the region as well as two modest-sized municipalities of another county that joined its activities later. Each municipality has its own representatives in the ARWMC management.

Furthermore, individual cases of institutionalized cooperation between two municipalities of the region can be singled out when municipalities reach an agreement regarding (1) joint funding of an institution (e.g. Alytus Tourist Information Centre), (2) entrusting another municipality with provision of a service which is less essential to the residents of a particular municipality, (3) contracts or agreements that determine compensations for the usage of another municipality's infrastructure or the services it provides (e.g. Alytus District Marriage Hall). Such cooperation, which has been developed the most between the municipalities of Alytus City and Alytus District, reflects the specifics of “circular” municipalities. In some cases, the (specific) geographic grid of the municipalities make cooperation practically unavoidable, e.g. the cases of the large cities and

<sup>15</sup> Civinskas, R. Savivaldybių bendradarbiavimo galimybės teikiant viešąsias paslaugas. (2017). In *Viešosios paslaugos: iššūkiai kuriant gerovės visuomenę*. Klaipėdos universiteto leidykla. P. 57-59.

<sup>16</sup> Report by National Audit Office of Lithuania (2017) *Ar savivaldybių kontroliuojamų įmonių valdysena užtikrina efektyvią ir skaidrią įmonių veiklą*. P. 6.

<sup>17</sup> Report by National Audit Office of Lithuania. (2017) *Ar savivaldybių kontroliuojamų įmonių valdysena užtikrina efektyvią ir skaidrią įmonių veiklą*. P. 6.

<sup>18</sup> Local and regional democracy in Lithuania. 22nd Session of the Congress of Local and Regional Authorities of the Council of Europe. 21 March 2012.

<sup>19</sup> Lithuanian regional policy white paper for harmonious and sustainable development 2017-2027 (2017). P. 8-9.

the surrounding six “circular” municipalities (the centres of the circular municipalities are located in other municipalities, i.e. in the area of a specific city).

Municipal cooperation is the most active in various project activities and the fields of tourism, environmental protection, education, and social security. Project implementation is characterised by the diversity of members that are carrying them out: it unites both individual municipalities and all municipalities of the region; it also involves municipalities from other neighbouring regions (border municipalities both in Lithuania and the neighbour countries). Thus, this cooperation can be described as flexible, but it rarely retains long-term/continuing forms.

Naturally, it is also worth discussing other formal or informal meetings, workgroups etc. by municipal politicians and administrators, which create the conditions for consultations, dissemination of good practices etc.

The population sizes of the researched Alytus County municipalities generally reflect the typical (i.e. excluding the largest city municipalities) Lithuanian municipalities. However, it is worth noting the homogeneity of the examined county’s municipalities: i.e., the municipality of Alytus City (which is the sixth in population size nationally), the largest one by population, surpasses the other municipalities only by 2-2.5 times.

Tab. 1 General characteristics of Alytus County municipalities<sup>20</sup>

	Alytus City Municipality	Alytus District Municipality	Druskininkai Municipality	Lazdijai District Municipality	Varėna District Municipality
Population size (2018 07 01)	51 028	26 013	19 511	18 937	21 504
Area size (km <sup>2</sup> )	39,44	1 403,94	453,92	1 309,38	2 218,13
Population density	1288,4	18,6	43,3	14,6	9,8
Ageing index	159		183	193	201
Population size change (2017-2018)	-2.33 percent		-2.2 percent	-3.52 percent	-2.85 percent

As a result, in many cases, all of these municipalities face similar challenges. Alytus County is the country’s “oldest” region. The ageing index in Alytus County was 178 in 2018, exceeding Lithuania’s average (131) in all municipalities of Alytus County. Population size decreased in all municipalities: in the period of 2017-2018, its change amounted to -2.45 percent in the municipality<sup>21</sup>.

### Individualist perspective: shortage of cooperation incentives

The data of the qualitative study demonstrates that regional policy based on the division of municipalities into counties is in many cases inefficient; it has not created the conditions required for the formation of “regional thinking”. Therefore, more active intermunicipal cooperation in the provision of public services is possible only in the cases of economic viability (i.e. every municipality would receive tangible benefits) or binding initiatives of the central government.

The information provided by the informants demonstrates sceptical, and even highly critical in separate cases, opinions on the possibility to merge the provision of public services at regional level (especially in the “hard” fields such as water or heating economy).

*“No matter how patriotic you are, but you are a patriot of your land and the majority of people care about where they live, their immediate environment. So, now, if you want to establish a joint institution, company, or another legal entity, a lot of questions emerge: management, funding, what is the structure, activity fields, areas. It is naïve to expect that (...) everything will be divided very nicely (...) At once, it arises, who will manage, where will the management come from?” [L1]*

*“We are large, so to speak, the density of both the clients and the network is sufficiently great. (...) When there were institutions or companies that encompassed the region, then the maintenance costs were shared just with the residents. And, preliminarily, I can only guess that it would cost a lot to Alytus residents. Of course, everything has to have an economic justification. If some synergy emerged, for example, after merging the companies, in the management costs and so on, purchasing perhaps, then maybe it would pay off. But if it was a mechanical action which increased the portion of city residents’ expenses, for instance, allocated for the water works or, I don’t know, something else, then of course not. Assessment should be purely economical.”[AM1]*

*“And here arose that [desire] to merge into regions. Now we have been dealing with it nicely, in a thrifty manner, we have the cheapest water, we have good quality water, we have a sufficiently developed network, (...) and the company is practically supporting itself, no need for grants (...) And now to be joined by Lazdijai, which made, my apologies, stupid decisions (...). So*

<sup>20</sup> Lietuvos statistikos departamentas. 2018.

<sup>21</sup> Alytaus regiono integruotos teritorijų vystymo programos įgyvendinimas 2018 m. (2019).

*wait a minute. Now we, Druskininkai residents, have to answer for their decisions? Well I beg your pardon. As long as I am still heading this municipality, that will not happen” [D1].*

*“...a few years ago the state policy here was (...) to make consolidated companies across entire Lithuania in order to, supposedly, lower the price. But, in actuality, it would increase for us, I don't know, two-three times. So, for something to pull up the weak companies, this is why consolidation is needed. We are definitely against that kind” [D2].*

*“...those companies, they were disintegrating, but they were disintegrating because, after facing difficulties, it was the easiest path: let's get rid of those that are the weakest and we will get through. That's what it was. There was no economic justification but... It is basically very difficult to get together again nicely. I know how hard it is for us because you create that system, you have to set it up from scratch during each term. Basically. Because the state has no actual policy, it's nothing, it's not overseeing anything, if you swim, you swim, if you sink, then sink, it doesn't [care] at all” [AR1].*

*“I think, first of all, there are no traditions, no traditions at all, no good understanding how to do it, what benefit we would get more with the neighbour rather than trying to solve some or other problems individually” [V1].*

*“As far as water management, I can hardly imagine, because our district is not small in area size, but the population is small. So in water management networks we practically cannot merge with another city because our urbanized territories are very small. Each urbanized territory simply has separate water supply, and I think it's normal that a district has a single company which manages it, because of the travel costs, after all, and so on (...) I think [we] shouldn't cooperate. The heating system, again, as far as those A+ class homes, I mean, the heating expenses are dropping, (...) building networks into another district, Marijampolė is about 40 km away from of us, Alytus is 45, well it's unreal, the costs will be high. Both the costs of building and losing...”[L2].*

So, the municipalities' differing interests and possibilities, the beliefs on how to develop the owned infrastructure, negative previous experiences with integrated activities (when the partially centralised system of service provision was functioning), the state is passive, regional policy is often only declarative and does not create incentives for municipalities to cooperate in the field of public service provision.

These conditions are 'programmed' in the regional (county) structures: the Regional Development Council basically performs the function of the allocation of “European” money” (“to distribute the funds politely” [V1]). Unfortunately, this allocation takes place while focusing on the preferences of individual municipalities, rather than the entire region. After expanding the latter's council with social and economic partners (who, because of the criteria imposed on these representatives, in many cases reside in the Alytus City or District municipality), the trust in it started dwindling completely.

Even though the regional factor is poorly developed, it still remains one of the factors which influences intermunicipal cooperation (“I tell you, it cannot be that either some dominate or the others dominate. We have to look in general, in complex manner, at the entire region, and put it together, all of us” [AM2]). However, it can be emphasised that the region does not function as a solidarizing element/factor which is able to even out the prices among the larger and the smaller municipalities. Differences in the provision costs of public services (especially those that demand an expanded infrastructure) in municipalities also result in the varying attractiveness of living there. Unfortunately, a county which has to function in accordance to cohesion principles does not achieve its goals. The waste management field remains the only exception.

### **Benefits provided by cooperation**

Both the academic research and the analysis of the case of Lithuania demonstrate that the factor of benefit is the fundamental cornerstone of intermunicipal cooperation.

In the case of institutionalized regional cooperation in Lithuania (as mentioned, this case is illustrated solely by the field of waste management), the benefit arises from the economies of scale. According to the calculations of the head of ARWMC, the involvement of each municipality reduces the overall waste management costs by about 10 percent. This partially makes it possible to balance the categories of large and small municipalities. The smaller municipalities have a positive view towards the possibility to get rid of the complex burden of service provision off its shoulders [L1]. However, the representatives of the region's large municipality tend to question the benefits of participating in joint activities (“the cities turn out to be donors and cover the costs of those small municipalities. (...) and indeed, when you look at how much the city has to cover of the region's costs, well it becomes a kind of harm brought to the city people”).

The informants raised the questions of the relevance and benefit of intermunicipal cooperation in the less institutionalized cooperation areas as well.

*“As far as I understand, there are more problems than honour there. Only in the sense of document handling, then purchasing, administrating. To be honest, I don’t know if this is a very good practice” [AM1].*

*“...we declare that we are only strong and achieve a better result when we cooperate rather than compete. But the entire cooperation is inspired... ( ) The EU funds inspire the entire partnership, which is because if you ask for the funding for the projects in the announced measures, they demand for a partner to be there and for it to be from this region, and joining is needed. So we join. If this is not recorded as a necessity, then this is sought to be avoided. And this is relevant not just to the field of tourism, it is in all fields without exception. In the non-governmental sector, too. (...) for instance, we had this project, it was announced by the Ministry of Social Security and Labour for the institutions working with youth. Applications were considered to be more valuable if a county area is joined, by several municipalities. (...) But I tell you, this is the partnership which is inspired by the funding, not by the true common interest”. [V2].*

Nevertheless, to summarize the intermunicipal cooperation experiences, the greatest emphasis was placed on the (existing or potential in the future) benefits of learning and sharing experience, primarily in relation to the abilities of public servants; economic benefit was emphasised a bit less frequently.

Tab. 2. Benefits arising from intermunicipal cooperation

Benefits	Examples
Economic	<i>“...speaking about the services that we (...) asked for the district municipality to do, then this is the economic benefit, because we don’t need to keep the post at the municipality, we don’t have to retain the job position” [AM2]</i>
	<i>“...we had a certain benefit from that project not just because we went on training or welcomed it here, we built a new fire station, received a new vehicle, this is not bad at all for a district to build a new fire station these days” [L2]</i>
Sharing experience	<i>“...the established relationships and (...) they could improve even their management and even working with children and everything”. “Now, for us with those investment projects, here’s a very good example, one municipality combined finances with investments while saving, yeah, looked around to see it’s okay, then combined it for us too. It’s good for us too (...) thanks to that experience exchange” [AM2]</i>
	<i>“When you don’t know that issue, then the only humane path is to listen quietly and then you have to look at what the neighbours are doing [V1]</i>
	<i>“The connections remain, the names of the people remain, you know their fields of work, their specifics. Of course, those connections are good. And if something new emerges again, you can talk to that person, you communicate freely, you know him, you know and then it’s really much easier” [AM2]</i>
Other	<i>“Because the entire market understands that, after a regional water management company is created or when cooperating in after-school education of pupils, or when cooperating in education, or cooperating in waste, a very clear calculation appears. Everyone starts calculating a lot. As long as this doesn’t happen, it means, oh, something is happening there (...). And they start overseeing us a lot, and when they start overseeing us, we start overseeing all of the others.” [AR1]</i>

Only in one case, the factor of regional benefit was mentioned, i.e. when the municipality can, without directly participating in a specific project (development of a service), make use of the results of other municipalities’ activities.

*“But speaking of, for example, that kindergarten project, well there seemed to be no economic benefit to these kindergartens, but now we have all the remaining kindergartens, all those remaining kindergartens of the region make use of the prepared program, they did not need to prepare it, they saved.” [AM2]*

And, conversely, in many cases, mutual benefit between municipalities is highlighted.

*“So it can’t happen that, let’s say, we cancel all of our companies, Varėnos Vandenyš [Water of Varėna], Varėnos Šiluma [Heating of Varėna], the bus depot, and give them to other municipalities. So this is really not, because there are jobs, these are jobs. But we can reach agreement. I give you this service, you give me that service. And we calculate the costs, how much it costs, so that it really pays for me to provide you with that particular [service] more and it pays for you more because of that. And it pays for me to buy from you, because I save those costs.” [V3]*

It can be noted that the administrative heads of municipalities tend to emphasise the importance of administrators in ensuring the significance of mutual benefit, and its equal distribution.

*“But, you know, no, I don’t think that the larger ones will take the smaller ones into account. The reality of life is very different, but synergy can be achieved. Synergy can really be achieved not by the will of politicians, not by the will of these projects and the descriptions of funding conditions that are sometimes very out of touch with life, but by the particular people that work on those projects. That is, through personal relationship, through the relationship itself, synergy between people can*

be achieved. (...) Actually yes, if personal relationship and interest emerge during the project activities, the synergy of target groups appears immediately, continuity appears immediately. After all, the greatest synergy is given by the relation between people, between specialists.” [V4]

“It doesn’t work. You know, where many of the decisions are made by the politicians, it is already complicated, and it doesn’t work. Where we are still working as a working group and where you can, you just put in the numbers and justify that this is really not very, but let’s see the entire region and the arrangement, so this is good. But where the politicians are only negotiating at their own level, other mechanisms are at work there, it’s completely different. (...) So, really, you know, the small municipalities suffer in many ways. It just seems that the politicians make such agreements.” [AM2].

In conclusion, it can be observed that the informants more frequently associated the factors of benefit with the less institutionalized forms of intermunicipal cooperation.

### Concluding remarks

The majority of the municipalities of Lithuania are still large in population size, therefore in most cases cooperation issues in the provision of public services are not related to their survival. The pragmatic factor is particularly important to the cooperation. However, in spite of the positive evaluations of inter-municipal cooperation in the field of public service provision by the local politicians and administrators, a tendency has been observed to organize services independently. There are various possible reasons of this: individual interests, mistrust in the partners, disproportions of municipality sizes etc.

Another external actor, the state, has been passive until now and generally did not create the conditions necessary for regional development and therefore for active inter-municipal cooperation in the provision of public services. There are plans to change the situation radically with the new regional policy strategy (2017–2030), in which the state obligates and expects the municipalities to actively cooperate with one another. The counties are perceived as the area of cooperation which is the most important but does not have to suppress other initiatives. Thus, conditions are created to correct potential issues as a result of underdeveloped territorial administrative distribution.

The county (administrative region) level is mostly utilised by cooperating in the fields of waste management, economic development and investments, and tourism (in the case of the latter, cooperation oversteps the county boundaries as well). This synergy emerges when the “top-down” principle, is upheld, i.e. as a result of external drivers, and embodies examples of vertical cooperation. However, the county scope is often not utilised successfully, even in the fields related to infrastructure, such as water and sewage or heating. Voluntary (horizontal) cooperation more frequently occurs in “softer” fields such as social support, education, and culture. Institutionalization of cooperation (e.g. establishment of a company controlled jointly by municipalities) in the provision of services is rare, perhaps even an exception. Cooperation conducted in institutionalized manner is evaluated less favourably.

### Literature

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