



OPEN
UNIVERSITY OF
CYPRUS
www.ouc.ac.cy

FACULTY OF ECONOMICS AND MANAGEMENT

«MASTER IN BUSINESS ADMINISTRATION»

MASTER THESIS

THE PROSPECTIVE LOCAL AUTHORITY REFORM IN CYPRUS

Fani Panagiotou

Supervisor: Dr. Andreas Assiotis

May, 2015

FACULTY OF ECONOMICS AND MANAGEMENT

«MASTER IN BUSINESS ADMINISTRATION»

MASTER THESIS

**THE PROSPECTIVE
LOCAL AUTHORITY REFORM IN CYPRUS**

Fani Panagiotou

Supervisor: Dr. Andreas Assiotis

May, 2015

Table of Contents

Περίληψη.....	6
Summary	8
ACKNOWLEDGEMENTS	10
Chapter 1: Introduction	11
Chapter 2: The past and the present	16
2.1: Historical background	16
2.2: Present situation.....	20
2.2.1: Questionnaire addressed to citizens.....	21
2.2.1(A): Demographic Figures	21
2.2.1(B): Citizens’ perception on present situation	24
2.2.2: Questionnaire addressed to Mayors / Municipal Secretaries	33
2.2.2(A): Demographic Figures	33
2.2.2(B): Mayors’/Municipal Secretaries’ perception on present situation.....	35
Conclusions	47
Chapter 3: Preliminary version of the Law	56
Chapter 4: Proposals and researches on Local Authority reform.....	59
4.1: International approach to Local Government’s reform	59
1. Traditional reforms	60
1.1. Territorial reform	60
1.2. IMC	62
2. New public management.....	64
2.1 Cooperation with the private sector (outsourcing).....	65
2.2 Collaboration with non-governmental organizations.....	66
2.3 Participatory reforms.....	66
4.2: Positions on Local Authority’s reform in Cyprus	67
(1) Survey on the Reform of the Local Government in Cyprus by the National Centre for Public Administration and Local Government (EKDDA – Greece).....	68
(2) Survey on Local Government Reform in Cyprus by the National School of Government International (NSGI –UK)	69
(3) Survey on Local Government Reform in Cyprus by Notoria Srl (Italy).....	70
(4) Survey on Local Government Reform in Cyprus by the Municipal Secretaries Association of Cyprus.....	72

Chapter 5: The effects following the enactment of the Law	74
5.1: Questionnaire addressed to citizens.....	74
5.2: Questionnaire addressed to Mayors / Municipal Secretaries	90
Conclusions	110
Chapter 6: IMC as a suggested form of reform.....	115
Chapter 7: Conclusions	120
Bibliography.....	122
LIST OF ABBREVIATIONS	127
ANNEX I.....	128
ANNEX II	138

Η ΕΝΔΕΧΟΜΕΝΗ ΜΕΤΑΡΡΥΜΙΣΗ
ΤΗΣ ΤΟΠΙΚΗΣ ΑΥΤΟΔΙΟΙΚΗΣΗΣ ΣΤΗΝ ΚΥΠΡΟ

Περίληψη

Η μεταρρύθμιση της Τοπικής Αυτοδιοίκησης αποτελεί ένα από τα μείζον θέματα που απασχολούν τη χώρα και την κοινωνία σήμερα. Μετά από διάφορες έρευνες και μελέτες που πραγματοποιήθηκαν από Κύπριους και ξένους εμπειρογνώμονες, το Υπουργείο Εσωτερικών κατέθεσε προσχέδιο νομοσχεδίου το οποίο προτείνει τη δημιουργία “Δευτεροβάθμιων Οργάνων”.

Στα πλαίσια της διατριβής, γίνεται θεωρητική προσέγγιση των διαφόρων μορφών μεταρρυθμίσεων που έλαβαν χώρα σε διάφορες ευρωπαϊκές χώρες με σκοπό τη διαμόρφωση μιας γενικότερης αντίληψης στο θέμα των ευρωπαϊκών μεταρρυθμιστικών τάσεων. Επίσης, γίνεται ανάλυση των διάφορων μελετών που διεξάχθηκαν στα πλαίσια της μεταρρύθμισης της τοπικής αυτοδιοίκησης της Κύπρου με σκοπό την παρουσίαση των εναλλακτικών προτάσεων.

Σκοπός της διατριβής αυτής είναι να παρουσιάσει σε πρώτο επίπεδο το βαθμό ικανοποίησης τόσο των πολιτών όσο και των Δημάρχων/Δημοτικών Γραμματέων από την παροχή υπηρεσιών από την Τοπική Αυτοδιοίκηση και πιο συγκεκριμένα τους Δήμους. Το επόμενο στάδιο αξιολογεί τα αποτελέσματα της ενδεχόμενης εφαρμογής του προτεινόμενου νομοσχεδίου και από τις δυο ομάδες με σκοπό να αποσαφηνισθεί κατά πόσο το νομοσχέδιο εισάγει και προάγει βέλτιστες πρακτικές βελτίωσης της υφιστάμενης κατάστασης και την αξιολόγηση του και κατά πόσο αποτελεί την ιδανική μορφή μεταρρύθμισης της Τοπικής Αυτοδιοίκησης στην Κύπρο.

Για τους σκοπούς της διατριβής, ερευνητικό εργαλείο αποτέλεσαν δυο ηλεκτρονικά ερωτηματολόγια για τη συλλογή εμπειρικών δεδομένων. Το πρώτο ερωτηματολόγιο απευθύνεται σε πολίτες και το δεύτερο σε Δημάρχους/Δημοτικούς Γραμματείς.

Σύμφωνα με τα εμπειρικά δεδομένα και ποσοτικά ευρήματα της έρευνας τα κύρια συμπεράσματα είναι τα ακόλουθα:

- Ο βαθμός ικανοποίησης από την παροχή υπηρεσιών της τοπικής αυτοδιοίκησης είναι μέτριος
- Η άσχημη οικονομική κατάσταση των Δήμων η οποία προκύπτει από τη μείωση των εσόδων και το σταθερό επίπεδο εξόδων και την οικονομική εξάρτηση των Δήμων από το Κεντρικό Κράτος
- Εντοπίστηκαν προβλήματα τα οποία παρεμποδίζουν τη λειτουργία της τοπικής αυτοδιοίκησης όπως η γραφειοκρατία, το μέσον, και η παρέμβαση των πολιτικών κομμάτων
- Τα αποτελέσματα από την εφαρμογή του προτεινόμενου νομοσχεδίου αναμένονται να είναι ελαφρώς πιο θετικά σε κάποιους τομείς και αρνητικά σε κάποιους άλλους
- Η σχέση μεταξύ δημότη και τοπικής αυτοδιοίκησης αποδυναμώνεται
- Τα προβλήματα της γραφειοκρατίας, του μέσου και της παρέμβασης των πολιτικών κομμάτων διαιωνίζεται
- Το προσχέδιο νομοσχεδίου απορρίπτεται από το σύνολο των ερωτηθέντων
- Οι διαδημοτικές συνεργασίες σε μορφή συμπλεγματοποιήσεων ως η βέλτιστη λύση

THE PROSPECTIVE
LOCAL AUTHORITY REFORM IN CYPRUS

Summary

Local Authority's reform consists one of the major issues that are of concern to the State and the society. Following various researches and surveys carried out by Cypriot and foreign experts, the Ministry of Interior submitted a draft Law which proposes the establishment of "Secondary Bodies".

In the framework of this master thesis, a theoretical approach of the various types of reforms that took place in other European countries is developed in order to raise a general awareness on European patterns of reforms. Furthermore, the various studies carried out in the framework of Local Authority's reform in Cyprus are analyzed in order to present the alternative proposals.

This master thesis primarily aims to present the satisfaction level of both citizens and Mayors/Municipal Secretaries from the services provided by Local Authority and more precisely the municipalities. The next stage evaluates the effects of the perspective enactment of the draft Law from both groups, in order to clarify whether the draft Law introduces and promotes best practices for the improvement of the current situation and its assessment whether it constitutes the ideal reform form for the Local Authority in Cyprus.

For the purposes of the thesis, two online questionnaires were used as the research tool for the collection of empirical data. The first one addressed to citizens and the second one to Mayors/Municipal Secretaries.

According to the empirical and quantitative data of the research the main conclusions are as follows:

- The satisfaction level from services provided by Local Authority has been assessed as mediocre
- The bad economic status of municipalities which results from the decrease in revenues and the expenditures remaining at a constant level, and the financial dependency on Central Government
- Identification of problems impeding the Local Authority's work, such as bureaucracy, red tape and political parties' intervention
- The results from the enactment of the proposed draft Law are expected to turn slightly more positive in certain sectors and slightly negative in other sectors
- The relationship between citizens and Local Authority weakens
- Bureaucracy, red tape and political parties' intervention continues indefinitely
- The draft Law is rejected in general by the respondents
- Inter-municipal cooperation (IMC) in the form of cluster is proposed as the optimal reform

ACKNOWLEDGEMENTS

I owe my deepest gratitude to my supervisor, Dr. Andrea Assioti, mostly for placing his confidence in me and supporting me throughout my master thesis with his encouragement, advise, aid and foresight. His precious guidance throughout the writing and preparing this master thesis was constant and continuous, engaging me in new ideas while giving me intellectual freedom in my work. I am honored to have been given the opportunity to have him as a mentor.

I would like to thank all the Mayors and Municipal Secretaries who directly contributed to my master thesis, who sacrificed their precious time to answer the questionnaire, giving me the opportunity to present information that are directly related to their knowledge, opinion and data related to the municipalities they serve. Their contribution is valuable.

I also wish to thank all the respondents of the questionnaire for their willingness to fill in the questionnaire. Each one of them has contributed to the results of the survey.

I would like to acknowledge the Open University of Cyprus, and especially the Faculty of Economics and Management, the professors Dr. Emanouel Petrakis, Dr. Daina Nicolaou, Dr. Efthymios Tsionas and Dr. Georgios Georgakopoulos who delivered me the courses during my master studies, from which I greatly benefited.

I really appreciate my family's and friends' support, not only during my master thesis preparation but from the beginning of my master studies. I would like to offer my special thanks to my friend Christos for his concern, support and suggestions.

Finally, I would like to dedicate this thesis to my partner Polys who is always by my side to offer me his constant encouragement, support and love.

Chapter 1: Introduction

The Local Authority's (LA) reform constitutes a complex and delicately balanced issue with various parameters, which must be observed so as the best outcome for LA's interest is achieved. The Government and more precisely the Ministry of Interior drafted a preliminary version of the Law on the LA's reform which suggests the creation of Secondary Bodies that will concentrate all the LA's power, and the LA will have advisory role. Many questions are raised over the Law and the changes proposed. For instance, to what extent is the relevant reform necessary? Will the enactment of the proposed Law, heal the wounds of the remote and immediate past, which bedevils society? Furthermore, once it is passed and enacted, what are the benefits and costs that would emerge? Will the prospective reform fulfill the new goals and objectives (economic growth, improvement of relationship between local and central government, deliver service quality to citizens and strategic vision)?

Even though local government reform history began over the period 1985 to 2005, the economic crisis which began in 2006 and peaked in 2008 in the USA, triggered a whole international approach to dealing with LA's reform which has been progressively put in place. For example, in Germany, United Kingdom, Sweden, Denmark and Greece "territorial reforms" were applied, targeting to economies of scale, quality services to citizens, and reinforcement of the LA development role. Instead, in France was applied the inter-municipal cooperation (IMC) which is found in various forms in all Europe. A third approach is "joint projects/contracts" which is preferred when there is lack of means and know-how, and aims economies of scale on service provision.

The main target of this master thesis is the assessment and diagnose of the level of satisfaction of the citizens from the services provided by the LA¹. Another objective is to examine whether any of the performed studies or suggestions, were taken into account during drafting the preliminary version of the Law and which type of reform is mostly preferable according to majority's belief.

¹ More precisely, the municipalities, and the collection of data that prove the necessity, the usefulness and effectiveness of the reform of Local Authority based on the proposed Preliminary Version of the Law.

It is doubtless and commonly believed that there is a need for modernization and reformation of the LA so as to lay the foundations of a new flexible model which will correspond to the modern and future demands. This master thesis' main topic is to prove the weakening of the LA by taking power away from it and giving it to suggested Secondary Bodies. The outcomes from the implementation and put into action of the Law can be a combination of positives and negatives. Apart from the economic aspect of view, no evaluations have been made for any other sectors. But, the reform of LA must be done on a manner that will make the contemporary LA become the main social-economic driving force which will be able to manage sufficiently and effectively the local matters, and will undertake the local responsibilities which constitute mission of the State. ²Shah (2006) has argued that “reforming the institutions of local governance requires agreement on basic principles” which are “responsive governance” whereby government services must meet local preferences, “responsible governance” which refers to prudential use of resources and “accountable governance” reassures that the public interest is served by being accountable to its electorate.

As far as it concerns the form of the master thesis, it is an applied and field research as it examines a real situation and its potential consequences. The research type that is followed consists of a combination of grounded theory research, exploratory, descriptive (statistical research) and analytical research. Grounded theory research is a useful tool which requests answers to questions which are not totally investigated. Descriptive research aims to define and estimate the characteristics of a given situation and analytical research comes to complete the descriptive research by compositing information, analyzing those using critical thinking and establishing collective reliable conclusions.

Two questionnaires are developed, through Google online survey tool, the one for Mayors and Municipal Secretaries and the other for citizens. The questionnaire addressed to citizens is set out in Annex I and the one addressed to Mayors and Municipal Secretaries in Annex II, which were in electronic form. The questionnaires are composed by three thematic components. The first thematic component focuses on demographic figures, the second one aims to cover the need of recording and picturing the present situation, and the last thematic component researches the level of knowledge on the LA's reform and their perception for the possible impact(s) of the enactment of the draft law. When data collection stage is completed,

² Shah A., (2006), “*Legal Governance in Developing Countries*” [Online]. Available: <http://siteresources.worldbank.org/PSGLP/Resources/LocalGovernanceinDeveloping.pdf>

qualitative and quantitative research come to uncover the realist view of the truth. SPSS program is used for data entry and processing, analysis and charts, diagrams, graphs and pictures will prove the results which will be analyzed for giving conclusions.

While writing a Master's thesis it's inevitable that limitations are encountered. The most difficult one to overcome is to encourage people and especially Mayors to fill in the questionnaire. Boosting questionnaire responses increases the validity of the results. Furthermore, this is the first time in the international approach to dealing with LA's reform that was launched the idea of establishing Secondary Bodies. There are no real examples and evidences to use or compare with that would make our conclusions and suggestions stronger.

The main part of the master thesis is the chapters relating to data collection, analysis and conclusions. In brief, this thesis is organized as follows:

Chapter 2: The past and the present

2.1: Historical background

In order to have a complete picture of the development, the various stages and the importance of LA's institution, we have to retrace the history of the generation of the institution of the LA in Cyprus. This chapter outlines briefly the historical facts that led to the current form of LA.

2.2: Present situation

In this sub-chapter the real time situation awareness is analyzed, interpreted and assessed. People's satisfaction and dissatisfaction on the services provided by LA and their opinion about the relationship between LA and citizens, LA and Central Government, is presented in parallel with Mayors' and senior officials' views. Conducting comparative analysis of statistical information will lead to assessment of LA's potentialities.

Chapter 3: Preliminary version of the Law

The Law and the changes that are suggested are interpreted so as everybody understands the Law's context. Radical changes which relate to the organizational structure, form and role of the LA, the Mayors' and Municipal Councils' authorities and role, are analyzed.

Chapter 4: Proposals and researches on Local Authority reform

4.1: International approach to Local Government's reform

The sub-chapter intends to introduce a brief overview on the way in which various countries handled the case of reform and the results of reforms' implementation.

4.2: Positions on Local Authority's reform in Cyprus

The Mayors, Municipal Secretaries, British experts, Italian experts, and the Cyprus political parties have made various suggestions and studies on the suggested reform. Each one of those positions on this major subject diverges from the others. The study of Notoria Srl. on Cyprus Local Government Reform and the study of the British experts (National School of Government International) on Cyprus Local Authority Reform (on behalf of the Union of Cyprus Municipalities) are the two studies that demonstrate the ways and alternatives with which LA could get reinforced. Presenting their general idea we will analyze whether any points of the studies were taken into account on drafting the Law. The main aim of this chapter is to prove on which study the draft Law is based.

Chapter 5: The effects following the enactment of the Law

The chapter begins with citizens' awareness assessment about the Law, which allows a quick determination on the way people are informed and their opinion and position on reform. Citizens' beliefs on the necessity of LA's reformation and the advantages and disadvantages from the enactment of the Law, will be unfolded, uncovering the sectors and services that really need a change.

Chapter 6: IMC as a suggested form of reform

This chapter constitutes a brief reference on IMC and its advantages, since the majority of the sample of the respondents rejects the proposed draft Law and gives preference to IMC.

Chapter 7: Conclusions

The last part constitutes a brief description of the master thesis' general framework and aims to summarize the results driven from the data collected and demonstrate the suitability or inappropriateness of the Law to the Cypriot model of LA.

Chapter 2: The past and the present

2.1: Historical background

Until 1878, Cyprus was governed by the Ottoman Law according to which the LAs were trusted to elected authorities which did their duty under the supervision and control of the Central Government's representative. With the coming of the British, a new period began for the LAs. At the beginning, the ottoman institutions and the law which regulated LAs' jurisdictions were maintained. The state coordination was rapidly organized and coordinated by the British and in parallel the ottoman legislation applicable to LA was amended in 1880 by the Law 2/1880.

The new arrangements implemented, rejected the universal suffrage. Under the new Law the municipal councils have been repealed and replaced by councils which in accordance with the new Law, were elected by the adult residences of each municipal who were paying an annual fee of 20 schillings, and where appointed for a period between twelve and eighteen months. Two years later, the Law 6/1882 was adopted, which provided more detailed and extensive provisions for the election of municipal councils, the introduction of the municipal taxes to cover the expenditures, and the auditing of the accounts. In addition, the Law 8/1885, determined municipal councils' tasks and powers, and in parallel gave them the authority to impose fees so as their expenditures are covered.

In summary, with the enactment of the three Laws as they were periodically amended, the ottoman Laws were repealed. The Laws remained in force until 1930, when they were repealed and replaced by a totally comprehensive and modernized law, The Municipalities Law 26 of 1930. The Law remained in force until 1985 and constituted the base of municipal administration. The six municipalities (Nicosia, Limassol, Larnaka, Paphos, Famagusta and Kerynia) which existed when the Law of 1930 was put in force, they were declared Municipalities. Though, the Governor had the power according to the Law, to declare into municipality every town or village he desired. In this way 10 cities (Polis Chrysochous, Morfou, Lefka, Kythrea, Lefkoniko, Akanthou, Karava, Lapitho, Athienou and Lefkara) were

declared to Municipalities, but they were named “rural” so as to distinguish them from the municipalities of the towns which were characterized as “urban”.

Though, the system of designating the municipal authorities, did not last long enough. It was repealed shortly after the grass-roots movement against colonialism arose on October 1931. In parallel, the Legislative Council was abolished and every kind of freedom was vanished.

From October 1931 until the 2nd World War declaration on September 1939, the municipal councils were appointed by the Governor. Four years later, on 1943 the first but also the last municipal elections took place, as on the 1st of April 1955, E.O.K.A’s fight for freedom against British rule broke out and the municipal elections were postponed. The municipal council’s term was renewed year by year until the generation of the Republic of Cyprus on 1960. The Law of 1930 was dramatically changed in the twenty five years since the Law was last amended.

For a period of time, the Turkish Cypriots refused to vote separately the extension of the period of the Law’s validity, as it was imposed by the Constitution of the Republic of Cyprus, and the Municipalities Law of 1930 expired. In the contrary, the Turkish Cypriot Communal Assembly voted a law that provided the function of a distinct and concrete partition system of local government for the five big cities of Cyprus. In consequence, the Government had to take immediate measures for the continuation and management of municipal services, and in 1963 the Council of Ministers adopted two ministerial orders according to which all the municipal regions were declared to improvement regions (Improvement Boards) and were covered by the Village (Administration and Improvement) Law.

The Improvement Boards had limited lifetime, as in a period of 4 months of their establishment they were terminated, after the judgment of the Supreme Court of Cyprus, since the initiatives of the two parts (Cypriots and Turkish Cypriots) did not conform to the Constitution of the Republic of Cyprus.

According to the provisions of Article 173 of the Constitution of the Republic of Cyprus

“1. Separate municipalities shall be created in the five largest towns of the Republic, that is to say, Nicosia, Limassol, Famagusta, Larnaca and Paphos by the Turkish inhabitants thereof:

Provided that the President and the Vice-President of the Republic shall within four years of the date of the coming into operation of this Constitution examine the question whether or not this separation of municipalities in the aforesaid towns shall continue.

2. The council of the Greek municipality in any such town shall be elected by the Greek electors of the town and the council of the Turkish municipality in such town shall be elected by the Turkish electors of the town.

3. In each such town a coordinating body shall be set up composed of two members chosen by the council of the Greek municipality, two members chosen by the council of the Turkish municipality and a President chosen by agreement between the two councils of such municipalities in such town. Such coordinating body shall provide for work which needs to be carried out jointly, shall carry out joint services entrusted to it by agreement of the councils of the two municipalities within the town and shall concern itself with matters which require a degree of cooperation. ³”

On December 1963, the Turkish Cypriot rebellion began and the Turkish Cypriot Members of the House of Representatives were still denying attending the sessions. Exactly one year later, the House of Representatives voted a new law, the Law 64/1964 through which the provisions of the old Law of 1930 were revived. One of the innovative provisions that were introduced was the extension of the right to vote and to stand for election to women over 21, as women didn't have this right according to the previous Law.

After the Turkish Invasion of 1974, thousands of people were displaced to the free areas. The institution of LA which was a victim of colonialism and partition pursuits gradually got into a new phase, when people was desiring economic development and political freedom. As soon as the Government rehabilitated the refugees, it upgraded the institution of the LA.

³ *“The Constitution of the Republic of Cyprus”*, p. 82.

In 1985, a new Law was introduced; the Law 111 of 1985. In 1986, there were the first elections after the Law's enforcement, for the municipal councils' elections. The Government believed to decentralization of power from the State and the huge role that the LA could play to citizens' life. It reinforced the institution of the LA by signing the European Charter of Local Self-Government (ECLSG) at Salzburg in Austria in 1986, and was subsequently ratified by the House of Representatives.

From the 1st of January 2012, the number of municipalities augmented to 39, as six new municipalities were introduced from the municipal elections of December 2011. Among them there are nine occupied municipalities (Akanthou, Famagusta, Karavas, Kyrenia, Kythrea, Lapithos, Lefkonikon, Lysi and Morphou) which they maintain their legal status by being displaced to the free area.

According to the Municipalities Law 111 of 1985, municipalities shall have competence to administer at the local affairs, some of which are as follows:

(1) town planning power (2) construction, maintenance, cleanliness and lighting of streets (3) naming of streets (4) cleanliness of municipality, collection, removal and disposal of refuse (5) protection of natural environment (6) public health (7) establishment and operation of cemeteries (8) control of professions in streets (9) establish, maintain and operate resting, charitable or philanthropic stations (10) promotion of social assistance (11) problem solving (12) development projects (13) promotion of civilization and culture (14) rural environment (green areas' maintenance and energy saving) (15) citizens' service (16) issue of licenses (professional, building etc) and fees impose.

2.2: Present situation

Having outlined briefly the Municipalities' historical background which shaped Municipalities' current form, it is of particular importance that we present, analyze and comment in detail, citizens' point of view in terms of customers' perception, satisfaction and expectation, and service quality. At the same time, we will compare Mayors' and Municipal Secretaries' opinion whether they are in line with citizens' views on current situation.

In order to explore, citizens' and Mayors' perceptions, a research was carried out during January 2015 – March 2015 inclusive, through the use of two structured questionnaires based on methodological triangulation according to which qualitative and quantitative methods are used complementary. The one is addressed to citizens and the other to Mayors and Municipal Secretaries. 90 replies were received from citizens and 13 replies from Mayors / Municipal Secretaries.

Questionnaires are comprised on three thematic components. Those that we are going to analyze in this chapter are the first and second thematic components. The first thematic component focuses on demographic figures which compose a complete picture of the identity of those who submitted a questionnaire reply. The second component focuses on the present situation and in general the rule of thumb is the single-option variable. Methodologically, this component is structured by Likert 5 point balanced scale questions. According to Ian Brace (2004) "the technique presents respondents with a series of attitudes dimensions, for each of which they are asked whether, and how strongly, they agree or disagree, using one of a number of positions on a five-point scale"⁴.

The second component of the questionnaire addressed to citizens, closes with a multiple choice closed question concerning the political party that express their views. As far as it concerns the second component of the questionnaire addressed to Mayors, includes two unstructured response format questions where financial information is required.

⁴ Brace,I, (2004), "*Questionnaire Design, How to plan structure and write survey material for effective market research*", [Online], Available: https://books.google.com.cy/books?id=0r8xOI5rBZoC&pg=PA73&dq=likert+scale+questionnaire&hl=el&sa=X&ei=8aonVeI-1qtp-b2A2As&redir_esc=y#v=onepage&q=likert%20&f=false

2.2.1: Questionnaire addressed to citizens

The questionnaire addressed to citizens is attached as ANNEX I.

2.2.1(A): Demographic Figures

Let's begin with the first thematic component which recorded the gender, age, family status, educational level, professional status, district and municipality of residence.

As it concerns the questionnaire addressed to citizens we have the following data:

- **Gender (Question 1):** The percentage of women on the sample (56%) is relatively a bit larger than those of men (44%) as it is shown on the following table.

Gender	Number	Percentage
Man	50	56
Woman	40	44
Grand Total	90	100

Table 2.2.1.1: Gender

- **Age Groups (Question 2):** The age groups that responded the questionnaire are as follows: 18 – 24 (6%), 25-34 (32%), 35-47 (43%), 48-63 (16%) and relatively smaller is the percentage of those aged 64+ (3%). The age groups are demonstrated on Table 2.2.1.2.

Age Group	Number	Percentage
18-24	5	6
25-34	29	32
35-47	39	43
48-63	14	16
64+	3	3
Grand Total	90	100

Table 2.2.1.2: Age Group

- **Marital Status (Question 3):** The majority stated that they are married (58%) and 30% stated that they are single. 10% stated to be divorced and 2% widowed. Marital status is shown on Table 2.2.1.3.

Marital Status	Number	Percentage
Divorced	9	10
Married	52	58
Single	27	30
Widowed	2	2
Grand Total	90	100

Table 2.2.1.3: Marital Status

- **Educational Status (Question 4):** As far as it concerns the educational level of the respondents, 81% stated that have completed tertiary education, and 17% secondary education. Only 1% has completed only the primary education and 1% has completed only the early childhood education. There was no indication for people without any education. (Table 2.2.1.4)

Education Level	Number	Percentage
Higher Education	73	81
Secondary Education	15	17
Primary Education	1	1
Early Childhood Education	1	1
No Education	0	0
Grand Total	90	100

Table 2.2.1.4: Educational Level

- **Professional Status (Question 5):** The professional status (pictured in Table 2.2.1.5) of the majority of the sample is private employee (29%) and this is followed by civil servants (21%) and municipal employees (21%). The percentage 18% is distributed as follows: bank employee (7%), employee in Semi-Public Organizations (2%), Lawyer (2%), Self-employed

(2%), Employee in Public Law Organization (1%), Academic (1%), Syndicalist (1%), Athlete (1%). The rest 12% declares to be student (2%), unemployed (7%), pensioner (2%), and 1% is engaged to housekeeping.

Professional Status	Number	Percentage
Academic	1	1
Athlete	1	1
Bank employee	6	7
Civil servant	19	21
Employee in Public Law Organization	1	1
Employee in Semi-Public Organization	2	2
Housekeeping	1	1
Lawyer	2	2
Municipal employee	19	21
Pensioner	2	2
Private employee	25	29
Self-employed	2	2
Student	2	2
Syndicalist	1	1
Unemployed	6	7
Grand Total	90	100

Table 2.2.1.5: Professional Status

- **Residence - District (Question 6):** The majority of the sample lives in Limassol with a figure of 62%, whilst 29% lives in Nicosia, 7% in Paphos and 2% in Larnaka. There were no participants from the Free District Area of Famagusta. Relative is the table 2.2.1.6.

District	Number	Percentage
Larnaka	2	2
Limassol	56	62
Nicosia	26	29
Paphos	6	7
Free District Area of Famagusta	0	0
Grand Total	90	100

Table 2.2.1.6: District

2.2.1(B): Citizens' perception on present situation

After analyzing the demographic figures of the sample we can proceed to the second thematic component which focuses on the level of satisfaction of the residents from the services provided by their municipalities. We still analyze the data driven from the questionnaire which concern the citizens.

- **Level of satisfaction from the services provided to citizens (Question 7):**

The majority of the sample (53%) stated that is somewhat satisfied with the services provided by the LA and 23% is quite a lot satisfied (Table 2.2.1.7). 15% is satisfied at a very little level and only 2% is very much satisfied. The remaining 7% is not at all satisfied.

Level of Satisfaction	Number	Percentage
Very much	2	2
Quite a lot	21	23
Somewhat	48	53
Very little	13	15
Not at all	6	7
Grand Total	90	100

Table 2.2.1.7: Level of Satisfaction

- **Level of satisfaction – Communication with citizens [Question 8 (1)]**

The majority of the sample (38%) stated that is somewhat satisfied with the communication with LA and 27% is very little satisfied. 13% is quite a lot satisfied and 22% is not at all satisfied. We must note that nobody answered that is very much satisfied. [Table 2.2.1.8(1)]

Communication with citizens	Number	Percentage
Very much	0	0
Quite a lot	12	13
Somewhat	34	38
Very little	24	27
Not at all	20	22
Grand Total	90	100

Table 2.2.1.8(1): Communication with citizens

- **Level of satisfaction – Problem solving [Question 8(2)]:**

The majority of the sample (47%) stated that is somewhat satisfied with the problem solving, 24% is very little satisfied and 16% is quite a lot satisfied. People’s total dissatisfaction with problem solving is relatively high, with 13% responding that is not at all satisfied. We must note that nobody answered that is very much satisfied. (Table 2.2.1.8(2))

Problem Solving	Number	Percentage
Very much	0	0
Quite a lot	14	16
Somewhat	42	47
Very little	22	24
Not at all	12	13
Grand Total	90	100

Table 2.2.1.8 (2): Problem solving

- **Level of satisfaction – Customer service [Question 8(3)]:**

The majority of the sample (40%) stated that is somewhat satisfied with the customer service and 30% is quite a lot satisfied. 20% is very little satisfied, 8% is not at all satisfied and only 2% is very much satisfied. [Table 2.2.1.8(3)]

Customer service	Number	Percentage
Very much	2	2
Quite a lot	27	30
Somewhat	36	40
Very little	18	20
Not at all	7	8
Grand Total	90	100

Table 2.2.1.8(3): Customer Service

- **Level of satisfaction – Promotion actions of social welfare [Question 8(4)]:**

Similar with the other levels of satisfaction, is the level of satisfaction for promotion actions of social welfare. The majority of the sample (38%) stated that is somewhat satisfied and 31% is very little satisfied. 21% is quite a lot satisfied, 8% is not at all satisfied and only a minority of 2% is very much satisfied. [Table 2.2.1.8(4)]

Social welfare promotion actions	Number	Percentage
Very much	2	2
Quite a lot	19	21
Somewhat	34	38
Very little	28	31
Not at all	7	8
Grand Total	90	100

Table 2.2.1.8(4): Social welfare promotion actions

- **Level of satisfaction – Cultural Activities [Question 8(5)]:**

As far as it concerns the level of satisfaction with cultural activities, it is noteworthy the fact that 15% of the sample, a relatively high percentage in comparison with other sectors, declared to be very much satisfied. In addition, people stated that is quite a lot satisfied by 39% and somewhat satisfied by 27%. 16% is very little satisfied and only 3% declared to be unsatisfied. [Table 2.2.1.8(5)]

In general this sector is higher positive rated in relation to other sectors' level of satisfaction.

Cultural activities	Number	Percentage
Very much	14	15
Quite a lot	35	39
Somewhat	24	27
Very little	14	16
Not at all	3	3
Grand Total	90	100

Table 2.2.1.8(5): Cultural Activities

- **Level of satisfaction – Development Projects (road projects, pavements construction, green areas / parks) [Question 8(6)]:**

The majority of the sample (32%) stated that is somewhat satisfied with the development projects, 26% is quite a lot satisfied and 24% is very little satisfied. People's dissatisfaction with development projects, is touching the 9% whilst 9% is declaring very much satisfied. [Table 2.2.1.8(6)]

Development projects	Number	Percentage
Very much	8	9
Quite a lot	23	26
Somewhat	29	32
Very little	22	24
Not at all	8	9
Grand Total	90	100

Table 2.2.1.8(6): Development projects

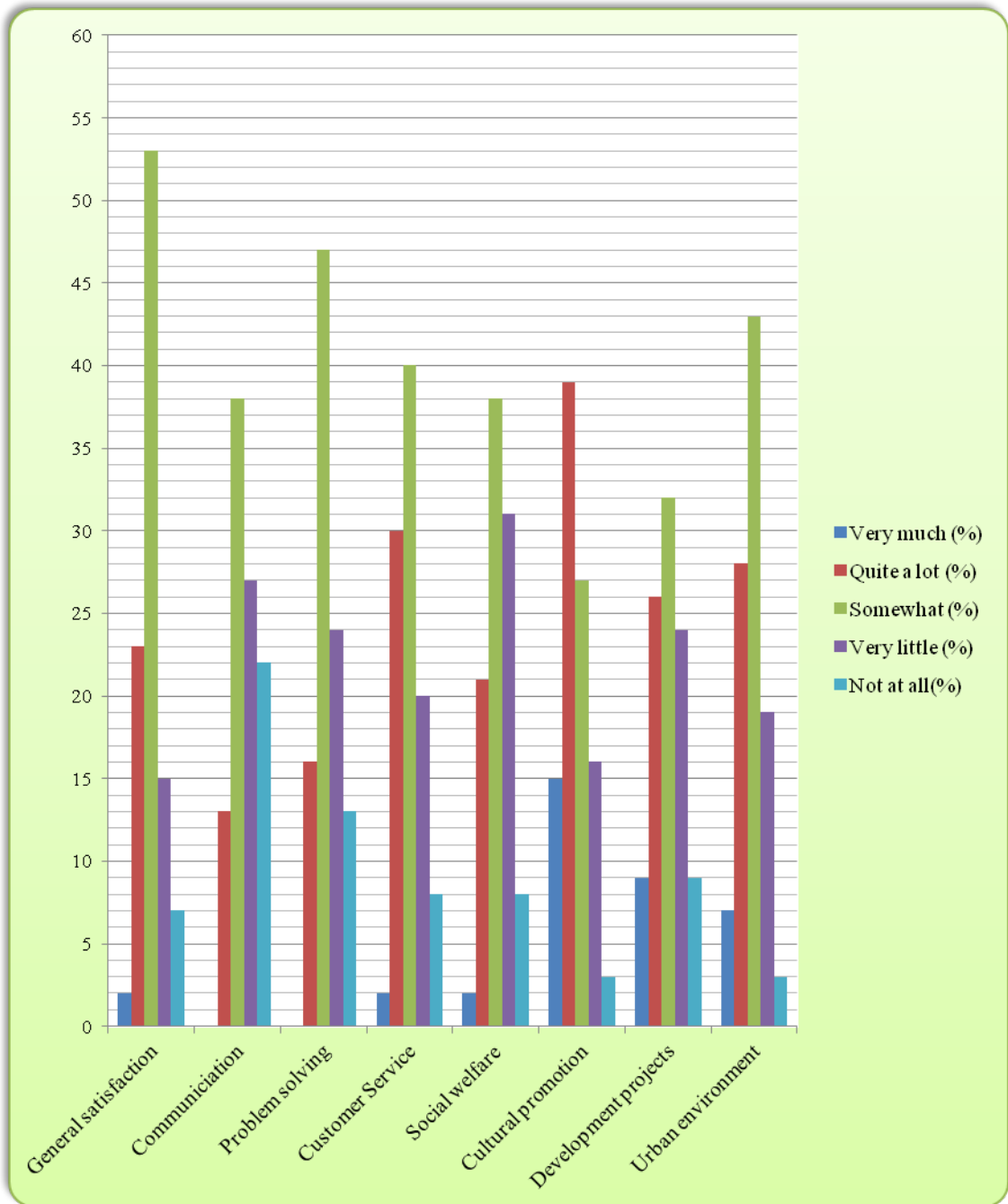
- **Level of satisfaction – Urban environment (green areas’ maintenance, energy saving, recycling) [Question 8(7)]:**

The majority of the sample (43%) stated that is somewhat satisfied with the urban development, 28% is quite a lot satisfied and 19% is very little satisfied. People’s dissatisfaction with urban environment rises to 7% and only 3% is declaring very much satisfied. [Table 2.2.1.8(7)]

Urban environment	Number	Percentage
Very much	3	3
Quite a lot	25	28
Somewhat	39	43
Very little	17	19
Not at all	6	7
Grand Total	90	100

Table 2.2.1.8(7): Urban environment

Before moving on, I would like to present you the following bar chart (bar chart 2.2.1.1) which summarizes the levels of satisfaction for each individual sector as analyzed above.



Bar Chart 2.2.1.1: Citizens' Levels of satisfaction

- **The LA is citizen-focused (Question 9)**

The majority of the sample (32%) considers that the LA is citizen-focused and 29% neither agrees nor disagrees with it. It is noteworthy that 28% of the sample disagrees and 6% strongly disagrees. Only 5% strongly believes that LA focuses on citizens, their demands and needs. (Table 2.2.1.9)

Citizen - focused LA	Number	Percentage
Strongly agree	5	5
Agree	29	32
Neither agree nor disagree	26	29
Disagree	25	28
Strongly disagree	5	6
Grand Total	90	100

Table 2.2.1.9: Citizen-focused LA

- **The LA has the ability to offer more and better quality services (Question 10)**

The majority of the sample (45%) considers that the LA has the ability to offer more and better quality services and 42% strongly agrees with it. Only 10% neither agrees nor disagrees and 3% disagrees. (Table 2.2.1.10)

Ability to offer more and better quality services	Number	Percentage
Strongly agree	38	42
Agree	40	45
Neither agree nor disagree	9	10
Disagree	3	3
Strongly disagree	0	0
Grand Total	90	100

Table 2.2.1.10: LA's ability to offer more and better quality services

- **The LA is financially depended by the State (Question11)**

The majority of the sample (42%) considers that the LA is financially depended by the State and 31% strongly agrees with it. 15% neither agrees nor disagrees and 12% disagrees. (Table 2.2.1.11)

LA financially depended by the State	Number	Percentage
Strongly agree	28	31
Agree	38	42
Neither agree nor disagree	13	15
Disagree	11	12
Strongly disagree	0	0
Grand Total	90	100

Table 2.2.1.11: Financial Dependence

- **Intervention of Political parties to LA's work (Question 12)**

The majority of the sample (48%) stated that the political parties intervene to LA's work at a very high level, 38% quite a lot and 12% somewhat. Only 2% believe that the intervention of political parties is at a very little level. We must notice that nobody selected "not at all" option. (Table 2.2.1.12)

Political Parties intervention	Number	Percentage
Very much	43	48
Quite a lot	34	38
Somewhat	11	12
Very little	2	2
Not at all	0	0
Grand Total	90	100

Table 2.2.1.12: Political Parties intervention

Noteworthy is the fact that 50% of the sample stated that none of the Cyprus political parties expresses their views. The rest 50% is split as follows: AKEL (Progressive Party of Working People) (21%), DISY (Democratic Rally) (17%), DIKO (Democratic Party) (5%), EDEK (Movement for Social Democracy) (2%), EVROKO (European Party) (1%), KOP (Ecological and Environmental Movement) (2%) and SYMMAXIA POLITON (2%). (Question 13)

2.2.2: Questionnaire addressed to Mayors / Municipal Secretaries

The questionnaire addressed to Mayors / Municipal Secretaries is attached as ANNEX II.

2.2.2(A): Demographic Figures

After having analyzed the data given from the first and second thematic component of the citizens' questionnaire, we proceed to the analysis of the corresponding components of the data given from the second questionnaire addressed to Mayors and Municipal Secretaries.

We remind that we collected 13 questionnaire replies and specify that each reply corresponds to one Municipality. We must note that the questionnaire was sent to the 30 Municipalities of the free area of Cyprus excluding the 9 occupied Municipalities since they are “displaced”. The occupied Municipalities maintain their legal status, without offering the same services with the rest of the Municipalities as they have no residences. Therefore, for the purposes of this questionnaire, it was considered appropriate to exclude them from the participation.

In addition, we must note that the sample of the participants that is used in this research is considered highly representative as it covers the 1/3 of the non occupied Municipalities.

According to the questionnaire replies we have the following data:

- **Demographic Figures:**
- **Gender (Question 1):** The majority of the sample (85%) is male and only the 15% stated to be female as it is shown on Table 2.2.2.1.
- **Age Groups (Question 2):** The age groups that responded the questionnaire are as follows: 25-34 (15%), 35-47 (39%), 48-63 (31%) and relatively smaller is the percentage of those aged 64+ (15%). The age category of 18 – 24 has no percentage, unavoidable consequence because of the youth and inexperience. Nobody can trust a young person to act as a Mayor. As far as it concerns the Municipal Secretaries, it is impossible to be so young

because a ten year administrative experience is prerequisite for such a position. The age groups are demonstrated on Table 2.2.2.2.

Gender	Number	Percentage
Man	11	85
Woman	2	15
Grand Total	13	90

Table 2.2.2.1: Gender

Age Group	Number	Percentage
18-24	0	0
25-34	2	15
35-47	5	39
48-63	4	31
64+	2	15
Grand Total	13	100

Table 2.2.2.2: Age Groups

- **Marital Status (Question 3):** The majority stated that they are married (77%) and 23% stated that they are single. Nobody stated to be divorced or widowed as it is shown below on table 2.2.2.3.

Marital Status	Number	Percentage
Single	3	23
Married	10	77
Divorced	0	0
Widowed	0	0
Grand Total	13	100

Table 2.2.2.3: Marital Status

- **Municipality they serve (Question 4):** We must note that according to the data, there were replies from all the districts apart from Paphos and more specific, from 3 municipalities from each district as follows:

Nicosia	Limassol	Larnaka	Famagusta
Latsia	Ypsonas	Lefkara	Paralimni
Aglantzia	Kato Polemidia	Athienou	Sotira
Yeri	Agios Athanasios	Aradippou	Deryneia

- **Professional Status (Question 5):** The majority of the questionnaire replies are given by Mayors by 77% and the rest 23% are given by Municipal Secretaries, which means that 10 replies were received by Mayors and 3 by Municipal Secretaries.
- **Educational Status (Question 6):** As far as it concerns the educational level of the respondents 100% stated that have completed tertiary education. As far as it concerns the Municipal Secretaries we must note that it is a prerequisite to be possessors of a Master Degree.

2.2.2(B): Mayors’/Municipal Secretaries’ perception on present situation

- **Level of satisfaction – The way the Municipalities perform their functions (Question 7):**

The majority of the sample (77%) stated that is somewhat satisfied with the way the Municipalities perform their functions and only the 7% is quite a lot satisfied. 8% is satisfied at a very little level and 8% is not at all satisfied. The percentage for the “very much” level is null. (Table 2.2.2.4)

Way the Municipalities perform their functions	Number	Percentage
Very much	0	0
Quite a lot	1	7
Somewhat	10	77
Very little	1	8
Not at all	1	8
Grand Total	13	100

Table 2.2.2.4: Level of Satisfaction

At this point the thematic component requires the Mayor / Municipal Secretaries to determine the extent to which their Municipalities fulfill their mission as defined in the Articles 83 and 84 of the Municipalities Law.

- **Communication with citizens [Question 8(1)]:**

The majority of the sample (46%) stated that communication with citizens is implemented quite a lot and 23% is very much implemented. 31% declares that this function is somewhat performed (Table 23). We must note that no “negative” answer was given. “Not at all” and “very little” percentages are set to zero. [Table 2.2.2.5(1)]

Communication with citizens	Number	Percentage
Very much	3	23
Quite a lot	6	46
Somewhat	4	31
Very little	0	0
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(1): Communication with citizens

- **Problem solving[Question 8(2)]:**

The 15% of the sample stated that the problem solving activity is carried out at a very much level and 62% at a quite a lot level. 23% of the sample believes that Municipalities are somewhat engaged to this activity. No answers are given with the indication “not at all” and “very little”. [Table 2.2.2.5(2)]

Problem Solving	Number	Percentage
Very much	2	15
Quite a lot	8	62
Somewhat	3	23
Very little	0	0
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(2): Problem Solving

- **Promotion actions of social welfare [Question 8(3)]:**

The majority of the sample (62%) stated that promotion actions of social welfare are quite a lot performed and 15% very much performed. 15% responded that those actions are somewhat supported by Municipalities, whereas 8% supports that they are very little performed. For one more time “not at all” percentage is set to zero. [Table 2.2.2.5(3)]

Social welfare promotion actions	Number	Percentage
Very much	2	15
Quite a lot	8	62
Somewhat	2	15
Very little	1	8
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(3): Social welfare promotion actions

- **Cultural Activities [Question 8(4)]:**

As far as it concerns the level of cultural activities implementation, it is noteworthy the fact that the “very much” possesses the highest percentage (39%) of the sample. In addition, the “quite a lot” level almost reaches the “very much” level with just 1% difference. The 23% of the sample supports that the cultural activities are somewhat implemented. [Table 2.2.2.5(4)]

Cultural activities	Number	Percentage
Very much	5	39
Quite a lot	5	38
Somewhat	3	23
Very little	0	0
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(4): Cultural Activities

- **Development Projects (road projects, pavements construction, green areas / parks) [Question 8(5)]:**

A totally different image is presented on the field of development projects. Negative and positive replies are recorded on the specific question. The majority of the sample (54%) stated that the Municipalities are somewhat implementing development projects and 16% declared that they are implemented at a very much level. Though, the “positive” image appears to be not so positive, whilst the 30% of the sample’s replies are classified to the “very little” (15%) and “not at all” (15%) categories. [Table 2.2.2.5(5)]

Development projects	Number	Percentage
Very much	2	16
Quite a lot	0	0
Somewhat	7	54
Very little	2	15
Not at all	2	15
Grand Total	13	100

Table 2.2.2.5(5): Development projects

- **Urban environment (green areas' maintenance, energy saving, recycling)**
[Question 8(6)]:

The majority of the sample (46%) stated that the urban environment activities are somewhat implemented and 23% supports that the activities are very much implemented. At the quite a lot level accounts for the 8% and at the very little level the 23%. [Table 2.2.2.5(6)]

Urban environment	Number	Percentage
Very much	3	23
Quite a lot	1	8
Somewhat	6	46
Very little	3	23
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(6): Urban environment

- **Personnel training – Training courses [Question 8(7)]:**

The majority of the sample (54%) stated that the personnel training is applied to a very satisfactory level and 23% considers that the personnel is somewhat receiving training courses. 8% of the questionnaire replies suggests that personnel is sent to training courses at

a very little level and 15% supports the “not at all” option. No answers were received for “very much” level. [Table 2.2.2.5(7)]

Personnel training	Number	Percentage
Very much	0	0
Quite a lot	7	54
Somewhat	3	23
Very little	1	8
Not at all	2	15
Grand Total	13	100

Table 2.2.2.5(7): Personnel training

- **Staff productivity [Question 8(8)]:**

The majority of the sample (38%) is quite a lot satisfied by their staff productivity, 31% is somewhat satisfied and only 8% is very much satisfied. A relatively high percentage (23%) is related to the very little satisfaction. No answers were received for “not at all” level. [Table 2.2.2.5(8)]

Staff productivity	Number	Percentage
Very much	1	8
Quite a lot	5	38
Somewhat	4	31
Very little	3	23
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(8): Staff productivity

- **Internal organization administration [Question 8(9)]:**

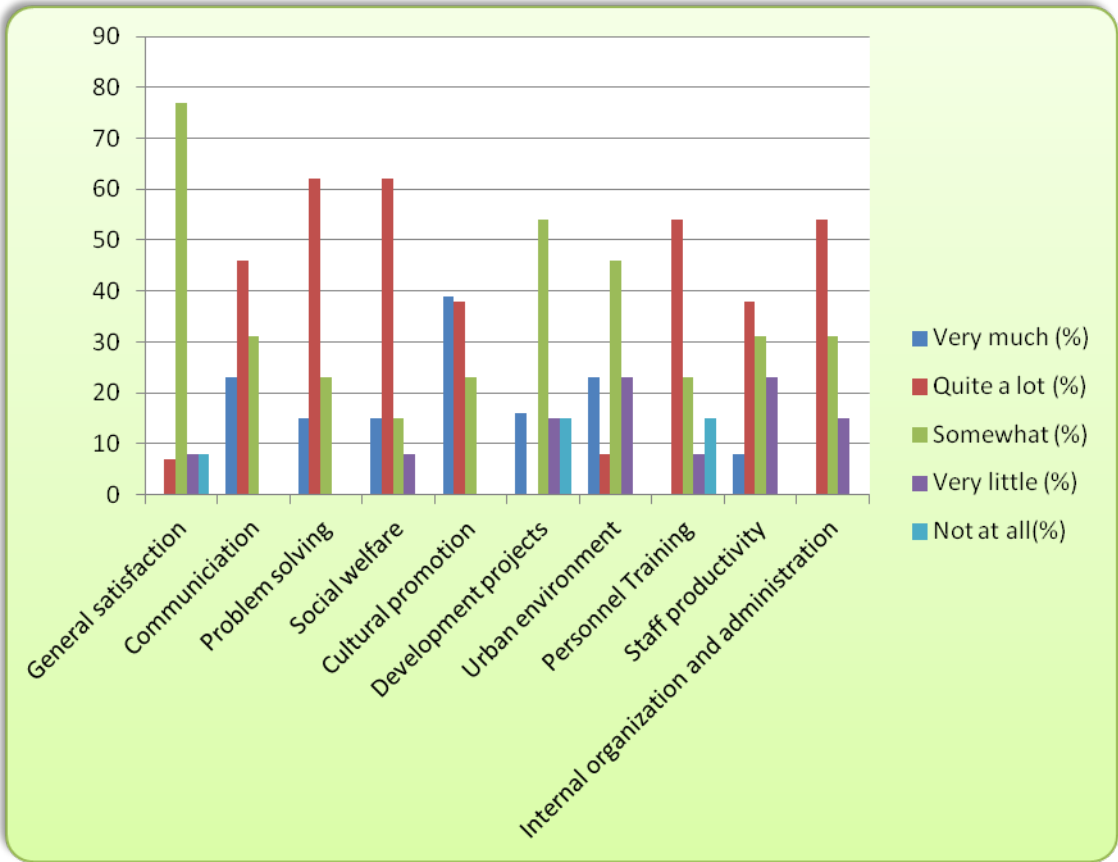
The majority of the sample (54%) considers that Municipalities’ internal organization administration is at a quite a lot satisfactory level and 31% is somewhat satisfied. 15% stated

that is very little satisfied by the internal organization. No answers were received for “Very much” and “not at all” levels. [Table 2.2.2.5(9)]

Internal organization administration	Number	Percentage
Very much	0	0
Quite a lot	7	54
Somewhat	4	31
Very little	2	15
Not at all	0	0
Grand Total	13	100

Table 2.2.2.5(9): Internal organization administration

Before moving on, I would like to present you the following bar chart (2.2.2.1) which summarizes the levels of satisfaction for each individual sector as analyzed above.



Bar chart 2.2.2.1: Mayors' / Municipal Secretaries opinion

- **Liquidity [Question 8(10)]:**
- **Pay offs to creditors and financial institution [Question 8(11)]:**
- **Fees and taxes collection [Question 8(12)]:**

As far as it concerns fees and taxes collection the majority (46%) declares that the collection of fees is moderated and 31% that is at a quite a lot satisfactory level. 15% states that fees collection is at zero and 8% at a very low level. No answers were received for the highest level.

As far as it concerns liquidity the majority of the sample (31%) stated that liquidity is only reaching moderately positive levels and 31% declares that there is no liquidity. 15% stated that there is high liquidity and the same percentage is related to the quite a lot level. The remaining 8% corresponds to the very little liquidity.

The vast majority of the sample (31%), on the pay offs to creditors and financial institutions category, fall within the level of “somewhat” and “quite a lot” with the same percentage at both levels. 23% believes that debts are settled at a high level and 15% at a low level. No answers were given for “not at all” level.

Going a step forward, if we have a look on the table 2.2.2.5(10) we can notice that there is a contradiction between the 3 categories. Pay offs to creditors and financial institutions category has more positive rates of “very much”, and “quite a lot” levels than those of liquidity. In addition, fees and taxes collection is zero at the very much level. How is it possible to have liquidity without taxes collection?

	Very Much (%)	Quite a lot (%)	Somewhat (%)	Very little (%)	Not at all (%)
Liquidity	15	15	31	8	31
Fees and taxes collection	0	31	46	8	15
Pay offs to creditors and financial institutions	23	31	31	15	0

Table 2.2.2.5(10): Financial situation

In order to analyze the financial situation of the Municipalities, data on yearly income and expenditures for year 2009 – 2013 were collected (question 9). A gradual reduction in income is clearly demonstrated whilst there is an upward trend on expenditure throughout the years. On the following tables, the data concerns 12 municipalities while one of them did not provide the information required.

More precisely the yearly total (of all municipalities) income and expenditures are demonstrated below on table 2.2.2.5(11).

Year	Income (€)	Expenditure (€)
2009	65.937.099,00	59.836.939,00
2010	64.808.476,00	60.941.908,00
2011	65.225.625,00	63.244.330,00
2012	62,233.699,00	60.456.647,00
2013	60.016,625,00	50.891.329,00

Table 2.2.2.5(11): Total yearly income and expenditure of the Municipalities

On table 2.2.2.5(12) we can see the yearly incomes and expenses for each municipality separately.

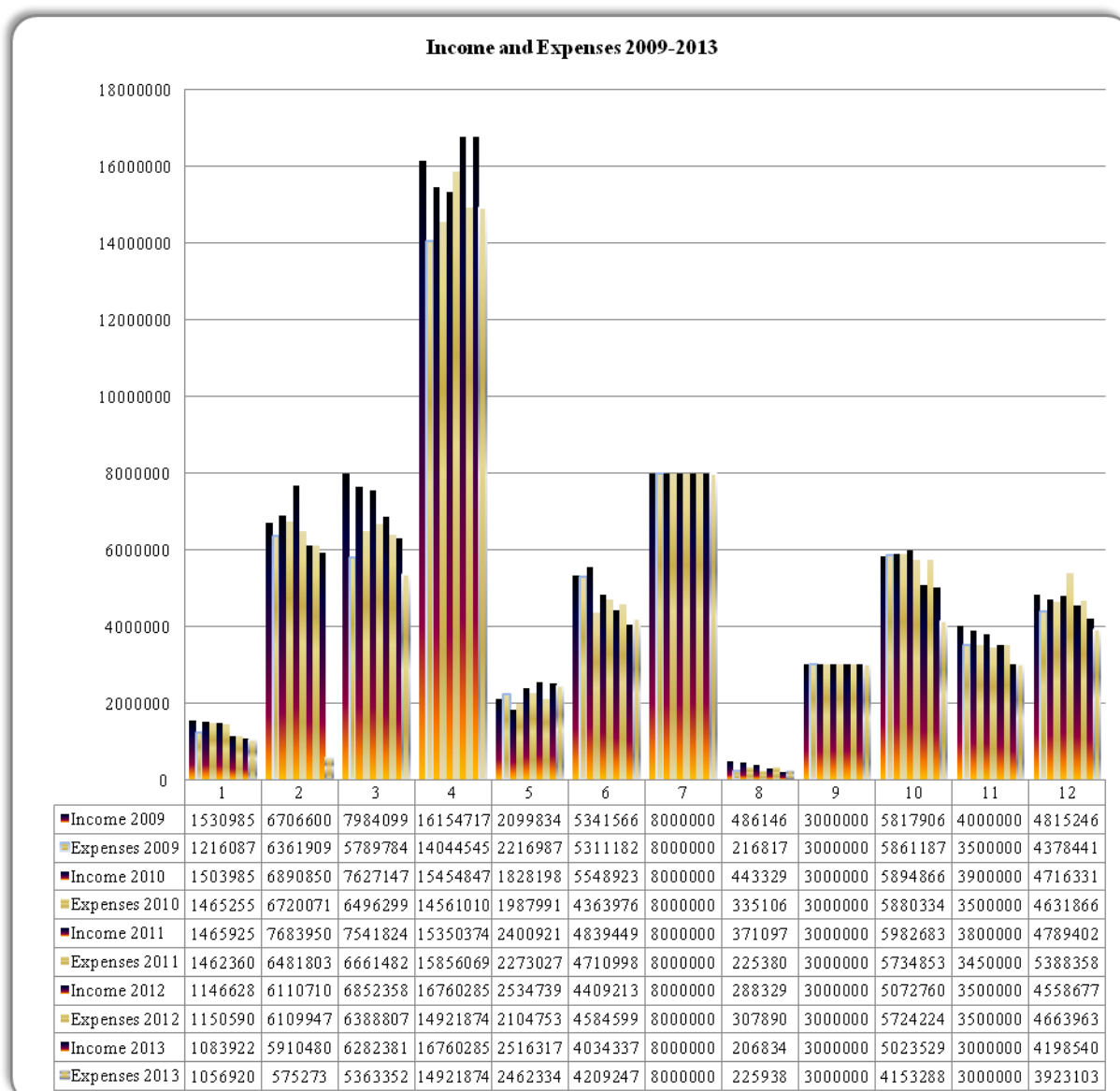


Table 2.2.2.5(12) Yearly income and expenditure

As far as it concerns the Municipalities' debts to the financial institutions (question 10) the debts of 4 of the 13 Municipalities is zero. As far as it concerns the remaining municipalities their debts varies between €1.000.000,00 and €2.500.000,00. How viable can be a Municipality with a debt of €2.500.000,00? Perhaps most of the Municipalities could not afford to repay not only their debt, but possibly the loans' interests also.

- **The LA is financially depended by the State (Question 11):**

The majority of the sample (61%) strongly agrees that the LA is financially depended by the State and 31% agrees with it. Only 8% disagrees, and considers that Government Grant does not constitute the economic heart of LA. (Table 2.2.2.6)

Financially depended by the State	Number	Percentage
Strongly agree	8	61
Agree	4	31
Neither agree nor disagree	0	0
Disagree	1	8
Strongly disagree	0	0
Grand Total	90	100

Table 2.2.2.6: Financial Dependence

- **The LA has the ability to offer more and better quality services (Question 12)**

The majority of the sample (69%) strongly believes that the LA has the ability to offer more and better quality services and 15% agrees with it. 8% neither agrees nor disagrees and 8% disagrees. (Table 2.2.2.7)

Ability to offer more services and of better quality services	Number	Percentage
Strongly agree	9	69
Agree	2	15
Neither agree nor disagree	1	8
Disagree	1	8
Strongly disagree	0	0
Grand Total	90	100

Table 2.2.2.7: LA's ability to offer more and better quality services

- **Intervention of Political parties to LAs' work (Question 13):**

The majority of the sample (69%) stated that the political parties intervene to LA's work quite a lot, 8% very much and 8% somewhat. Only 15% believes that the intervention of political parties is at a very little level. We must notice that nobody selected "not at all" option. (Table 2.2.2.8)

Political Parties' intervention	Number	Percentage
Very much	1	8
Quite a lot	9	69
Somewhat	1	8
Very little	2	15
Not at all	0	0
Grand Total	13	100

Table 2.2.2.8: Political Parties' intervention

Even the Mayors and Municipal Secretaries demonstrate their dissatisfaction towards the political parties. It is very impressive the fact that almost 50% of the sample and more precisely 46%, which corresponds to 6 out of the 13, stated that it does not belong to any of the political parties. (Question 14). 4 people (31%) selected AKEL (Progressive Party of Working People), 2 for DISY (Democratic Rally) (15%) and 1 for EDEK (Movement for Social Democracy) (8%).

Conclusions

A. Levels of satisfaction

Having analyzed each question's answers separately for citizens and Mayors/Municipal Secretaries, lastly we can have an overall comparative overview of the citizens' perception of quality versus the Mayors'/Municipal Secretaries' perception. On the tables 2.2.2.9 and 2.2.2.10, we note that citizens identify that there is a real problem especially on communication and problem solving. 22% are not satisfied at all on the sector of communication and 13% are totally unsatisfied on problem solving. On the contrary, Mayors / Municipal Secretaries consider that both activities are highly implemented. 23% declare that communication with citizens is at a very good level, 46% quite a lot and 31% somewhat. As far as it concerns problem solving "very much" accounts for 15%, "quite a lot" for 62% and "somewhat" for 23%.

Instead, culture's promotion appears to be a "strong" sector for citizens. 15% declare to be very much satisfied, 39% quite a lot satisfied and 27% somewhat satisfied. For the Mayors, communication, problem solving, and cultural promotion consist the trump card in quality services provision as no negative answer ("very little" or "not at all") was given for those services.

OVERALL OVERVIEW												
	Very much (%)		Quite a lot (%)		Somewhat (%)		Very little (%)		Not at all (%)		Total (%)	
	C	M	C	M	C	M	C	M	C	M	C	M
General satisfaction	2	0	23	7	53	77	15	8	7	8	100	100
Communication	0	23	13	46	38	31	27	0	22	0	100	100
Problem solving	0	15	16	62	47	23	24	0	13	0	100	100
Social welfare	2	15	21	62	38	15	31	8	8	0	100	100
Cultural promotion	15	39	39	38	27	23	16	0	3	0	100	100
Development projects	9	16	26	0	32	54	24	15	9	15	100	100
Urban environment	3	23	28	8	43	46	19	23	7	0	100	100
Customer service	2	N/A	30	N/A	40	N/A	20	N/A	8	N/A	100	N/A
Personnel Training – Training Courses	N/A	0	N/A	54	N/A	23	N/A	8	N/A	15	N/A	100
Staff Productivity	N/A	8	N/A	38	N/A	31	N/A	23	N/A	0	N/A	100
Internal organization and administration	N/A	0	N/A	54	N/A	31	N/A	15	N/A	0	N/A	100

* C = Citizens

M = Mayors/Municipal Secretaries

N/A= Not available

Table 2.2.2.9: Overall Overview (the extent to which their Municipalities fulfill their mission as defined in the Articles 83 and 84 of the Municipalities Law)

OVERALL OVERVIEW												
	Strongly Agree (%)		Agree (%)		Neither agree nor disagree (%)		Disagree (%)		Strongly Disagree (%)		Total (%)	
	C	M	C	M	C	M	C	M	C	M	C	M
LA is citizen-focused	5	N/A	32	N/A	29	N/A	28	N/A	6	N/A	100	N/A
Ability of the LA to offer more services and of better quality	42	69	45	15	10	8	10	8	3	0	100	100
Financially depended by the State	31	61	42	31	15	0	12	8	0	0	100	100

* C = Citizens

M = Mayors/Municipal Secretaries

N/A= Not available

Table 2.2.2.10: Overall Overview (Agree or disagree)

Generally, as far as it concerns the citizens' questionnaire, the highest percentages are concentrated on the "somewhat" ranking with an average of 39.75%, as we can see on the ANOVA table below. "Somewhat" high percentage indicates that all the services provided are not offering customer value. The failure of service quality provision by LA is obvious. Citizens experience poor service quality, fact that proves that the services provided do not comply with their needs.

The highest variance is at "quite a lot", immediately followed by "somewhat" which demonstrates that the percentages collected are very much spread out.

Anova: Citizens				
SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Very much (%)	8	37	4,625	27,98214
Quite a lot (%)	8	196	24,5	67,71429
Somewhat (%)	8	318	39,75	66,78571
Very little (%)	8	176	22	30,28571
Not at all(%)	8	73	9,125	37,55357

Table 2.2.2.11: ANOVA (Citizens)

On the other hand, we have Mayors’/Municipal Secretaries’ opinion which contradicts to citizens’ opinion. Mayors did not low rate the activities as much as citizens, giving an overall moderate to a very good picture. The highest average percentage is concentrated at “quite a lot” for 36.9% followed by “somewhat” for 35.4%. It is very reasonable that they would rate more positively the services provided. Besides, it is nothing short of absurd to present a negative picture for the work that they themselves “carry out”. Though, they support even stronger than citizens, that LA has the ability to provide more and better quality services.

As far as it concerns the highest variance is at “quite a lot” immediately followed by “somewhat” which demonstrates that the percentages collected are very much spread out.

Anova: Mayors/Municipal Secretaries				
SUMMARY				
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Very much (%)	10	139	13,9	157,4333
Quite a lot (%)	10	369	36,9	557,8778
Somewhat (%)	10	354	35,4	347,1556
Very little (%)	10	100	10	77,77778
Not at all(%)	10	38	3,8	41,06667

Table 2.2.2.12: ANOVA (Mayors/Municipal Secretaries)

In addition, I would like to state that the empirical data confirm the expected results. Mayors and Municipal Secretaries attribute the inability to provide relatively inferior service quality to the economic slowdown and restrains. On the other hand, data collected by citizens illustrate the customer satisfaction theory approach, according to which “it treats service quality as a perceptual phenomenon identified through the eyes of the customer. The meaning, definition, and evaluation of quality exist in the consumer’s mind⁵”. The customer satisfaction theory is supplemented by means-end theory which “suggests that a consumer forms a conception of the suitability of product or service attributes to in question (means) for fulfilling specific values (end) and this theory can be modeled on three elements: attributes, utility expectations and set of values.⁶”

The most problematic sectors according to citizens are communication and problem solving. Apart from the four characteristics of services which are intangibility, inseparability, variability and perishability, which entail various problems that LA’s have to deal with, it appears that the “5 gaps model” (as it is shown on figure 2.1) is not applied in LAs.

When gaps are not identified, decision making, goal setting and organizational structure, definitely suffer. There is a saying that goes “the fish stinks from the head down”. It seems that LAs are missing charismatic leaders and strong managers who are able to make visions, set long-term goals and influence their fellow workers.

⁵ Brown W. S., Gummesson E., Edvardsson B., Gustavsson B., (1991), “*Service Quality : Multidisciplinary Multinational Perspectives*” [Online], Available: https://books.google.com.cy/books?id=mYrrUHgAgOgC&pg=PA159&dq=service+satisfaction+theory&hl=el&sa=X&ei=fuNNVaLdM8WsUZjvgeAG&redir_esc=y#v=onepage&q=service%20satisfaction%20theory&f=false [2015, May]

⁶ Hesselbach J., Herrmann C., (2011), “*Functional Thinking for Value Creation: Proceedings of the 3rd CIPR International Conference On Industrial Product Service Sytems, Technische Universität Braunschweig, Braunschweig, Germany, May 5th- 6th, 2011*” [Online], Available: https://books.google.com.cy/books?id=QxqIGssi-kAC&dq=service+satisfaction+theory&hl=el&source=gbs_navlinks_s [2015, May]

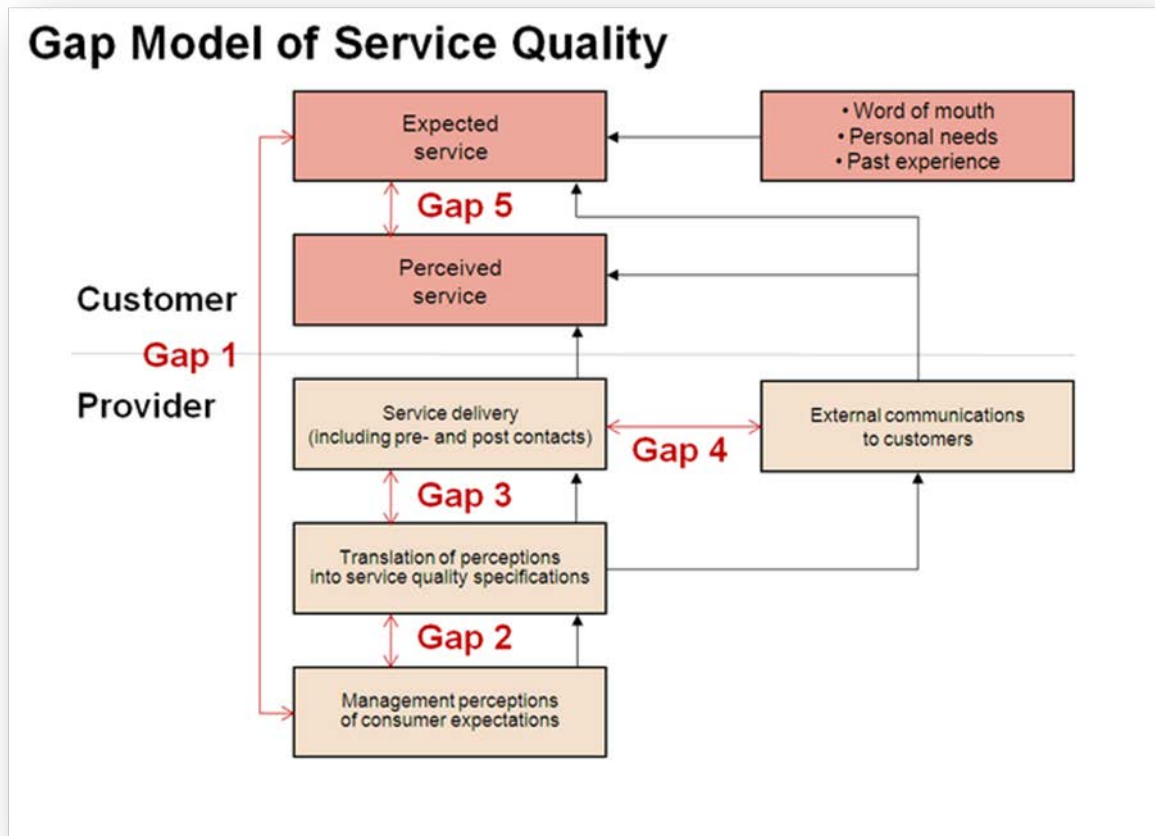


Figure 2.1. *5 gaps model*, Service Quality Gap Model, (2009)⁷

B. Modern Management tools

Furthermore, we must state that the modern management tools, methods and principles are not yet fully exploited by the LA. For example e-government which, constitutes a service channel based on Information Technology, is not yet applied. E-government is an online citizen service which contributes to information dissemination, time saving for both staff and citizens and red tape reduction. It is based on a two way communication and citizens pass from a passive to an active role, enhancing accountability. Some of its most important advantages is trust, functionality, paperwork reduce, efficiency improvement, cost saving (reducing administrative costs) and improvement of business processes efficiency.

⁷ Fig. 2.1. *5 Gaps model*. Available: <http://blog.verint.com/service-quality-gap-model> [2015, May]

C. Political Parties' Intervention

As far as it concerns the political parties' intervention, the negative percentage that rises to 50% indicates that people have had enough with the political parties. Yiannos Katsourides (2013) commented that “the indicators include: public distrust of politics in general and political parties in particular; party competition that is increasingly characterized by ideological decline and increased political consensus; the reduced importance of party identification; reduced membership etc (Mair, 1984; Bartolini, 1983; Lane and Ersson, 1997; Daalder, 1992).⁸” According to Diamond Larry and Richard Gunther (2006) “Mass public detachment from political parties may be generated by social, cultural or historical factors having little to do with the current performance of parties in contemporary democracies⁹”.

I would also like to briefly raise the issue of corruption within the public sector services which is intrinsically linked with political parties' intervention. According to the non-profit philanthropic NGO, Transparency International Cyprus (2013) “in line with the EU barometer and the previous corruption surveys carried out by Transparency International Cyprus, it appears that Cypriots perceive a growing trend with regards to corruption. The 2013 Corruption Perception Survey has found that corruption is considered to be most widespread among politicians (96%), public servants responsible for public procurement (94%), LAs (93%) and officials at regional and local level (93%), as well as the Police (93%).¹⁰” Relative is the figure 2.2.

⁸ Katsourides Y., (2013), “*Political Parties and Trade Unions in Cyprus*”, [Online]. Available: <http://eprints.lse.ac.uk/52625/1/GreeSE%20No74.pdf> [2015, May]

⁹ Diamond L. and R. Gunther , (2001), “*Political Parties and Democracy*”, [Online] . Available : https://books.google.com.cy/books?id=zZ2XT76eqMAC&printsec=frontcover&dq=political+parties+and+democracy&hl=el&sa=X&ei=heA_Va3tAYvxaKevgOgP&redir_esc=y#v=onepage&q=with%20the%20current%20performance%20of&f=false [2015, May]

¹⁰ Kapardis K. M., (2013), “*Anti-Corruption Measures in Cyprus*”, [Online]. Available: http://www.transparencycyprus.org/el/wordpress/wp-content/uploads/2013/04/TIC_Suggestions_Anticorruption-Measures_english_March-13.pdf

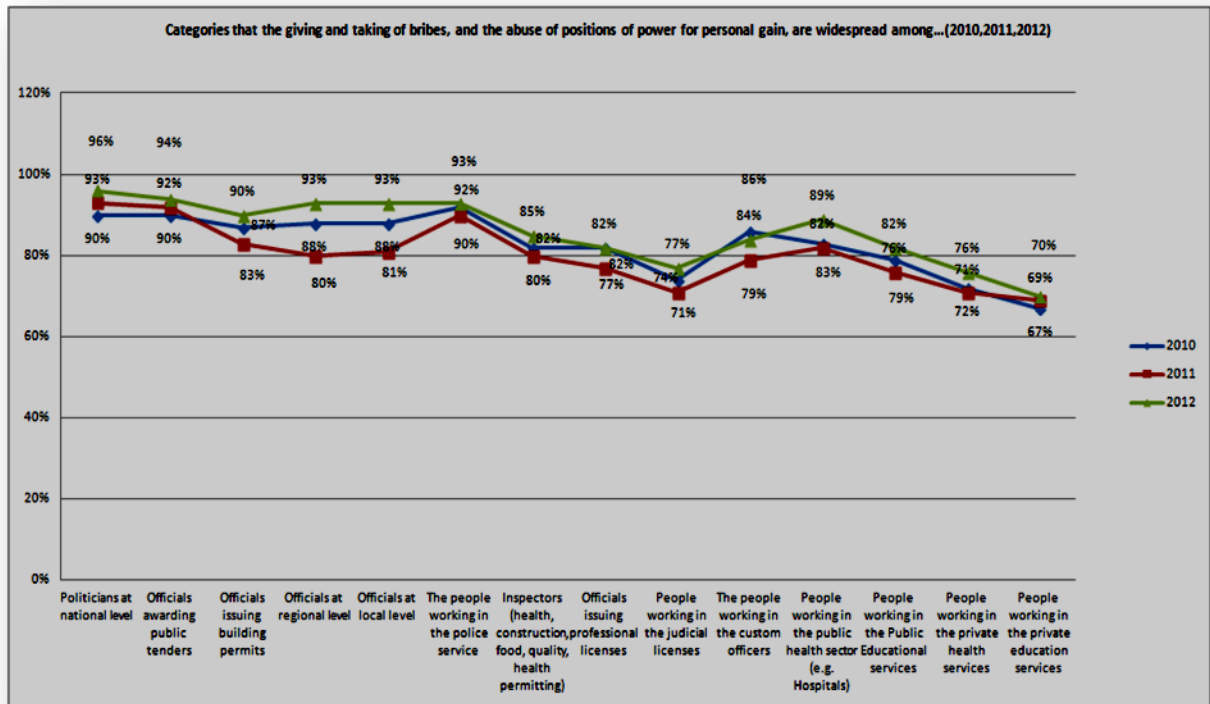


Figure 2.2. *Corruption in Cyprus, Anti-Corruption Measures in Cyprus, March 2013*¹¹

D. Economic status

The issue that arises is the lack of a budget theory. Budget theory is based on economies of abundance. Budgeting includes financial plan, systematic plan, control and management. Budget decisions must be influenced by the knowledge of the current financial status, forecast and prediction. In such a way, economy is able to thrive not only in the present but also in the future. According to Aaron B. Wildavsky (2001) “A budget is a record of the past. A budget also is a statement about the future. Budgets therefore must be plans; they try to determine future states of affairs through a series of current actions. Hence, budgets also are predictions; they specify connections between words and numbers on the budget documents and future human behavior.”^{12,}

¹¹ Ibid.

¹² Wildavsky A., (2001), “*Budgeting and Governing*” [Online], Available: <https://books.google.com.cy/books?id=iJEdCzGWA20C&printsec=frontcover&dq=aaron+Wildavsky+&hl=el&sa=X&ei=-W1DVYD5M4-Uavy7gfAH&ved=0CB0Q6AEwAA#v=snippet&q=budget&f=false> [2015, April]

Though, today Municipalities experience an economy of scarcity. Aaron B. Wildavsky (2001) suggests that “since funds are scarcer than desires, a budget becomes a mechanism for allocating resources. If the aim is to obtain desired objectives at the lowest cost, a budget may become an instrument for pursuing efficiency.¹³”

A key part of the financial situation of the Municipalities is the Government Grant which seems to be the main source of income, as the Mayors also confirmed in their questionnaire replies. Today the reduction of the amount of the Government Grant, directly affects the Municipalities economic stability and cash flow, eliminating at the same time the economic potential.

How can a Municipality be considered viable under such circumstances? The lack of a budget theory and the mismanagement from earlier years has damaged their financial position and in particular stands in the way of today’s development.

It is commonly accepted that the LA’s system is obsolete and needs modernization. However, people are convinced that there is potential for the LA to offer more and better quality services. Even though people are not fully satisfied by the services provided, they rely on LA and support it by being positive and ambitious. We must note that LA’s role is supposed to be “customer centric” so as to meet public’s demands. Citizens’ replies demonstrate that there is a need for setting quality goals, services and processes optimization and adoption of citizen satisfaction policy.

¹³ Ibid.

Chapter 3: Preliminary version of the Law

On the 2nd of October 2015, the Ministry of Interior posted the preliminary version of the Law on its website and few days before sent it to the interested parties and the Cyprus Political Parties for comments and suggestions. This version of the Law would constitute the base of negotiation.

Before analyzing the major regulations that the Law suggests, we must note that during the period 2010 – 2012, the LA's reform was the trigger for exhausted discussions, tens of meetings of extended dialogue with all interested parties, including the representatives of the political parties. Though, the reform idea was abandoned because of the forthcoming elections of 2012.

According to the announcement of the Minister of Interior on October 2, 2014, “the scope of the Law is to upgrade the services to citizens and reduce the costs”. It also stated that “there opinion is that only on a basis of a specified proposal, such as the one that they have presented, meaningful and in-depth dialogue can be achieved.”¹⁴,

The general idea of the Law is to demolish the LA institution which is based on self-governance, and create a scheme that will be subject to Central Government.

Now, let's have a look on the most important articles of the Law which indicate the tremendous changes on LA's role.

According to the Article 3 (Secondary Bodies establishment) and Article 22 (Relationship between Secondary Bodies and LA) Secondary Bodies are established and there is a relationship of cooperation, without hierarchy and control. Though, throughout the whole text, we can clearly see that the LA is always accountable to the Secondary Bodies. Here are some of the points that reveal the “submissive” role of the LA.

¹⁴ Sokratis Chasikos, (02/10/2014). “*Preliminary Version of Law on the LAs' reform*” [Online]. Available: <http://www.moi.gov.cy/moi/moi.nsf/All/7245D872A28FD80EC2257D69001CCC6E?OpenDocument> (2014, October)

Article 22 (3) refers to the power of the Secondary Body to reject the proposals or suggestions of the LA.

Article 33 (1, 2 and 3) analyze in detail the tasks and powers of the Secondary Bodies. Let me describe them briefly for you: protection of natural environment, promotion of social assistance, promotion of civilization and culture, town planning and infrastructure, public health and cleanliness, transportation/establishment/livelihood, and assumes the responsibilities of the Water Boards and Sewerage Boards.

Article 33 (8) claims that the Secondary Bodies assume all the LA's responsibilities apart from those provided for in this Law.

According to Article 33 (9) in the case of expenditure, the LA is obliged to submit all the supporting documentation to the Secondary Bodies so as to justify the claim and get the necessary money from it.

In combination with Article 34 and 56, the economic decline is denoted. The LA's immovable property, debts and loans are transferred to Secondary Bodies' ownership.

If you read the Municipalities Law 111 of 1985 (Article 83 and 84), municipalities shall have the competence to administer at the local affairs. The same tasks and powers are described in the new Law [Article 33 (1) (2) (3)], but it appears that the LA's tasks and powers are now conferred to the Secondary Body. In parallel, the LA is transformed into a degraded "Agency" as referred to in the whole text of the Law.

The question which arises is this: how is it possible to have powerful Secondary Bodies whilst the primary bodies (LA) are weakened? Pursuing the logic of powerful LA, the Law does not seem to be in compliance with the strengthening of its role.

In the Articles 36 and 38, the role of the LA is defined as follows: cemetery administration, civil weddings, road names signposting and take up the operation of School Boards.

No clear references are made on the operational approach of the Local Agencies and the resources required, whilst introducing a new provision which enables the Minister of Interior

to intervene, amend and set aside the LA's decisions. The Minister of Interior hitherto had the status of the controller of the decisions' legality.

In general, the philosophy of the Anglo-Saxon system with a longstanding history in Cyprus, which supports the existence of independent authorities based on the concept of distinction of powers, is now inherited.

Chapter 4: Proposals and researches on Local Authority reform

4.1: International approach to Local Government's reform

For having a more general idea and shape an international approach so as to develop an open-minded critical thinking on LA reform I will give you a brief idea of the various contemporary types of reforms.

The modern history of local government reform began on 1985. Though the root cause of the intensive reform was the economic crisis which began in 2006 and a whole international approach was put in place.

LA reforms in Europe are directed to specific measures like institutional and political changes, the territorial reforms, privatizations, adoption of market methods and more generally, methods and techniques of the New Public Management (NPM). Though, LA reform can have too many forms and combinations based on each country's particular characteristics (jurisdiction, population, legal status, multipurpose or single purpose, nature, territorial variances, culture, and local services provision).

Reform can be used for three different purposes as follows:

- (a) **Problem solving:** Problems are temporary, without depth and short term.
- (b) **Need for change:** Changes have broader dimension and need an integrated approach. The transition process can reserve surprises and re-planning.
- (c) **A big organized and methodological effort with strategic objectives.** This kind of reform is unclear from the beginning. The given data may not be as they seem and the future is based on rough unverified statistical data. The transition process reserves surprises and revisions for sure. This is the reform we are going to focus and analyze.

The most widespread reforms in use are the following:

1. Traditional reforms

1.1. Territorial reform: Successful examples of territorial reforms are recorded in Denmark, Germany, Holland and Sweden. Territorial reform is a good practice as it is based on rationalization of the levels of government (abolish of the old individual levels and creation of new ones). The abolishment of individual levels of government leads to the structures' simplification which indirectly influences the procedures for decision taking and implementation, whilst this entails resource saving and encouragement of development through the reduction of the bureaucratic and managerial costs. On the other side, the development of new integrated levels of government favors the organizational functioning and the coordination of public policies such as economic development, environmental protection, water management etc. Combining the above mentioned it is clear that such a model contributes to the rationality and efficiency in the functioning within the municipalities. In consequence, powers and resources are transferred to larger and more organized municipalities, thus reinforce the LA which is ready to meet the citizens' continuously augmenting needs for service provision.

On the following figure we can see the reduction of municipalities of the OECD (Organization for Economic and Co-Operation and Development) countries after the territorial reform.

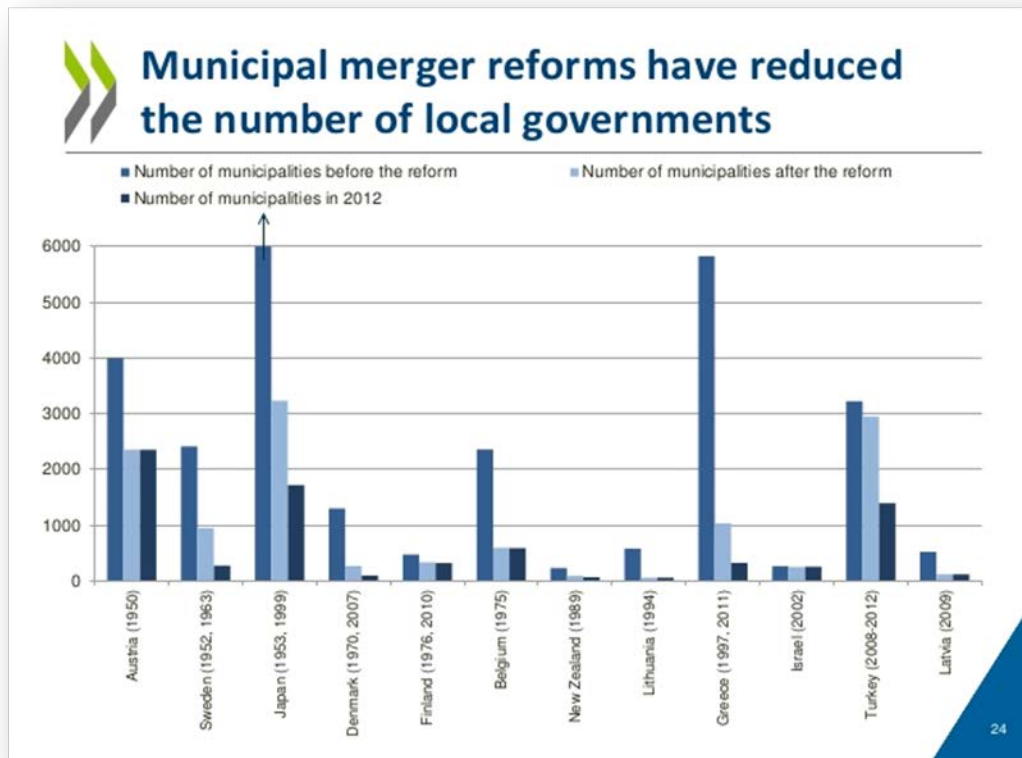


Figure 4.1. *Municipal merger reforms have reduced the number of local governments*, Urban Trends and Challenges in OECD countries, November 2014¹⁵

Noteworthy, is the case of Denmark in 2007. In Denmark reform's, the target was the improvement of capacity argument. The term "capacity argument" includes professional argument (decision making capacity and ability to attract qualified staff), implementation capacity (legislation implementation), efficiency (high quality service in low cost) and economic capacity (adaptation to new socio-economic situations).

During the reform in Denmark, the IMC was no longer applicable as it was considered undemocratic. The number of municipalities was shortened from 275 to 98, with an average rate of population 55,000. The expenditures were reduced and economic stability was achieved.

¹⁵ Fig. 4.1. Kaplanis. I., 6 November 2014, *Urban Trends and challenges in OECD countries*. Available from: < <http://www.slideshare.net/OECD-GOV/urban-trendsandchallengesinoecdcountriesl> > (slide 24 of 30)

According to Local Government Denmark (2009) “the prevailing objectives of reforms (in Denmark) have been to make the local government system more efficient providing a safeguard against the increasing future challenges – domestic and foreign. The challenges are seen as being related to the continued ability to attract investments, being able to create good conditions for local economic development, being able to provide good education possibilities and a nice environment for business managers and the local population to live in, being able to provide public services at a high quality for a low price, being able to represent Danish municipalities internationally, and to integrate international development in the strategic development of municipalities so they remain competitive. ¹⁶”

The major innovations of the reform were the following:

- New governmental authorities were introduced which supported and evaluated the municipalities, and promoted innovation
- Motivated them for new technologies development
- Implementation of E-government for the faster and online communication between citizens and municipality
- Introduction of a new accounting system and financial indicators

1.2. IMC: This kind of reform can be combined with territorial reform. Successful models of IMC are Poland, Czech Republic and France. This model of reform can be successful in the cases of small LAs, which don't have the needed “infrastructures” and resources for satisfying citizens' needs. In such a case, the common use of resources and expenditure for the development of a common effort of the two or even more parts, allows the development of actions which otherwise would be impossible. In addition, the IMC offers the exchange of know-how and experiences between the participants.

IMC process has four phases and fourteen steps that need to be considered as presented in the following figure.

¹⁶ Local Government Denmark (LGDK), (2009), “*The Danish Local Government System*”, [Online]. Available: [http://www.kl.dk/ImageVaultFiles/id_38221/cf_202/Background_Paper - Local Government in Denmark.PDF](http://www.kl.dk/ImageVaultFiles/id_38221/cf_202/Background_Paper_-_Local_Government_in_Denmark.PDF)

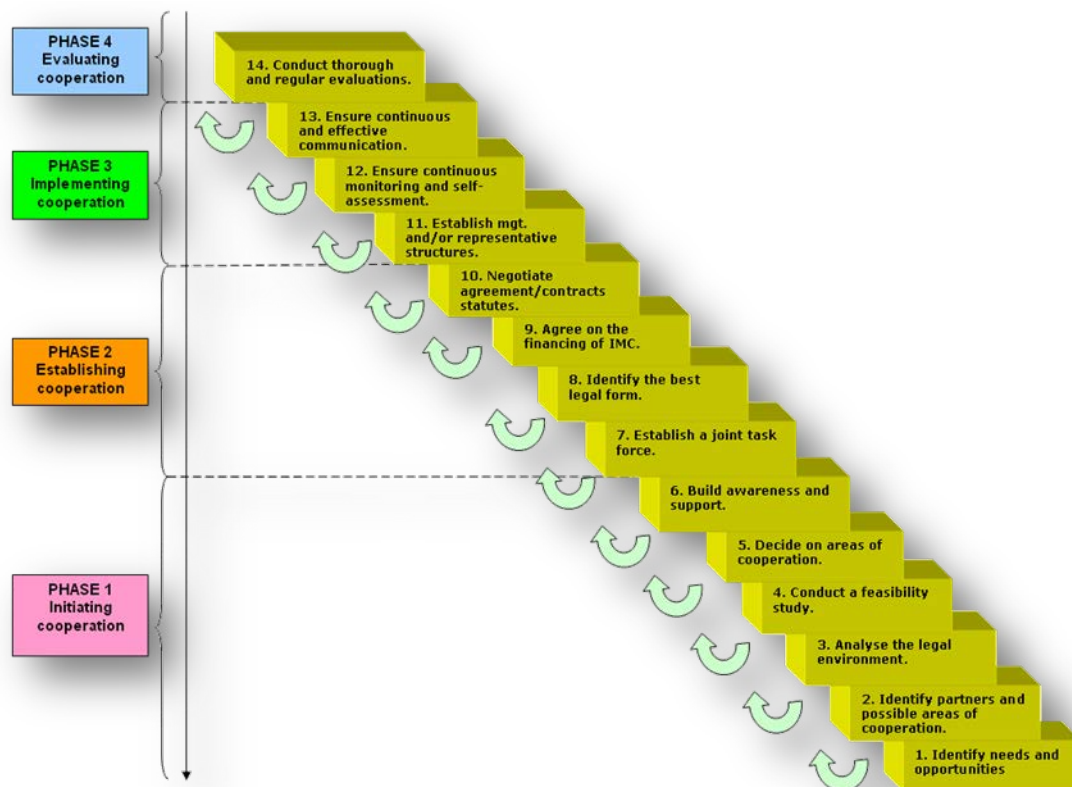


Figure 4.2. *The IMC steps ladder*, Establishing IMC from municipal cooperation, (2009)¹⁷

Based on the above figure we observe that IMC is based on mutual interest, volunteering, awareness, healthy cooperation, negotiation, flexibility, communication, sharing and last mutual control.

The case of France is particularly worth highlighting. In the framework of IMC, beyond common service delivery, France promoted fiscal solidarity under the single business tax regime, enabling local economic development and eliminating competition between municipalities. In addition, services were reorganized leading to quality services' improvement.

¹⁷ Fig. 4.2. *Establishing IMC*. Available: http://www.municipal-cooperation.org/index.php?title=Establishing_IMC [2015, May]

2. New public management

The term “New Public Management” (NPM) was coined by Christopher Hood in his article “A Public Management for All Seasons?” “The theory of NPM contains the insights from game theory and the disciplines of law and economics.¹⁸” NPM management is output oriented and relates a wide range of measures, such as measuring results, costs and benefits pursuing quality and Total Quality Management. Private sector’s management practices are endorsed to public management as it is alleged that there is no difference between private and public management. Therefore there is no reason of differentiation between the techniques and methods of public and private management. “In order for public sectors of the developing countries to perform well it is evidenced by the developed countries that these countries need to eliminate bureaucracy, promote decentralization, partner with private sector, and make the public sector market oriented to improve economic performance. These reforms are the elements of NPM successfully adopted by the developed countries.¹⁹”

United Kingdom is the first European country which applied the concepts of NPM. “The Britain during the Thatcher’s administration was the first country which initiated privatization of public enterprises thereby being in the forefront of NPM adoption²⁰”.

Take a look on the figure 4.3 where you can see the differences between the traditional administrative management and NPM administrative management. On the one hand the traditional administrative management reflects the obsolescence, conservative, and inadequate existing system and on the other hand, NPM reflects the vision of a

¹⁸ Lane J. E, (2002), “*New Public Management*”, [Online], Available: https://books.google.com.cy/books?id=wqWCAgAAQBAJ&pg=PA3&lpg=PA3&dq=The+theory+of+new+public+management+contains+the+insights+from+game+theory+and+the+disciplines+of+law+and+economics&source=bl&ots=qPKxnCv6-B&sig=Cj5EcH60dn_pKMo1pBKKXKgzIQs&hl=el&sa=X&ei=2b5EVfLKFsjcaKTigYgC&ved=0CB4Q6AEwAA#v=onepage&q=The%20theory%20of%20new%20public%20management%20contains%20the%20insights%20from%20game%20theory%20and%20the%20disciplines%20of%20law%20and%20economics&f=false [2015, April]

¹⁹ Puttaswamy V. (2015), Is NMP approaches appropriate or not to the needs of developing countries?, [Online], Available: http://www.academia.edu/3401723/IS_NPM_APPROACHES_APPROPRIATE_OR_NOT_TO_THE_NEEDS_OF_DEVELOPING_COUNTRIES

²⁰ Ibid.

modernized administrative system focused on citizens' satisfaction, accountability improvement and decentralization.

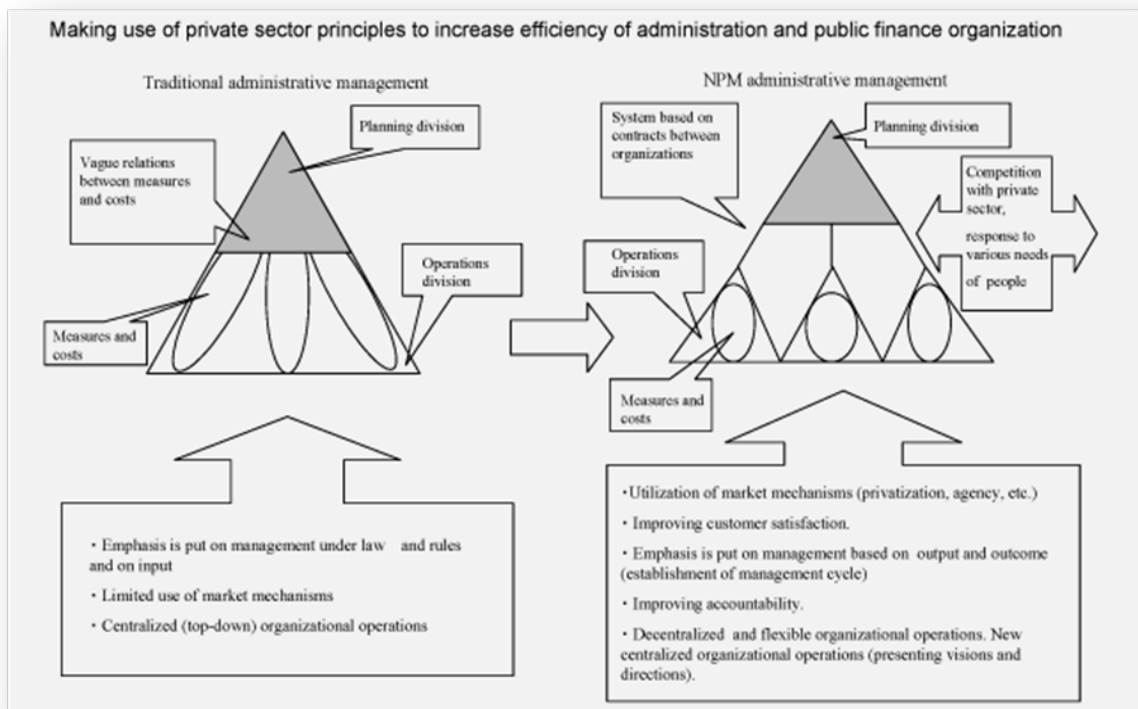


Figure 4.3. Administrative System Concept under New Public Management (NPM)²¹

2.1 Cooperation with the private sector (outsourcing)

Successful are proven the efforts of Eastern Europe countries (Poland, Lithuania, Czech Republic, Bulgaria and Rumania) and France, to collaborate with the private sector as a type of reform. Cooperation with the private sector can play a constructive role with a view to give the chance to LA to put to good use the know-how and the funds of the private sector. Consequently, it is a lever for the development of LA and contributes to the improvement of services' quality and of the level of covering citizens' needs.

²¹ Figure 4.3. Administrative System Concept under New Public Management (NPM). Available from: <http://www5.cao.go.jp/zenbun/wp-e/wp-je03/03-3-3-09z.html> [2015, April]

2.2 Collaboration with non-governmental organizations

The collaboration of LA with non-governmental organizations is really intensive in countries where non-governmental organizations are rapidly developed and undertakes a significant role as far as it concerns the social services supply, such as France, Germany and Sweden. In those countries, the non-governmental organizations cover the weaknesses of the Central and Local Government on the sector of environment and social protection/provision, and LAs on their turn utilize the high level of know-how. Such cooperation provides added value to citizens.

2.3 Participatory reforms

Participatory reforms attach particular importance on the recovery of political credibility and in general the efficiency of LA through citizens' mobilization. Establishing such mechanisms and institutions, transparency and accountability are promoted, therefore reinforcing citizens' information and control over the elected representatives. Participatory reforms also promote dialogue, exchange of arguments, the institutionalization of democratic initiatives and the exploitation of new technologies for citizens' participation.

Local referendum is a good practice as it contributes to the re-establishment of citizens' interest and their participation on elections. One of the most spectacular examples is Sweden where citizens engage in local democratic processes. The Swedish local government system is based on strong participatory values, as there are platforms for each one of the municipalities, where citizens may find information and compare their performance on various sectors and services.

In conclusion, traditional reforms took and take place in most of the European countries. Though, there is a trend towards NPM which it is considered the most suitable policy towards administration modernization. According to the academic James P. Pfiffner (2004) "in states

with large public sectors, it encourages privatizing functions, and in states with smaller public sectors it encourages contracting with private organizations for the provision of public goods and services.²²

Last, I would like to pick up on a crucial point of reforms, the transitional cost. According to Benjamin J. Cohen “Each adjustment implies transition, a once-for all phenomenon; and each transition has its own cost, separate and quite distinct from the presumed burden of the new equilibrium obtaining after the transition is complete. That is what he calls the transitional cost of adjustment – in effect, the price of getting from Here to There.²³”. I consider that the transitional cost is inevitable, though a well designed reform package can bring the greatest results and moderate the transitional cost. During the transitional period, outcomes’ estimate and assessment is necessary not only by short term but also long term, macroeconomic indicators. The reform framework must be flexible, interactive and non linear and reform policies shall target to long run benefits, gains and growth potential, so as to be proven successful, and the transition costs remain in the short term. Thus, the transition costs should not constitute an effective deterrent to any kind of reform. As we aforementioned reform is a big organized and methodological effort with strategic objectives and when there is need for reform there is need for change in order to ensure improvement and stability.

4.2: Positions on Local Authority’s reform in Cyprus

It’s been from 2010, 4 years now, that the Cypriot State and the LA’s representatives are trying to find the perfect reform for the LA in Cyprus. In a framework of cooperation with independent experts, various surveys were produced upon request, in order to demonstrate the most suitable reform of the LA which would foster the vision of a more efficient and effective LA.

In this section we will shortly analyze the four most important surveys which constitute the basis for discussion.

²² Pfiffner P. J., (2004), Traditional Public Administration versus The New Public Management: Accountability versus Efficiency [Online], Available: http://pfiffner.gmu.edu/files/pdfs/Book_Chapters/NewPublicMgt.doc.pdf

²³ Benjamin J. Cohen, (2005), The Macrofoundation of Monetary Power, [Online], Available: http://cadmus.eui.eu/bitstream/handle/1814/3357/05_08.pdf?sequence=1 (p.11)

(1) Survey on the Reform of the Local Government in Cyprus by the National Centre for Public Administration and Local Government (EKDDA – Greece)

The Survey on the Reform of the Local Government in Cyprus by the National Centre for Public Administration and Local Government (EKDDA) of Greece is dated on January 2010.

The Union of Cyprus Municipalities and Union of Cyprus Communities commissioned a study carried out by experts from the EKKDA within the framework of the Local Government's reform. The survey was based on a SWOT analysis of the Local Government which presents the strengths, weaknesses, opportunities and threats, and lists the three alternatives for achieving the vision of the substantial and multidimensional role of the Local Government.

The first scenario is the improvement of the existing functions through IMC, e-government and NPM. The second scenario includes more "soft" reforms such as municipal complexation. And last, the third scenario introduces radical changes such as territorial reform, transfer of powers and sources to Local Government and metropolitan government.

The strategy proposed is the design and implementation of a tenth reform program based on common will and social consent. The principles of the program are proximity to citizens, accessibility, services' quality, universality, subsidiarity and popular participation on local matters. The targets of the reform are the following:

1. Decentralization, reconstruction and reinforcement of the Local Government
2. Operational modernization and the improvement of management and human resource management
3. Expansion of the role of the Local Government
4. Upgrade of the relations between Local Government, Central Government and the citizens
5. Improvement/simplification of the regulatory framework, the logistical support and legitimacy
6. Development of a new Development and Land Planning Framework

7. Establishment of Regional Councils with the mission to participate in the development programming and harmonization of planning stages.

The program was supposed to begin on 2010 and be completed on 2021, “including a preparatory phase that was envisaged to last one year (2010-2011) and two main phases corresponding to the next two municipal terms (2012-2016 and 2017-2021)²⁴”.

(2) Survey on Local Government Reform in Cyprus by the National School of Government International (NSGI –UK)

The Survey on the Local Government Reform in Cyprus by the National School of Government International (NSGI) is dated on April 2014 and was produced upon request of the Cypriot Government.

According to the British report, there are two alternatives for the reform of the local government which will strengthen the efficiency, effectiveness and responsiveness of the municipal sector.

Option A introduces 5 new elected bodies that will be called District Councils, one for each district, and “will take on all services currently exercised by District Offices, together with the 15 specified services which it is agreed will transfer from central government.²⁵” District Councils will be supported by “first tiers” which will be comprised by LA’s elected representatives. In that way, the citizens’ empowerment and engagement will be ensured.

Option B suggests “the formation of 10 tier authorities of roughly equal size in terms of population, which will take on the 15 functions transferred from Central Government and local government functions currently exercised by District Offices”.

The British experts’ opinion clearly recommends the implementation of option A, considered as the best way which will lead to a successful model of service provision.

²⁴ National Centre for Public Administration and Local Government (EKDDA) of Greece, (2010), “*Survey on the Reform of the Local Government in Cyprus*”, p.34

²⁵ National School of Government International (NSGI), (2014), “*Local Government Reform in Cyprus: Final Options Report*”, p.10

(3) Survey on Local Government Reform in Cyprus by Notoria Srl (Italy)

The Survey on the Local Government Reform in Cyprus by Notoria Srl (Italy) is dated on July 2014 and was produced upon request of the Union of Cyprus Municipalities.

The survey is based on the 30 municipalities (excluding the 9 occupied municipalities) as regards the following points:

- the assessment of the procedures of the nine basic services provided by municipalities [(1) waste/refuse collection and disposal, (2) lighting of streets and traffic lights, (3) maintenance of municipal road network, (4) green areas' maintenance, (5) health services and issue of professional licenses (6) building permits and construction licenses, (7) traffic police, (8) public parking places, (9) tourism, cultural and archaeological sites]
- Economic data collection, functional problems detection and identification of weaknesses on organization and management
- Proposals on the improvement of the services provision procedures (improvement and increase of productivity and expenditures streamlining)

Notoria Srl adopted the Lean Six Sigma method for the performance of the study. Lean Six Sigma method is known at the communities for the quality improvement and it derives from Toyota's environment. "Lean Six Sigma is a two staged business approach to continual improvement which focuses on reducing waste and product variation from manufacturing, service or design processes. Lean refers to maximizing customer value and minimizing waste; creating more value for customers with less wasted resources. Six Sigma is the on-going effort to continually reduce process and product variation through a defined project approach.²⁶" This method was developed in 1950 and it was first applied from General

²⁶ BSI Group, *Lean Six Sigma, A guide to business improvement and certification*, [Online], Available: <https://www.bsigroup.com/Documents/lean-six-sigma/resources/training/ISO-13053-Six-Sigma-BSI-Training-Sales-Brochure.pdf>

Electric. Today it is considered a commonly acceptable method for the improvement of every kind of procedure.



Figure 4.4. *Lean + Six Sigma = Lean Six Sigma*, The Basics of Lean Six Sigma ²⁷

The Italian experts, giving a technological and economic study, they analyze three scenarios for the modernization and reform of the LA in Cyprus.

- (1) Cooperation between municipalities
- (2) Clustering
- (3) Mergers/reduction of municipalities (from 30 to 22) and communities

The study, emphasizes, examines and analyzes the second option, the clustering in combination with the third option, the reduction of municipalities from 30 to 22. It is proposed as the reform that will lead to the direct improvement of municipal services and citizens' satisfaction, in combination with expenses streamlining. Notoria Srl suggests that clustering can offer financial self-sufficiency and in consequence, economic independence. Cooperation through clustering will promote a new culture of coexistence, and a new way of problem solving. The Italian experts estimate that such a reform will take two years to be accomplished.

²⁷ Figure 4.4. *Lean + Six Sigma = Lean Six Sigma*. Available from: https://goleansixsigma.com/wp-content/uploads/2012/02/The-Basics-of-Lean-Six-Sigma-www.GoLeanSixSigma.com_.pdf [2015, April]

(4) Survey on Local Government Reform in Cyprus by the Municipal Secretaries Association of Cyprus

The Municipal Secretaries Association of Cyprus, considering their responsibility to contribute to the effort of achieving the best reform for the LA's future, decided on its own initiative to initiate a study on LA reform.

Their approach on reform is based on the following five pillars:

(1) Responsibilities/competences

Municipalities' more active engagement is recommended, especially on culture and sports and they suggest the inclusion of School Boards. Environment agency must be established, which will be responsible for health checks. The supervision of leisure centers and social provision must lie within their responsibility.

(2) Geographic redistribution

They suggest the creation of new regional authorities with coordinating role and with no hierarchical link between them and LA.

(3) Functioning

The scenario put forward is the introduction of corporate governance's provisions and performance indicators must be used. A new system of staff's assessment and the amendment of recruitment and promotion processes are proposed. Organizational structure needs modernization and support e-government.

(4) Geographical redistribution

Municipalities' number must be reduced from 30 to 14.

(5) Economic dimension

Municipalities' economics suffer significantly from the reduction of government sponsorship and grants. New revenue resources must be found and maladministration must be put to an end.

The basic idea of the Municipal Secretaries is the strong decrease of the municipalities' number and the takeover of new responsibilities which make municipalities' role more social.

In conclusion, after having a clear image of the reform types and the studies on Cyprus LA's reform, we will say a brief word on the study which was selected to be the basis of the preliminary version of the Law. It is obvious that the Ministry of Interior adopted the British's survey, the Option A. We must note that this survey was made on a theoretical framework, as it is not supported by an economic study. In addition, the recommended option (Option A) was adopted by the Ministry of Interior, without undertaking a feasibility study and consulting with the interested parties. How safe can be a reform model when there is not an initial, rough estimation of the results, which would need to be further refined by the Ministry of Interior? Who can reassure that such a plan would prove to be successful?

Chapter 5: The effects following the enactment of the Law

Having reached a general approach on the various positions on the reform of the LA and being aware of the survey adopted by the Ministry of Interior, it is important now to clarify people's and Mayors' / Municipal Secretaries' views on the respective enactment of the Law, turning to the details of the aspects mentioned in the draft Law.

We must not forget that the ultimate objective of reform is to boost the prospects for a recovery, enhance LA's role making it more effective and efficient and achieve economies of scale. But, is this the aim of the Law? Did the experts assess the impact(s) of the enactment of the Law? What are the advantages and disadvantages?

In order to clarify the various opinions on the Law we will analyze the third thematic component of the questionnaires.

5.1: Questionnaire addressed to citizens

As it concerns the questionnaire addressed to citizens we have the following data:

- **Informed about the reform (Question 14)**: The majority of the sample (46%) is quite a lot informed about the reform and 28% is somewhat informed. 13% is very much informed that LA is in the process of being reformed whilst 13% is very little informed. (Table 5.1.1)

Informed	Number	Percentage
Very much	12	13
Quite a lot	41	46
Somewhat	25	28
Very little	12	13
Not at all	0	0
Grand Total	90	100

Table 5.1.1: Informed about the reform

- Information resource (Question 15):** People’s most common information resource appears to be the web as 56% of the sample stated that the web is one of their resources of information. 36% supports that it is informed on the reform by the press, whilst 22% has chosen the radio and 46% the television. 14% has been present on municipalities’ information meetings and 21% on information days organized by guilds. 10% intended political parties’ information meetings. 7% has chosen the option “other”. (Table 5.1.2) We must note that this question was a multiple choice question allowing more than one answer choices.

Information resource	Number	Percentage
Web	50	56
Press	32	36
Radio	20	22
Television	41	46
Municipalities’ information meetings	13	14
Political parties’ information days	9	10
Guilds’ information days	19	21
Other	6	7
Grand Total	-	-

Table 5.1.2: Information resource

- Necessity of reform (Question 16):** The majority of the sample 47% agrees that the LA’s reform is necessary and 41% strongly believes that the reform is needed. 10% neither agrees nor disagrees which means that does not take any specific position on the subject and 2% disagrees with the necessity of reform. Nobody replied that strongly disagrees. (Table 5.1.3)

Reform necessity	Number	Percentage
Strongly agree	37	41
Agree	42	47
Neither agree nor disagree	9	10
Disagree	2	2
Strongly disagree	0	0
Grand Total	90	100

Table 5.1.3: Reform necessity

- **Awareness on the draft Law (Question 17):** The majority of the sample 42% is quite a lot aware of the draft Law and 29% is somewhat aware. 12% is very much aware of the context of the draft Law whilst 17% is very little aware. (Table 5.1.4)

Awareness on the draft Law	Number	Percentage
Very much	11	12
Quite a lot	38	42
Somewhat	26	29
Very little	15	17
Not at all	0	0
Grand Total	90	100

Table 5.1.4: Awareness on the draft Law

- **Agree or Disagree with the draft Law (Question 18):** The majority of the sample 42% disagrees with the context of the draft Law and 12% strongly disagrees. 29% neither agrees nor disagrees with it. 14% agrees with it and 3% strongly agrees with its context. (Table 5.1.5)

Agree / Disagree with the Draft Law	Number	Percentage
Strongly agree	3	3
Agree	13	14
Neither agree nor disagree	26	29
Disagree	37	42
Strongly disagree	11	12
Grand Total	90	100

Table 5.1.5: Agree / Disagree with the Draft Law

- **Main reason of the Reform (Question 19):** The majority of the sample (33%) considers that the reason of reform is a requirement set by Troika, and 28% support that the reason is a financial one. 22 % believes that reform aims the efficiency's increase and the services' quality improvement, while 16% supports that the reform is connected to political reasons. 1% does not support any of the above reasons and believes that there are other reasons. (Table 5.1.6)

It is worth mentioning the following reply that was registered in the option "other"; "The LA in Cyprus is not LA". This answer demonstrates the deep indignation and disappointment of the citizen.

Reform's reasons	Number	Percentage
Economic reasons	25	28
Requirement set by Troika	30	33
Political reasons	14	16
Increase of efficiency and services' quality	20	22
Other	1	1
Grand Total	90	100

Table 5.1.6: Reform's reasons

- Voting of the Law (Question 20):** At the question whether they consider that The House of Representatives will vote in favor of the Law, the majority of the sample (56%) answered “yes”. The remaining 44% believes that the House of Representatives will vote against it. (Table 5.1.7)

Vote in favor of the Law	Number	Percentage
Yes	50	56
No	40	44
Grand Total	90	100

Table 5.1.7: Vote in favor of the Law

- Impact(s) from the enactment of the Law (Question 21):** At the question what will be the impact(s) from the enactment of the Law, the majority of the sample (76%) estimates that the impact(s) will be both positive and negative. The remaining 24% is equally split between positive, and negative. (Table 5.1.8)

Impact(s) from the enactment of the Law	Number	Percentage
Positive	11	12
Positive and negative	68	76
Negative	11	12
Grand Total	90	100

Table 5.1.8: Impact(s) from the enactment of the Law

- Impact(s) on customer service [Question 22(1)]:** At the question what will be the impact(s) from the enactment of the Law on customer service, the majority of the sample (37%) estimates that the impact(s) will be both positive and negative. 30% considers that the customer service will be improved and 2% that the impact(s) will be absolutely positive. Though 20% evaluates that the impact(s) will be negative and 11% absolutely negative. [Table 5.1.9(1)]

Impact(s) on customer service	Number	Percentage
Absolutely Positive	2	2
Positive	27	30
Positive and Negative	33	37
Negative	18	20
Absolutely negative	10	11
Grand Total	90	100

Table 5.1.9(1): Impact(s) on customer service

- **Impact(s) on staff productivity [Question 22(2)]**: At the question how the enactment of the Law will influence staff productivity, the majority of the sample (41%) estimates that the impact(s) will be both positive and negative. 32% believes that the staff productivity will be improved and 6% that the impact(s) will be absolutely positive. Though 18% evaluates that the impact(s) will be negative and 3% absolutely negative. [Table 5.1.9(2)]

Impact(s) on staff productivity	Number	Percentage
Absolutely Positive	5	6
Positive	29	32
Positive and Negative	37	41
Negative	16	18
Absolutely negative	3	3
Grand Total	90	100

Table 5.1.9(2): Impact(s) on staff productivity

- **Impact(s) on servicescape (totality of the ambience and physical environment in which a service occurs) [Question 22(3)]** At the question what will be the impact(s) from the enactment of the Law on servicescape, the majority of the sample 42% evaluates that the

impact(s) will be both positive and negative. 31% considers that the servicescape will be improved and 3% that the impact(s) will be absolutely positive. Though 18% estimates that they will be negative and 6% absolutely negative. [Table 5.1.9(3)]

Impact(s) on servicescape	Number	Percentage
Absolutely Positive	3	3
Positive	28	31
Positive and Negative	38	42
Negative	16	18
Absolutely negative	5	6
Grand Total	90	100

Table 5.1.9(3): Impact(s) on servicescape

- Impact(s) on waste collection and disposal [Question 22(4)]:** The majority of the sample 46% estimates that the impact(s) on waste collection and disposal will be positive and 10% believes that they will be absolutely positive. 36% estimates that impact(s) will be both positive and negative whilst 7% supports that they will be negative and 1% absolutely negative. [Table 5.1.9(4)]

Impact(s) on waste collection and disposal	Number	Percentage
Absolutely Positive	9	10
Positive	41	46
Positive and Negative	32	36
Negative	7	7
Absolutely negative	1	1
Grand Total	90	100

Table 5.1.9(4): Impact(s) on waste collection and disposal

- Impact(s) on street lighting [Question 22(5)]:** The majority of the sample (46%) estimates that the impact(s) on street lighting will be positive and 7% considers that they will

be absolutely positive. 35% supports that impact(s) will be both positive and negative, whilst 11% supports that they will be negative and 1% absolutely negative. [Table 5.1.9(5)]

Impact(s) on street lighting	Number	Percentage
Absolutely Positive	6	7
Positive	41	46
Positive and Negative	32	35
Negative	10	11
Absolutely negative	1	1
Grand Total	90	100

Table 5.1.9(5): Impact(s) on street lighting

- Impact(s) on road maintenance [Question 22(6)]:** The majority of the sample (41%) estimates that the impact(s) on road maintenance will be both positive and negative and 38% believes that they will be positive. 7% evaluates that impact(s) will be absolutely positive whilst 13% supports that they will be negative and 1% absolutely negative. [Table 5.1.9(6)]

Impact(s) on road maintenance	Number	Percentage
Absolutely Positive	6	7
Positive	34	38
Positive and Negative	37	41
Negative	12	13
Absolutely negative	1	1
Grand Total	90	100

Table 5.1.9(6): Impact(s) on road maintenance

- Impact(s) on green areas maintenance [Question 22(7)]:** The majority of the sample (38%) estimates that the impact(s) on green areas maintenance will be both positive and negative and the same percentage considers that they will be positive. 9% evaluates that

impact(s) will be absolutely positive, whilst 12% supports that they will be negative and 3% absolutely negative. [Table 5.1.9(7)]

Impact(s) on green areas maintenance	Number	Percentage
Absolutely Positive	8	9
Positive	34	38
Positive and Negative	34	38
Negative	11	12
Absolutely negative	3	3
Grand Total	90	100

Table 5.1.9(7): Impact(s) on green areas maintenance

- Impact(s) on health services [Question 22(8)]:** The majority of the sample (40%) estimates that the impact(s) on health services will be both positive and negative and 33% supports that they will be positive. 7% of the sample believes that impact(s) will be absolutely positive, whilst 18% supports that they will be negative and 2% absolutely negative. [Table 5.1.9(8)]

Impact(s) on health services	Number	Percentage
Absolutely Positive	6	7
Positive	30	33
Positive and Negative	36	40
Negative	16	18
Absolutely negative	2	2
Grand Total	90	100

Table 5.1.9(8): Impact(s) on health services

- Impact(s) on building permits, operation licenses and alcohol licensing [Question 22(9)]:** The majority of the sample (42%) estimates that the impact(s) on the above sectors will be both positive and negative and 33% supports that they will be positive.

6% of the sample considers that impact(s) will be absolutely positive, whilst 16% supports that they will be negative and 3% absolutely negative. [Table 5.1.9(9)]

Impact(s) on building permits, operation licenses and alcohol licensing	Number	Percentage
Absolutely Positive	5	6
Positive	30	33
Positive and Negative	38	42
Negative	14	16
Absolutely negative	3	3
Grand Total	90	100

Table 5.1.9(9): Impact(s) on building permits, operation licenses and alcohol licensing

- **Impact(s) on technology [Question 22(10)]:** The majority of the sample (41%) estimates that the impact(s) on technology will be both positive and negative, and 39% supports that they will be positive. 6% of the sample believes that impact(s) will be absolutely positive whilst 11% supports that they will be negative and 3% absolutely negative. [Table 5.1.9(10)]

Impact(s) on technology	Number	Percentage
Absolutely Positive	5	6
Positive	35	39
Positive and Negative	37	41
Negative	10	11
Absolutely negative	3	3
Grand Total	90	100

Table 5.1.9(10): Impact(s) on technology

- **Impact(s) on traffic warden services [Question 22(11)]:** The majority of the sample (49%) estimates that the impact(s) on traffic warden will be both positive and negative, and

33% supports that they will be positive. 6% of the sample considers that impact(s) will be absolutely positive, whilst 9% supports that they will be negative and 3% absolutely negative. [Table 5.1.9(11)]

Impact(s) on traffic warden services	Number	Percentage
Absolutely Positive	5	6
Positive	30	33
Positive and Negative	44	49
Negative	8	9
Absolutely negative	3	3
Grand Total	90	100

Table 5.1.9(11): Impact(s) on traffic warden services

- Impact(s) on social services/social welfare [Question 22(12)]:** The majority of the sample (33%) estimates that the impact(s) on social services/social welfare will be both positive and negative, and 32% supports that they will be positive. 2% of the sample believes that impact(s) will be absolutely positive, whilst 22% supports that they will be negative and 10% absolutely negative. [Table 5.1.9(12)]

Impact(s) on social services / social welfare	Number	Percentage
Absolutely Positive	2	2
Positive	29	32
Positive and Negative	30	34
Negative	20	22
Absolutely negative	9	10
Grand Total	90	100

Table 5.1.9(12): Impact(s) on social services/social welfare

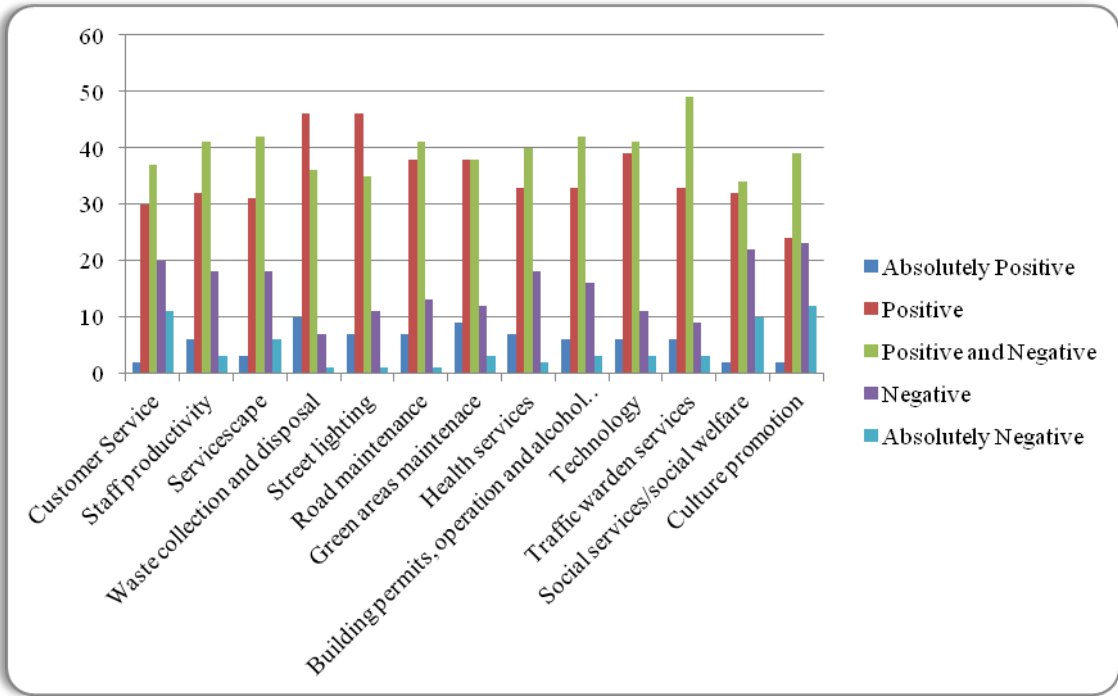
- Impact(s) on culture promotion [Question 22(13)]:** The majority of the sample (39%) estimates that the impact(s) on social culture promotion will be both positive and negative, and 24% supports that they will be positive. 2% of the sample considers that impact(s) will

be absolutely positive, whilst 23% supports that they will be negative and 12% absolutely negative. [Table 5.1.9(13)]

Impact(s) on culture promotion	Number	Percentage
Absolutely Positive	2	2
Positive	21	24
Positive and Negative	35	39
Negative	21	23
Absolutely negative	11	12
Grand Total	90	100

Table 5.1.9(13): Impact(s) on culture promotion

Before moving on, I would like to summarize citizens’ evaluation of impact(s) from the enactment of the Law on the various services provided by the LA as shown on the following bar chart (bar chart 5.1.1). It is clear that the majority of the sample for each topic remains the “positive and negative” depicted as a green bar. In all fields the estimations about positive impact(s) (red bars) are always higher than the estimations of negative impact(s).



Bar Chart 5.1.1: Citizens' impact estimations

- **The proposed draft Law enhances the role of LA (Question 23):** As far as it concerns the question whether the proposed law enhances the role of LA, the majority of the sample (40%) selected the neither agree nor disagree option. 21% considers that the role of LA will be weakened and 13% strongly supports that. A relatively high percentage (18%) supports that its role will be enhanced and 7% strongly supports it. (Table 5.1.10)

LA's role enhancement	Number	Percentage
Strongly agree	6	7
Agree	16	18
Neither agree nor disagree	36	40
Disagree	19	21
Strongly disagree	13	14
Grand Total	90	100

Table 5.1.10: LA's role enhancement

- **The proposed draft Law enhances the connection between the central administration and the LA (Question 24):** 36% neither agrees nor disagrees with the position that the draft Law enhances the connection between the central administration and the LA. 32% agrees with it, whereas 16% disagrees with it. 10% strongly agrees and 6% strongly disagrees. (Table 5.1.11)

Enhancement of the connection between Central administration and LA	Number	Percentage
Strongly agree	9	10
Agree	29	32
Neither agree nor disagree	32	36
Disagree	14	16
Strongly disagree	6	6
Grand Total	90	100

Table 5.1.11: Enhancement of the connection between Central Administration and LA

- **The proposed draft Law enhances/weakens the relationship between citizens and the LA (Question 25):** We must first notice that this question is a dichotomous question and its objective is to screen out which one of the two possibilities collects the majority of the sample. According to the majority (61%) the relation between citizens and the LA is expected to be weakened, whereas 39% supports that the relation between the two will be enhanced. (Table 5.1.12)

Relationship between citizens and LA	Number	Percentage
Enhancement	35	39
Weakening	55	61
Grand Total	90	100

Table 5.1.12: Enhancement / Weakening of the relationship between citizens and LA

- **The proposed draft Law’s targets are strategic vision, modern framework of structures focusing on citizens, and provision of quality and uniform services (Question 26):** The majority of the sample (34%) neither agrees nor disagrees with the view that the Law targets to a modern framework of structures focusing on citizens and the provision of quality and uniform services, in the sense of strategic vision. Relatively high is the percentage that supports this view for 31% and 7% strongly supports it. Whilst 17% disagrees and 11% strongly disagrees. (Table 5.1.13)

Strategic vision, modern framework of structuring focusing on citizens and provision of quality and uniform services	Number	Percentage
Strongly agree	6	7
Agree	28	31
Neither agree nor disagree	31	34
Disagree	15	17
Strongly disagree	10	11
Grand Total	90	100

Table 5.1.13: Law’s targets are strategic vision, modern framework of structures focusing on citizens, and provision of quality and uniform services

- **Economic recovery and expenditure savings (Question 27):** We meet another dichotomous question and according to the answers received, the majority of the sample (71%) considers that according to the changes suggested by the draft Law there will be economic recovery and expenditure savings. The remaining 29% rejects this position. (Table 5.1.14)

Economic recovery and expenditure savings	Number	Percentage
Yes	65	71
No	25	29
Grand Total	90	100

Table 5.1.14: Economic recovery and expenditure savings

- **Elimination of bureaucracy (Question 28):** The majority of the sample (30%) neither agrees nor disagrees that with the establishment of the Secondary Bodies, the bureaucracy will be eliminated. There was a disagreement to this view for 30% and a strongly disagreement for 18%. Only 1% of the sample strongly supports that bureaucracy will be eliminated and 21% simply agrees with it. (Table 5.1.15)

Elimination of bureaucracy	Number	Percentage
Strongly agree	1	1
Agree	19	21
Neither agree nor disagree	27	30
Disagree	27	30
Strongly disagree	16	18
Grand Total	90	100

Table 5.1.15: Elimination of bureaucracy

- **Elimination of political parties' intervention (Question 29):** The majority of the sample (36%) does not believe that with the proposed establishment of Secondary Bodies, Political Parties' intervention will be eliminated. Relatively high is also the percentage that strongly disagrees that the establishment of the Secondary bodies will potentially lead to

elimination of Political Parties’ intervention, for 31%. Only 1% of the sample is strongly positive and 8% agrees with it. Neither agree nor disagree collected 24%. (Table 5.1.16)

Political Parties’ intervention elimination	Number	Percentage
Strongly agree	1	1
Agree	8	8
Neither agree nor disagree	21	24
Disagree	32	36
Strongly disagree	28	31
Grand Total	90	100

Table 5.1.16: Political Parties’ intervention elimination

- Municipal Councilors’ number reduction (Question 30):** The last question of the thematic component is whether citizens consider that with the reduction of Municipal Councilors’ number to 10 maximum (as foreseen by the Law), will lead to negative impact(s) on the role of Municipal Councils and their decisions. The majority of the sample (41%) does not support this view and disagrees with it, whereas 10% strongly disagrees with it. 16% of the sample supports that Municipal Councilors’ number reduction will have negative impact(s) on decisions, and 1% strongly agrees with it. Neither agree nor disagree collected 32%. (Table 5.1.17)

Municipal Councilors’ number reduction – Negative impact(s) on decision making	Number	Percentage
Strongly agree	1	1
Agree	14	16
Neither agree nor disagree	29	32
Disagree	37	41
Strongly disagree	9	10
Grand Total	90	100

Table 5.1.17: Municipal Councilors’ number reduction - Negative impact(s) on decision making

5.2: Questionnaire addressed to Mayors / Municipal Secretaries

As far as it concerns the questionnaire addressed to Mayors/Municipal Secretaries we have the following data:

- Necessity of reform (Question 15):** The majority of the sample 46% agrees that the LA’s reform is necessary and 46% strongly believes that the reform is needed. 8% strongly disagrees. (Table 5.2.1)

Reform necessity	Number	Percentage
Strongly agree	6	46
Agree	6	46
Neither agree nor disagree	0	0
Disagree	0	0
Strongly disagree	1	8
Grand Total	13	100

Table 5.2.1: Reform necessity


- Suggestions and surveys taken into account for the drafting of the Law (Question 16):** This question is a closed format multiple choice question with no limit on multiple answers. The majority of the sample (62%) states that the Survey by the National School of Government known as the British’s Survey was taken into account for the Law drafting. 31% supports that Political Parties’ suggestions have been helpful. Survey by Notoria Srl (Italians’ Survey), Mayors’ suggestions and Municipal Secretaries’ proposal were selected for 8% each. 15% considers that none of the aforementioned contributed to the drafting of the Law and 23% supports the “other” option. In the “other” category the submitted replies are as follows: good administration, the suggestions of the Minister of Interior and other administrative employees, and the Central Commission of the Union of Cyprus Municipalities’ suggestions. (Table 5.2.2)

Suggestions and surveys taken into account for the drafting of the Law	Number	Percentage
Survey by the National School of Government (UK)	8	62
Survey by Notoria Srl (Italy)	1	8
Political Parties' suggestions	4	31
Mayors' suggestions	1	8
Proposal by the Municipal Secretaries Association	1	8
None of the above	2	15
Other	3	23

Table 5.2.2: Suggestions and surveys taken into account for the drafting of the Law

- **Main reform's reason (Question 17):** The present question is a filter question with two levels. The main question is based on Likert response scale and examines whether the sample considers that the main reason of the reform is financial. The majority of the sample (46%) believes that the main reason of reform is a financial one, and 8% strongly supports this view. 23% of the sample neither agrees nor disagrees. 23% disagrees with the opinion that the main reason of the reform is the financial one, and there is no percentage for “strongly disagree” option. For those selecting “disagree” or “strongly disagree” the questionnaire automatically jumps to an open ended question in order to give the reason that they consider to be the main reason of reform (Table 5.2.3).

If you have a look at the reasons that were given in the box under the Table 5.2.3, you will be surprised by the reason number 6. Someone had the courage and willingness to uncover one of the main reasons that led to the difficult situation being experienced by the LA.

Economic reason	Number	Percentage
Strongly agree	1	8
Agree	6	46
Neither agree nor disagree	3	23
Disagree 	3	23
Strongly disagree	0	0
Grand Total	90	100

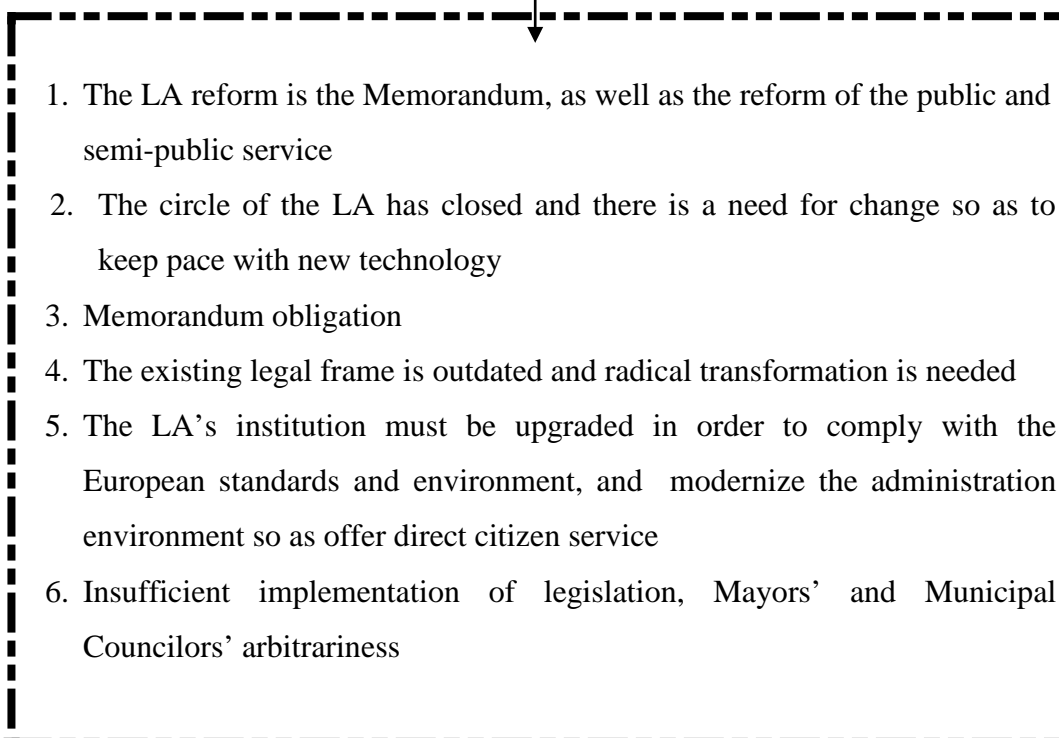
- 
1. The LA reform is the Memorandum, as well as the reform of the public and semi-public service
 2. The circle of the LA has closed and there is a need for change so as to keep pace with new technology
 3. Memorandum obligation
 4. The existing legal frame is outdated and radical transformation is needed
 5. The LA's institution must be upgraded in order to comply with the European standards and environment, and modernize the administration environment so as offer direct citizen service
 6. Insufficient implementation of legislation, Mayors' and Municipal Councilors' arbitrariness

Table 5.2.3: Reform's reasons

- **Voting of the Law (Question 18)**: At the question whether they consider that The House of Representatives will vote in favor of the Law, the majority of the sample (54%) answered “yes”. The remaining 46% supports that the House of Representatives will vote against it. (Table 5.2.4)

Vote in favor of the Law	Number	Percentage
Yes	7	54
No	6	46
Grand Total	13	100

Table 5.2.4: Vote in favor of the Law

- **Citizens’ opinion on the draft Law (Question 19):** This question examines how Mayors/Municipal Secretaries perceive citizens’ opinion on the reform, whether they agree or disagrees with it. The majority of the sample (54%) believes that citizens agree with the reform and 8% that they strongly agree. 23% supports that citizens neither agree nor disagree, whereas 15% that they disagree with the reform. Zero percentage goes for “strongly disagree”. (Table 5.2.5)

Perception on Citizens Agreement / Disagreement with Reform	Number	Percentage
Strongly agree	1	8
Agree	7	54
Neither agree nor disagree	3	23
Disagree	2	15
Strongly disagree	0	0
Grand Total	13	100

Table 5.2.5: Perception on citizens’ agreement / disagreement with reform

- **Draft Law’s compliance with the European Charter of Local Self-Government (Question 20):** The majority of the sample (63%) does not believe that the draft Law complies with the provisions of the European Charter of Local Self-Government and 15% neither agrees nor disagrees with it. 7% of the sample believes that the draft Law does comply with the European Charter and 7% strongly supports that. Though 8% strongly disagrees with it. (Table 5.2.6)

Draft Law's compliance with the European Charter of Local Self Government	Number	Percentage
Strongly agree	1	7
Agree	1	7
Neither agree nor disagree	2	15
Disagree	8	63
Strongly disagree	1	8
Grand Total	13	100

Table 5.2.6: Draft Law's compliance with the European Charter of Local Self Government

- **Impact(s) from the enactment of the Law (Question 21):** At the question what will be the impact(s) from the enactment of the Law, the majority of the sample (54%) estimates that the impact(s) will be both positive and negative. 31% of the sample supports that the impact(s) will be negative and only 15% believe that the impact(s) will be positive. (Table 5.2.7)

Impact(s) from the enactment of the Law	Number	Percentage
Positive	2	15
Positive and negative	7	54
Negative	4	31
Grand Total	13	100

Table 5.2.7: Impact(s) from the enactment of the Law

- **Impact(s) on customer service [Question 22(1)]:** At the question what will be the impact(s) from the enactment of the Law on customer service, the majority of the sample (38%) estimates that the impact(s) will be negative and 23% absolutely negative. 8% considers that the customer service will be improved and 8% that the impact(s) will be absolutely positive. 23% supports that the impact(s) on customer service will be both positive and negative [Table 5.2.8(1)]

Impact(s) on customer service	Number	Percentage
Absolutely Positive	1	8
Positive	1	8
Positive and Negative	3	23
Negative	5	38
Absolutely negative	3	23
Grand Total	13	100

Table 5.2.8(1): Impact(s) on customer service

- **Impact(s) on staff productivity [Question 22(2)]:** At the question how the enactment of the Law may influence staff productivity, the majority of the sample (46%) estimates that the impact(s) will be both positive and negative. 23% believes that the staff productivity will be improved and 8% that the impact(s) will be absolutely positive. Though 23% evaluates that the impact(s) will be negative and 0% absolutely negative. [Table 5.2.8(2)]

Impact(s) on staff productivity	Number	Percentage
Absolutely Positive	1	8
Positive	3	23
Positive and Negative	6	46
Negative	3	23
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(2): Impact(s) on staff productivity

- **Impact(s) on servicescape (totality of the ambience and physical environment in which a service occurs) [Question 22(3)]:** At the question what may be the impact(s) from the enactment of the Law on servicescape, the majority of the sample (46%) estimates that the impact(s) will be both positive and negative. 15% considers that the servicescape will be improved and 39% that the impact(s) will be negative. No replies were received for “absolutely negative” and absolutely positive”. [Table 5.2.8(3)]

Impact(s) on servicescape	Number	Percentage
Absolutely Positive	0	0
Positive	2	15
Positive and Negative	6	46
Negative	5	39
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(3): Impact(s) on servicescape

- **Impact(s) on waste collection and disposal [Question 22(4)]:** The majority of the sample (54%) estimates that the impact(s) on waste collection and disposal will be both positive and negative, and 46% believes that they will be positive. 0% goes for absolutely positive, negative and absolutely negative. [Table 5.2.8(4)]

Impact(s) on waste collection and disposal	Number	Percentage
Absolutely Positive	0	0
Positive	6	46
Positive and Negative	7	54
Negative	0	0
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(4): Impact(s) on waste collection and disposal

- **Impact(s) on street lighting [Question 22(5)]:** The majority of the sample (54%) estimates that the impact(s) on street lighting will be both positive and negative, and 39% considers that they will be positive. Only 7% evaluates that impact(s) will be negative whilst nobody supports that they will be absolutely negative or absolutely positive. [Table 5.2.8(5)]

Impact(s) on street lighting	Number	Percentage
Absolutely Positive	0	0
Positive	5	39
Positive and Negative	7	54
Negative	1	7
Absolutely negative	0	0
Grand Total	90	100

Table 5.2.8(5): Impact(s) on street lighting

- **Impact(s) on road maintenance [Question 22(6)]:** The majority of the sample (62%) estimates that the impact(s) on road maintenance will be both positive and negative and 15% considers that they will be positive. Instead, 23% evaluates that impact(s) will be negative. [Table 5.2.8(6)]

Impact(s) on road maintenance	Number	Percentage
Absolutely Positive	0	0
Positive	2	15
Positive and Negative	8	62
Negative	3	23
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(6): Impact(s) on road maintenance

- **Impact(s) on green areas maintenance [Question 22(7)]:** The majority of the sample (54%) estimates that the impact(s) on green areas maintenance will be both positive and negative and only 15% supports that they will be positive. 31% evaluates that impact(s) will be negative. No answers were given for “absolutely positive” and “absolutely negative”. [Table 5.2.8(7)]

Impact(s) on green areas maintenance	Number	Percentage
Absolutely Positive	0	0
Positive	2	15
Positive and Negative	7	54
Negative	4	31
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(7): Impact(s) on green areas maintenance

- **Impact(s) on health services [Question 22(8)]:** The majority of the sample (62%) estimates that the impact(s) on health services will be both positive and negative and 23% supports that they will be positive. 15% of the sample believes that impact(s) will be negative. [Table 5.2.8(8)]

Impact(s) on health services	Number	Percentage
Absolutely Positive	0	0
Positive	3	23
Positive and Negative	8	62
Negative	2	15
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(8): Impact(s) on health services

- **Impact(s) on building permits, operation licenses and alcohol licensing [Question 22(9)]:** The majority of the sample (84%) estimates that the impact(s) on the above sectors will be both positive and negative and the remaining 16% equally split into positive and absolutely negative impact(s). [Table 5.2.8(9)]

Impact(s) on building permits, operation licenses and alcohol licensing	Number	Percentage
Absolutely Positive	0	0
Positive	1	8
Positive and Negative	11	84
Negative	0	0
Absolutely negative	1	8
Grand Total	13	100

Table 5.2.8(9): Impact(s) on building permits, operation licenses and alcohol licensing

- **Impact(s) on technology [Question 22(10)]:** The majority of the sample (46%) estimates that the impact(s) on technology will be both positive and negative, and 39% supports that they will be positive. 15% of the sample considers that impact(s) will be negative whilst the two other options got 0%. [Table 5.2.8(10)]

Impact(s) on technology	Number	Percentage
Absolutely Positive	0	0
Positive	5	39
Positive and Negative	6	46
Negative	2	15
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(10): Impact(s) on technology

- **Impact(s) on traffic warden services [Question 22(11)]:** The majority of the sample (46%) estimates that the impact(s) on traffic warden will be positive and 39% supports that they will be both positive and negative. 15% of the sample believes that impact(s) will be negative. [Table 5.2.8(11)]

Impact(s) on traffic warden services	Number	Percentage
Absolutely Positive	0	0
Positive	6	46
Positive and Negative	5	39
Negative	2	15
Absolutely negative	0	0
Grand Total	13	100

Table 5.2.8(11): Impact(s) on traffic warden services

- **Impact(s) on social services/social welfare [Question 22(12)]:** The majority of the sample (61%) estimates that the impact(s) on social services/social welfare will be both positive and negative, and 23% supports that they will be positive. 8% of the sample considers that impact will be negative and 8% supports that they will be absolutely negative. [Table 5.2.8(12)]

Impact(s) on social services / social welfare	Number	Percentage
Absolutely Positive	0	0
Positive	3	23
Positive and Negative	8	61
Negative	1	8
Absolutely negative	1	8
Grand Total	13	100

Table 5.2.8(12): Impact(s) on social services/social welfare

- **Impact(s) on culture promotion [Question 22(13)]:** The majority of the sample (61%) estimates that the impact(s) on social culture promotion will be both positive and negative. and 23% supports that they will be positive. 8% of the sample believes that impact(s) will be negative and 8% absolutely negative. [Table 5.2.8(13)]

Impact(s) on culture promotion	Number	Percentage
Absolutely Positive	0	0
Positive	3	23
Positive and Negative	8	61
Negative	1	8
Absolutely negative	1	8
Grand Total	13	100

Table 5.2.8(13): Impact(s) on culture promotion

- **Impact on income and expenditure balance [Question 22(14)]:** The majority of the sample (70%) estimates that the impact(s) on income and expenditure balance will be both positive and negative, and the remaining 30% splits into positive and absolutely positive impact(s). Important is that fact that no negative answer was received. [Table 5.2.8(14)]

Impact on income and expenditure balance	Number	Percentage
Absolutely Positive	2	15
Positive	2	15
Positive and Negative	9	70
Negative	0	0
Absolutely negative	0	0
Grand Total	13	100

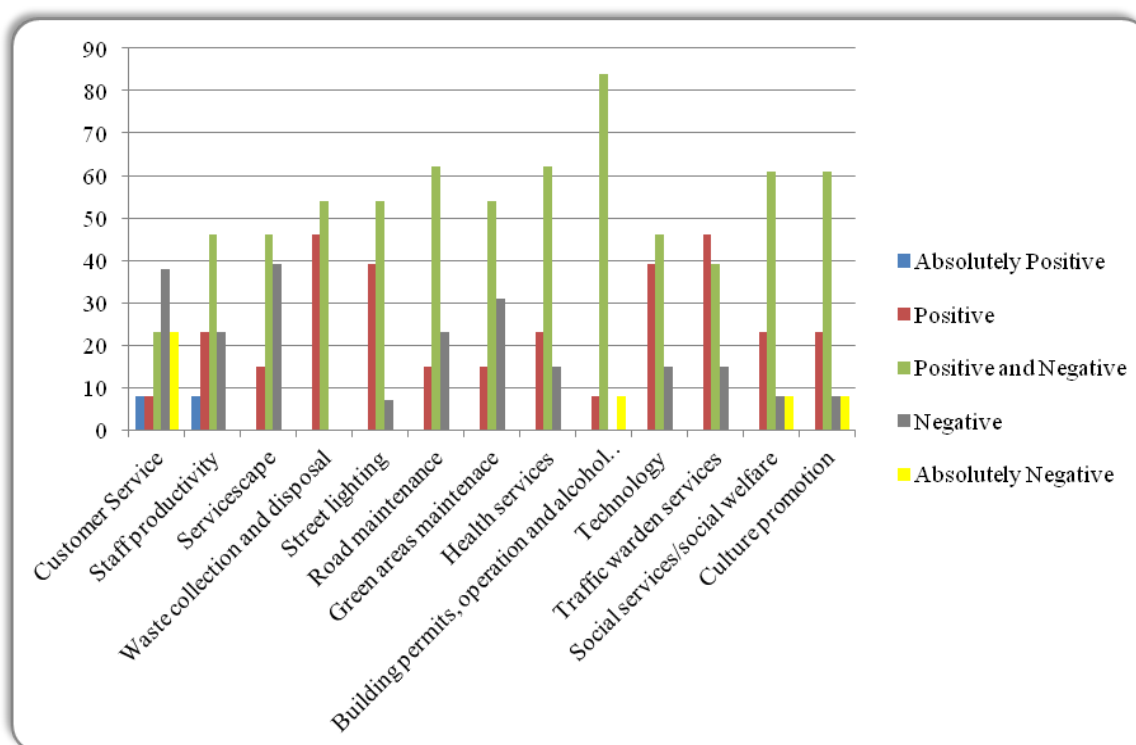
Table 5.2.8(14): Impact on income and expenditure balance

- **Impact on debts pay off [Question 22(15)]:** The majority of the sample (55%) estimates that the impact(s) on debts pay off will be positive and 7% absolutely positive. 24% considers that there will be both positive and negative impact(s). and the remaining 14% equally splits into negative and absolutely negative. [Table 5.2.8(15)]

Impact on debts pay off	Number	Percentage
Absolutely Positive	1	7
Positive	7	55
Positive and Negative	3	24
Negative	1	7
Absolutely negative	1	7
Grand Total	13	100

Table 5.2.8(15): Impact on debts pay off

At this point it is useful to summarize Mayors’ /Municipal Secretaries’ evaluation on the impact(s) from the enactment of the Law on the various services provided by the LA as shown on the following bar chart (bar chart 5.2.1). It is clear that the majority of the sample for each topic remains the “positive and negative” depicted as a green bar, apart from customer service where negative impact(s) (grey bar) is much higher. In all fields the estimations about positive impact(s) (red bars) are always higher than the estimations of negative impact(s).



Bar Chart 5.2.1: Mayors'/Municipal Secretaries' impact estimations

- **The proposed draft Law enhances the role of LA (Question 23):** As far as it concerns the question whether the proposed law enhances the role of LA, the majority of the sample (69%) selected the disagree option. 15% neither agrees nor disagrees and the remaining 16% is equally split between agree and strongly agree. (Table 5.2.9)

LA's role enhancement	Number	Percentage
Strongly agree	1	8
Agree	1	8
Neither agree nor disagree	2	15
Disagree	9	69
Strongly disagree	0	0
Grand Total	13	100

Table 5.2.9: LA's role enhancement

- **The proposed draft Law enhances the connection between the central administration and the LA (Question 24):** The majority of the sample (40%) agrees with the position that the draft Law enhances the connection between the central administration and the LA. The remaining 60% equally splits between those that neither agree nor disagree with the enhancement between the two, and those who disagree with it. (Table 5.2.10)

Enhancement of the connection between Central administration and LA	Number	Percentage
Strongly agree	0	0
Agree	5	40
Neither agree nor disagree	4	30
Disagree	4	30
Strongly disagree	0	0
Grand Total	13	100

Table 5.2.10: Enhancement of the connection between Central Administration and LA

- **The proposed draft Law enhances the relationship between citizens and the LA (Question 25):** Two options gathered the majority of the replies (31% and 31% respectively), for those who disagree that the draft Law enhances the relationship between citizens and the LA, and those who neither agree nor disagree with it. 24% strongly disagrees with that opinion whereas 7% agrees and 7% strongly agrees that the relation between the two will be enhanced. (Table 5.2.11)

Relationship enhancement between citizens and LA	Number	Percentage
Strongly agree	1	7
Agree	1	7
Neither agree nor disagree	4	31
Disagree	4	31
Strongly disagree	3	24
Grand Total	13	100

Table 5.2.11: Enhancement / Weakening of the relationship between citizens and LA

- **The proposed draft Law’s targets are strategic vision, modern framework of structures focusing on citizens, and provision of quality and uniform services (Question 26):** The majority of the sample (47%) does not believe that the Law targets to a modern framework of structures focusing on citizens and the provision of quality and uniform services, in the sense of strategic vision. 23% believes that those are the targets of the draft Law, 7% strongly believes that, and 23% neither agrees nor disagrees with that. (Table 5.2.12)

Strategic vision, modern framework of structuring focusing on citizens and provision of quality and uniform services	Number	Percentage
Strongly agree	1	7
Agree	3	23
Neither agree nor disagree	3	23
Disagree	6	47
Strongly disagree	0	0
Grand Total	13	100

Table 5.2.12: Law’s targets are strategic vision, modern framework of structures focusing on citizens, and provision of quality and uniform services

- **Redundancies (Question 27):** This question is a dichotomous one and the replies may be “yes” or “no”. At the question whether they consider that the voting of the Law may cause redundancies, the majority of the sample (85%) answered “yes”. The remaining 15% believes that there will not be any redundancies. (Table 5.2.13)

Redundancies	Number	Percentage
Yes	11	85
No	2	15
Grand Total	13	100

Table 5.2.13: Redundancies

- **Economic recovery and expenditure savings (Question 28):** We meet another dichotomous question and according to the answers received, the majority of the sample (70%) believes that there will not be economic recovery and expenditure savings according to the changes suggested by the draft Law. The remaining 30% estimates that the impact(s) will be positive. (Table 5.2.14)

Economic recovery and expenditure savings	Number	Percentage
Yes	4	30
No	9	70
Grand Total	13	100

Table 5.2.14: Economic recovery and expenditure savings

- **Elimination of bureaucracy (Question 29):** The majority of the sample (54%) neither agrees nor disagrees that with the establishment of the Secondary Bodies the bureaucracy will be eliminated, whereas 32% strongly disagrees. Only 7% of the sample believes that bureaucracy will be eliminated and 7% neither agrees nor disagrees with it. (Table 5.2.15)

Elimination of bureaucracy	Number	Percentage
Strongly agree	0	0
Agree	1	7
Neither agree nor disagree	1	7
Disagree	7	54
Strongly disagree	4	32
Grand Total	13	100

Table 5.2.15: Elimination of bureaucracy

- **Elimination of political parties' intervention (Question 30):** The majority of the sample (46%) does not believe that Political Parties' intervention will be eliminated with the proposed establishment of Secondary Bodies, and 31% strongly supports that it will not be eliminated. 23% neither agrees nor disagrees with the opinion of intervention's elimination. "Agree" and "Strongly agree" options have zero percentage. (Table 5.2.16)

Political Parties' intervention elimination	Number	Percentage
Strongly agree	0	0
Agree	0	0
Neither agree nor disagree	3	23
Disagree	6	46
Strongly disagree	4	31
Grand Total	13	100

Table 5.2.16: Political Parties' intervention elimination

- **Municipal Councilors' number reduction (Question 31):** This question relates to whether Mayors / Municipal Secretaries consider that with the reduction of Municipal Councilors' number to 10 maximum (as foreseen by the Law), will lead to negative impact(s) on the role of Municipal Councils and their decisions. The majority of the sample (54%) does not support this view and disagrees with it, whereas 31% strongly disagrees with it. 15% of the sample neither agrees nor disagrees. (Table 5.2.17)

Municipal Councilors' number reduction – Negative impact(s) on decision making	Number	Percentage
Strongly agree	0	0
Agree	0	0
Neither agree nor disagree	2	15
Disagree	7	54
Strongly disagree	4	31
Grand Total	13	100

Table 5.2.17: Municipal Councilors' number reduction - Negative impact(s) on decision making

- **Integration of School Boards to the new form of LA (Question 32):** According to the Law, the School Boards will be integrated in the new form of LA and the Municipal Council will act as its district School Board. The question addressed to Mayors' / Municipal Secretaries' is whether the role of School Board will be upgraded, downgraded or remain the same. The majority of the sample (46%) estimates that the role of the School Boards will be

downgraded and 23% that it will be upgraded. 31% supports that there will be no change to its role.(Table 5.2.18)

Integration of School Boards to the new form of LA	Number	Percentage
Upgraded	3	23
Remains the same	4	31
Downgraded	6	46
Grand Total	13	100

Table 5.2.18: Integration of School Boards to the new form of LA

- **Timetable for the enactment of the Law (Question 33):** The present question is a filter question with two levels. The main question is based on Likert response scale and examines whether one year (until the beginning of 2016) is enough to establish the Secondary Bodies following the entry into force of the Law. 23% believes that the one year is fairly enough and 8% neither agrees nor disagrees. The majority of the sample (38%) disagrees, and 31% strongly disagrees and believes more time is needed. There is no percentage for “strongly agree” option. For those selecting “disagree” or “strongly disagree” the questionnaire automatically jumps to an open ended question in order to select one of the given multiple choices (Table 5.2.19).

The majority (46/69) of those who disagree with the one year as a time limit for the establishment of Secondary Bodies, supports that 2-3 years is the suitable timetable to be set. The remaining 23/69 estimates that 4-5 years are needed.

1 year time limit	Number	Percentage
Strongly agree	0	0
Agree	3	23
Neither agree nor disagree	1	8
Disagree	5	38
Strongly disagree	4	31
Grand Total	13	100

Timetable for the enactment of the Law	Number	Percentage
2-3 years	6	46
4-5 years	3	23
6-7 years	0	0
8-9 years	0	0
10 +	0	0
Grand Total	9	69

Table 5.2.19: Timetable for the establishment of Secondary Bodies and enactment of the Law

Conclusions

Having analyzed the third thematic component's answers separately for citizens and Mayors/Municipal Secretaries, lastly one can have an overall comparative overview of the citizens' perception of quality versa the Mayors'/Municipal Secretaries' perception, as we did in Chapter 2 for present situation perception.

On the following table 5.2.20, we note that in the majority of the sample cases, the higher rates are concentrated on "positive and negative" option. This category may be interpreted as a middle position or a missing value. "According to Lam and Allen the most common labels used for the response category are "strongly agree", "agree", "disagree" and "strongly disagree", and between the two sides there is a midpoint which is labeled as "neither agree nor disagree" assumed to represent a respondent's position that is exactly in equal distance from disagree and agree. This is why this position is often considered neutral. Nevertheless, the middle category has been attributed with various other labels such as "undecided" and "uncertain" or "not sure", according to Armstrong (1987), Klopfer and Madden (1980) and Masters (1974). Though, according to Lam and Allen (2010) it should not be used as a missing value expressing a do not know opinion or non response."²⁸ In consequence, in the category "neither agree nor disagree" we classify the lack of knowledge, indecisiveness, no opinion and the avoidance of expressing a clear cut opinion. We exclude indifference because the questionnaire is not obligatory but voluntary.

Furthermore, focusing on the results, we can identify the fear of both groups (citizens and Mayors/Municipal Secretaries) towards change. The reform suggestion came suddenly to the fore but change cannot happen overnight. We will refer later in greater detail and further outline the change process on Chapter 6.

If we have a look again at the tables 5.2.20 and 5.2.21 it is clear that people support the LA's reform but not based on this Law. It is noticeable that Mayors also support LA's reform sharing the same view.

²⁸ Baka A, Figgou L., *'Neither agree nor disagree': a critical analysis of the middle answer category in Voting Advice Application*, (Switzerland: Inderscience Enterprises Limited (2012), 248)

“Positive and negative” averages for both citizens and Mayors are the highest. For citizens, only in the sectors of waste collection and disposal, and street lighting, the positive percentages are higher than “positive and negative”. As far as it concerns the Mayors/Municipal Secretaries, this phenomenon appears only on waste collection and disposal sector. In addition, negative and absolutely negative average percentages are relatively low for both citizens and Mayors/Municipal Secretaries.

Thought, I would like to refer to customer service, servicescape, social services, and culture promotion because of the negative answers’ high percentages. The 20% of the citizens’ sample believes that the results on customer service will be negative and 11% absolutely negative, the 18% believes that servicescape will be negatively influenced and 6% absolutely negatively. Social services’ and culture promotion’s negative percentages are even higher, for 22% negative and 10% absolutely negative, and 23% negative and 12% absolutely negative, respectively. As far as it concerns the Mayors/Municipal Secretaries the negative percentages are very high for two of the four abovementioned sectors; customer service and servicescape. 38% of the sample believes that the impact(s) on customer service will be negative and 23% absolutely negative. For servicescape the negative percentage rises to 39%.

In addition, I would like to state that the empirical data confirm the expected results. In general, both groups, citizens and Mayors/Municipal Secretaries, support that there is a prospect of improvement in some of the services. The services which involve technology, money and coordination have positive perspectives. For the interactive services relating directly to citizens, they are more cautious because they like straightforwardness, which currently exists and consists one of the most characteristic features of Cyprus LA. Furthermore, people feel afraid not only of the change, but also the possibility of bearing the cost for the establishment of such a colossus. A fact that stigmatized citizens, took place on 2013. Cyprus was forced by Troika lenders to haircut all deposits at the Bank of Cyprus that exceeded the €100.000,00. Even though the President of Cyprus committed that no haircut would take place, it was people that eventually bore the brunt of it all.

OVERALL OVERVIEW												
	Absolutely Positive (%)		Positive (%)		Positive and Negative (%)		Negative (%)		Absolutely Negative (%)		Total (%)	
	C	M	C	M	C	M	C	M	C	M	C	M
Customer service	2	8	30	8	37	23	20	38	11	23	100	100
Staff productivity	6	8	32	23	41	46	18	23	3	0	100	100
Servicescape	3	0	31	15	42	46	18	39	6	0	100	100
Waste collection and disposal	10	0	46	46	36	54	7	0	1	0	100	100
Street lighting	7	0	46	39	35	54	11	7	1	0	100	100
Road maintenance	7	0	38	15	41	62	13	23	1	0	100	100
Green areas maintenance	9	0	38	15	38	54	12	31	3	0	100	100
Health services	7	0	33	23	40	62	18	15	2	0	100	100
Building permits, operation and alcohol licensing	6	0	33	8	42	84	16	0	3	8	100	100
Technology	6	0	39	39	41	46	11	15	3	0	100	100
Traffic warden services	6	0	33	46	49	39	9	15	3	0	100	100
Social services/social welfare	2	0	32	23	34	61	22	8	10	8	100	100

Culture promotion	2	0	24	23	39	61	23	8	12	8	100	100
AVERAGE	5,6	1,2	35	24,9	39,6	53,2	15,2	17,1	4,6	3,6	100	100

* C = Citizens

M = Mayors/Municipal Secretaries

Table 5.2.20: Overall Overview (estimation of the Law's effects)

LA's reform, however, does not come down to a simple matter of routine. Even though in general, positive answers' percentages are higher than the negative ones on the results of the prospective Law's enforcement, the answers relating to the main issues that affect the mindset of the state apparatus are clearly negative. Have a look at the summary table and you will thus be able to realize that bureaucracy and political parties' intervention do not appear to be easy to be combated and controlled.

OVERALL OVERVIEW												
	Strongly Agree (%)		Agree (%)		Neither agree nor disagree (%)		Disagree (%)		Strongly Disagree (%)		Total (%)	
	C	M	C	M	C	M	C	M	C	M	C	M
Bureaucracy's elimination	1	0	21	7	30	7	30	54	18	31	100	100
Political Parties' intervention elimination	1	0	8	0	24	23	36	46	31	31	100	100
AVERAGE	1	0	14,5	3,5	27	15	33	50	33,5	31	100	100

* C = Citizens

M = Mayors/Municipal Secretaries

Table 5.2.21: Overall Overview (Bureaucracy and Political Parties' intervention)

Where these taken into account when drafting the Law? Are there any measures that should have been taken to ensure if not their elimination, then at least their limitation? More questions arise as to if redundancies were taken into account which in consequence will aggravate the unemployment ratio, and if the economic issue (expenditure savings) has been considered in detail. Furthermore, would it be possible for the Secondary Bodies to assume the total debts of the Municipalities?

Citizen's service will be untouchable and faceless and citizens' relation with the LA will be weakened. In all cases, LA's power will be transmitted to Secondary Bodies and in consequence Mayors will have no power to decide. Furthermore, how human can be the face of a colossus?

Consequently, is the draft Law the opportunity to take a step forward for the good of citizens and a healing social antidote? Having a general overview of the situation and the views on the Law, all the questions arising will be analyzed in detail on the following chapter.

Chapter 6: IMC as a suggested form of reform

The last question of the questionnaire addressed to citizens (question 31 – ANNEX I) and the penultimate question of the one addressed to Mayors /Municipal Secretaries (question 34 – ANNEX II) examines whether any alternative type of reform is more desirable than the establishment of the Secondary Bodies. According to the data received the majority of both samples (47% for citizens and 62% for Mayors) supports that the most suitable form of reform of the LA in Cyprus is IMC. The two other options, territorial reform and joint projects/contracts are placed second and third respectively. Territorial reform’s percentage is 37% for the citizens and 23% for the Mayors and joint projects/contracts 16% and 15% respectively. (Table 6.1)

Most suitable form of reform	Number		Percentage (%)	
	C	M	C	M
IMC (in the form of clusters)	42	8	47	62
Territorial Reform	34	3	37	23
Joint projects/ contracts	14	2	16	15
Grand Total	90	13	100	100

* C = Citizens

M = Mayors/Municipal Secretaries

Table 6.1: Most suitable form of reform

Mayors’/Municipal Secretaries’ questionnaire includes an extra question (question 35) for justifying the chosen type of reform, receiving the following replies:

- IMC:

Better participation of all Municipalities. Every Municipality will have a say on the matters concerning them. There will be economic benefit.

Maturity and awareness are indeed needed. Whatever is to be done must be done methodologically. It is appropriate to allow for a transitional period for the preparation of required structures.

Common strategies and policies must be adopted, relying on their current staff.

Successful clustering.

The most important thing in reforms is decentralization. The closer to the citizen and local society, the biggest is the service provision to citizen. Water Boards, prove in action how IMC can function.

It is a form that it has already proven successful, and in the cases where the management and administration act prudently the result is excellent. Skilled management, good know-how and service provision specialization are very important.

- Territorial reform:

Admittedly, Municipalities' number is excessive. Territorial reform enhances economies of scale and it must be obligatory.

Municipalities' borders must be removed and new Municipalities must be established.

There is a need for powerful Municipalities geographically balanced, with independent economic sources.

- Joint projects / projects:

Cost reduction, reduction in recruitment.

Transparency will be enhanced.

Why IMC is proposed as the suitable type of reform? First of all we must make reference to change process as we briefly mentioned on the previous chapter. Before the analysis of the change process we must mention that the first thing to change is behavior, applying the three stage approach of Lewis of unfreezing, changing and refreezing. The process begins with unfreezing which involves “encouraging individuals to discard old behaviors by shaking up the equilibrium state that maintains the status quo. In the moving stage, the change is implemented and new attitudes, values and behaviors are substituted for old ones.” And finally, in refreezing step “new attitudes, values and behaviors are established as the new status quo.”²⁹”

The Law proposes a radical change for which the deadline for decision was too short, adapting an aggressive strategy. According to the announcement of the Ministry of Interior dated 2 of October 2014, Socrates Hasikos, Minister of Interior stated the following: “It is our opinion that only on the base of a specific proposal, as the one that we have presented, in-depth may be achieved.”³⁰ How can such a change be supported without an organizational change process being followed by the State?

Similar is the case of Greece with Kallikratis plan which its implementation did not achieve the targets set because of the invasion approach. In order to avoid a potential chaos there must a preparatory phase in order to embrace change, and subsequently a suitable timetable for implementation which must include gradual measurement of outcomes and results.

The Law proposes the establishment of a hydrocephaly antidemocratic centralized model with excessive powers to the Secondary Bodies. In addition, the proposed change, for the establishment of Secondary Bodies request huge expenses which in such periods of crisis and reduced liquidity, this is a contraindication. Citizens will have to bear the costs for one more time. Furthermore, an immediate transition from one form to another may cause services’ chaos which in the end may lead to the citizens’ dissatisfaction.

²⁹ Nelson L., Armstrong A., Condie J., Quill J., (2012), *ORGB*, [Online], Available: https://books.google.com.cy/books?id=c8KET4rNKcC&printsec=frontcover&dq=ORGB&hl=el&sa=X&ei=xP1FVYWUMo70aOmdgLg&redir_esc=y#v=onepage&q=new%20attitudes&f=false

³⁰ Sokratis Chasikos, (02/10/2014). “Preliminary Version of Law on the LA’s reform” [Online]. Available: <http://www.moi.gov.cy/moi/moi.nsf/All/7245D872A28FD80EC2257D69001CCC6E?OpenDocument> (2015, May)

A general assumption which derives from the data collected is that citizens feel the need to live in a stable environment, where the principle of proximity is implemented at a high level by the LA and makes their daily lives easier. In addition, integration and identification are also citizens' needs that cannot be met with the proposed changes.

Really important is the fact that this is the first time that such a reform is proposed. There are no other international examples that can prove the effectiveness and efficiency of this reform model.

Instead, as far as it concerns the IMC there are many international examples of good practice (e.g France and Germany) which appears to be a more "soft" type of reform by the promotion of the development of suitable circumstances for cooperation's development. The advantages of this type of reform are the following:

- Costs minimization
- Risks management (minimize the probability of negative events and failures and share the potential loss)
- Know-how and experiences exchange
- Effectiveness and efficiency improvement
- Quality services
- Decentralization
- Economies of scale ("the cost advantage that arises with increased output of a product because of the inverse relationship between the quantity produced and per –unit cost³¹" e.g. road making)
- Economies of scope (the average cost decreases while the number of services increases e.g. waste collection)
- Reduce of corruption
- Development of the sense of solidarity (unity that rises from same goals and interests)
- Establishes common standards
- Services harmonization
- Encourages a cooperative political culture
- Promotes equal service to citizens

³¹ Investopedia, "Definition of 'Economies of Scale'" [Online]. Available: <http://www.investopedia.com/terms/e/economiesofscale.asp> [2015, April]

- Strengthens negotiation (with external service providers because of the larger number of interested parties)
- Enhances creditworthiness (because of their improved economic situation)
- Benefit from EU funds (participation in EU programs)

IMC surely carries risks but it is not within the scope of this thesis to analyze them. Following the four phases and 14 steps of IMC, mentioned on Chapter 4, IMC can only be proved successful.

Important is the fact that IMC is promoted by European Union through EU funding for projects and programs. Unfortunately Cyprus has not managed till today to fully exploit EU funds, which involves lost opportunities for development and innovation. Cyprus can participate in European Programs and fully exploit EU funding for the IMC development.

It is quite incomprehensible why the Italians' experts' survey - which suggests three alternatives one of which is the IMC - was not adopted by the Ministry of Interior. And why there is not conducted a referendum for such an important issue which is directly relevant to the citizens? It is told that the reasons are political ones.

IMC is a form of reform which not only does not affect citizens negatively but allows for a smooth transition to a new situation. It improves services quality and encourages citizen participation in common activities, such as volunteer programs which promote the understanding of cooperation and support initiatives that uphold fundamental human values.

To conclude, I would like to mention that IMC (in the form of clusters) is supported by all interested parties rejecting the Secondary Bodies' establishment by the proposed Law and the idea for the Secondary Bodies establishment is now abandoned. "According to the Minister of Interior, the important thing is that the entity of the Primary LA (i.e the municipalities and communities remain as they are) but in order to achieve economies of scale and create powerful LA's entities, the service provision will be done through clusters.³²"

³² Michaelidis George, (2015) "*Local Authority's Reform with services clustering*" [Online]. Available: <http://www.kathimerini.com.cy/index.php?pageaction=kat&modid=1&artid=205020> [2015, April]

Chapter 7: Conclusions

This master thesis has described the unsuitability of the preliminary draft law reforming the LA of Cyprus. A top down approach was used for describing the indicators of the levels reached in citizens' and Mayors/Municipal Secretaries' satisfaction with the services provided by the LA, which demonstrate the need for reform. In combination, a bottom up approach was used for analyzing the knowledge and perception of both groups of the preliminary draft law and the assessment of impact(s) and results from its prospective enactment.

Empirical research proves that the services provided by LAs are in need of improvement and modernization. Political parties' intervention, bureaucracy and corruption are major problems that cannot easily be combated because of our culture. Key positions are not possessed by charismatic leaders and managers and modern management tools and NPM techniques and practices must be introduced and exploited by LA. From the economic point of view, LAs are currently not viable and there is no potential for future development because LA is experiencing a period of austerity. Furthermore, there is lack of a budget theory and LAs are not financially independent.

The preliminary draft Law suggests the establishment of a hydrocephaly antidemocratic centralized model with excessive powers to the Secondary Bodies. It does not promise economic sustainability in the long term and is not accepted as the remedy to the major problems (bureaucracy, corruption and political intervention as we aforementioned) that beset the LA's work. Likewise, impact(s) and results on services' quality are not estimated to be satisfactory. Redundancies are one of the unavoidable consequences, resulting to a higher unemployment rate, and this in turn will exacerbate the tense economic situation of Cyprus. The preliminary draft Law does not comply with the European Charter of Local Self Government as powers are not given fully and exclusively to LA, but they are taken away. The relationship between LA and citizens will be weakened; there is no strategic vision and modern framework of structuring. Though it is considered that the LA's economic status will be improved with a balance between income and expenditure and debts pay off ability. The preliminary draft Law is rejected as rushed.

Though, the need for reform is generally accepted. There is margin for improvement, in both respects, regarding services provision, as well as the perpetually unsolved problems which constitute obstacles to the proper functioning of LA. There is a general consensus among the samples on IMC through the form of clusters as the most suitable form of reform. It allows for a smooth transition to a new situation, improves services' quality and offers economies of scale.

A future research could be carried out by using a questionnaire as a research tool for data collection. The research's scope can be the examination of the level of satisfaction from the services provided through IMC on the base of comparative and regression analysis. Furthermore, the level of bureaucracy, corruption and political parties' intervention can be examined on whether influence limitation is achieved. Additionally, the economic situation can be assessed with the collection of new data in comparison and combination with the data collected for the purposes of this master thesis. We leave this for future research.

Bibliography

Greek

I. Surveys

Εθνικό Κέντρο Δημόσιας Διοίκησης & Αυτοδιοίκησης, (2010), Μελέτη Αναδιάρθρωσης της Τοπικής Αυτοδιοίκησης της Κυπριακής Δημοκρατίας, σ.34.
<http://disy.org.cy/oldsite/%E2%E5%E6%F4/www.disy.org.cy/images/users/1/TopikiAytodiokisi/Meleti%20TA%20Kypros/Epiteliki%20Synopsisi.pdf>

Foreign

I. Surveys

National School of Government International (NSGI), (2014), Local Government Reform in Cyprus: Final Options Report, p.10
[http://www.moi.gov.cy/moi/moi.nsf/0/D1BB8168615F0DF3C2257D02002F7C52/\\$file/Local%20Government%20Reform%20in%20Cyprus_Final%20Options%20Report_08%2004%2014.pdf](http://www.moi.gov.cy/moi/moi.nsf/0/D1BB8168615F0DF3C2257D02002F7C52/$file/Local%20Government%20Reform%20in%20Cyprus_Final%20Options%20Report_08%2004%2014.pdf)

II. Internet Books

Brace I., (2008), Questionnaire Design: How to Plan, Structure and Write Survey Material for Effective Market Research,
https://books.google.com.cy/books?id=0r8xOI5rBZoC&pg=PA73&dq=likert+scale+questionnaire&hl=el&sa=X&ei=8aonVeI-1qtp-b2A2As&redir_esc=y#v=onepage&q=likert%20&f=false

Brown W. S., Gummesson E., Edvardsson B., Gustavsson B., (1991), “Service Quality : Multidisciplinary Multinational Perspectives”
https://books.google.com.cy/books?id=mYrrUHgAgOgC&pg=PA159&dq=service+satisfaction+theory&hl=el&sa=X&ei=fuNNVaLdM8WsUZjvgeAG&redir_esc=y#v=onepage&q=service%20satisfaction%20theory&f=false

Diamond L. and R. Gunther, (2001), Political Parties and Democracy,
https://books.google.com.cy/books?id=zZ2XT76eqMAC&printsec=frontcover&dq=political+parties+and+democracy&hl=el&sa=X&ei=heA_Va3tAYvxaKevgOgP&redir_esc=y#v=onepage&q=with%20the%20current%20performance%20of&f=false

Hesselbach J., Herrmann C., (2011), Functional Thinking for Value Creation: Proceedings of the 3rd CIPR International Conference On Industrial Product Service Sytems, Technische Universität Braunschweig, Braunschweig, Germany, May 5th- 6th, 2011”,
https://books.google.com.cy/books?id=QxqIGssi-kAC&dq=service+satisfaction+theory&hl=el&source=gbs_navlinks_s

Kapardis. K. M., (2013), Anti-Corruption Measures in Cyprus,
http://www.transparencycyprus.org/el/wordpress/wp-content/uploads/2013/04/TIC_Suggestions_Anticorruption-Measures_english_March-13.pdf

Katsourides Y., (2013), Political Parties and Trade Unions in Cyprus,
<http://eprints.lse.ac.uk/52625/1/GreeSE%20No74.pdf>

Lane J. E., (2002), New Public Management,
https://books.google.com.cy/books?id=wqWCAgAAQBAJ&pg=PA3&lpg=PA3&dq=The+theory+of+new+public+management+contains+the+insights+from+game+theory+and+the+disciplines+of+law+and+economics&source=bl&ots=qPKxnCv6-B&sig=Cj5EcH60dn_pKMo1pBKKXKgzIQs&hl=el&sa=X&ei=2b5EVfLKFsjaKTigYgC&ved=0CB4Q6AEwAA#v=onepage&q=The%20theory%20of%20new%20public%20management%20contains%20the%20insights%20from%20game%20theory%20and%20the%20disciplines%20of%20law%20and%20economics&f=false

Local Government Denmark (LGDK), (2009), “The Danish Local Government System”,
[http://www.kl.dk/ImageVaultFiles/id_38221/cf_202/Background_Paper -
Local Government in Denmark.PDF](http://www.kl.dk/ImageVaultFiles/id_38221/cf_202/Background_Paper_-_Local_Government_in_Denmark.PDF)

Nelson L., Armstrong A., Condie J., Quill J., (2012), ORGB
https://books.google.com.cy/books?id=_c8KET4rNKcC&printsec=frontcover&dq=ORGB&hl=el&sa=X&ei=xP1FVYWUMo70aOmdgLgL&redir_esc=y#v=onepage&q=new%20attitudes&f=false

Shah A., (2006.), Legal Governance in Developing Countries,
<http://siteresources.worldbank.org/PSGLP/Resources/LocalGovernanceinDeveloping.pdf>

Wildavsky A., (2011), Budgeting and Governing,
<https://books.google.com.cy/books?id=iJEdCzGwa20C&printsec=frontcover&dq=aaron+Wildavsky&hl=el&sa=X&ei=-W1DVYD5M4-Uavy7gfAH&ved=0CB0Q6AEwAA#v=snippet&q=budget&f=false>

The Constitution of the Republic of Cyprus

[http://www.presidency.gov.cy/presidency/presidency.nsf/all/1003AEDD83EED9C7C225756F0023C6AD/\\$file/CY_Constitution.pdf](http://www.presidency.gov.cy/presidency/presidency.nsf/all/1003AEDD83EED9C7C225756F0023C6AD/$file/CY_Constitution.pdf)

III. Articles

BSI Group, Lean Six Sigma, “A guide to business improvement and certification”,
<https://www.bsigroup.com/Documents/lean-six-sigma/resources/training/ISO-13053-Six-Sigma-BSI-Training-Sales-Brochure.pdf>

Chasikos S., (2014), “Preliminary Version of Law on the Local Authorities’ reform”
<http://www.moi.gov.cy/moi/moi.nsf/All/7245D872A28FD80EC2257D69001CCC6E?OpenDocument>

Cohen J. B., (2005), “The Macrofoundation of Monetary Power”
http://cadmus.eui.eu/bitstream/handle/1814/3357/05_08.pdf?sequence=1

Investopedia, “Definition of ‘Economies of Scale’”
<http://www.investopedia.com/terms/e/economiesofscale.asp>

Michaelidis G., (2015) “Local Authority’s Reform with services clustering”
<http://www.kathimerini.com.cy/index.php?pageaction=kat&modid=1&artid=205020>

Pfiffner P. J., (2004), “Traditional Public Administration versus The New Public Management: Accountability versus Efficiency”
http://pfiffner.gmu.edu/files/pdfs/Book_Chapters/NewPublicMgt.doc.pdf

Puttaswamy V. (2015), “Is NMP approaches appropriate or not to the needs of developing countries?”
http://www.academia.edu/3401723/IS_NPM_APPROACHES_APPROPRIATE_OR_NOT_TO_THE_NEEDS_OF_DEVELOPING_COUNTRIES

IV. Figures

Figure 2.1. Guest Blogger, (2009), *Service Quality Gap Model*. Retrieved from:
<http://blog.verint.com/service-quality-gap-model>

Figure 2.2. Kapardis. K. M., (2013), *Corruption in Cyprus* [Diagram], Retrieved from:
http://www.transparencycyprus.org/el/wordpress/wp-content/uploads/2013/04/TIC_Suggestions_Anticorruption-Measures_english_March-13.pdf
(p. 6)

Figure 4.1. Kaplanis. I., (2014), *Urban Trends and challenges in OECD countries*. Available from:
<http://www.slideshare.net/OECD-GOV/urban-trendsandchallengesinoecdcountries> (slide 24 of 30)

Figure 4.2. MediaWiki org., (2009), *The IMC steps ladder*. Available from: http://www.municipal-cooperation.org/index.php?title=Establishing_IMC

Figure 4.3. *Administrative System Concept under New Public Management (NPM)*. Available from: <http://www5.cao.go.jp/zenbun/wp-e/wp-je03/03-3-3-09z.html>

Figure 4.4. *Lean + Six Sigma = Lean Six Sigma*. Available from: https://goleansixsigma.com/wp-content/uploads/2012/02/The-Basics-of-Lean-Six-Sigma-www.GoLeanSixSigma.com_.pdf

LIST OF ABBREVIATIONS

IMC	Inter-municipal cooperation
LA	Local Authority
NPM	New public management

ANNEX I

(Questionnaire addressed to citizens)

(e-form: <http://goo.gl/forms/1TD3TCBxbF>)

The present research is carried out in the framework of my master thesis, in the program of Business Administration of the Open University of Cyprus (MBA). The main objective is the diagnosis and evaluation of citizens' satisfaction level from the services provided by the Local Authority, and the collection of data which prove the necessity, usefulness and effectiveness of the Local Authority's reform, based on the preliminary version of the Law.

The reform of Local Authority is presented as one of the most vital and major modern issues. Does the preliminary version of the Law constitute in the substance, a conclusion from the various surveys conducted by experts, from both Cyprus and abroad. Have the results and impact(s) been evaluated? How is the role of Local Authority changed and transformed? The results from the voting of the Draft Law will be definitely positive, or may be negative effects also?

The completion of the questionnaire is voluntary and requires only 5 minutes from your time. However, your participation is critical for the completion of this research and I would be grateful if you could participate. The questionnaires are anonymous and each personal data which may be included is confidential and will be used exclusively for the purposes of this research.

Thank you very much in advance, for your participation and time!

Fani Panayiotou

Master in the Program of Business Administration (MBA)

Open University of Cyprus

E-mail: fani.panayiotou@st.ouc.ac.cy

PART A: DEMOGRAPHIC INFORMATION

1. Gender:

- Male
- Female

2. Age:

- 18-24
- 25-34
- 35-47
- 48-63
- 64 +

3. Marital Status:

- Single
- Married
- Divorced
- Widowed

4. Educational Status:

- Higher Education
- Secondary Education
- Primary Education
- Early Childhood Education
- No Education

5. Professional Status:

- Civil servant
- Municipal employee
- Bank employee
- Private employee
- Student
- Pensioner

- Housekeeping
- Unemployed
- Other



6. In which district do you live?

- Nicosia
- Limassol
- Paphos
- Larnaka
- Free District Area of Famagusta

PART B: PRESENT SITUATION

7. At which level are you satisfied by the services provided by the municipality where you reside?

- Not at all
- Very little
- Somewhat
- Quite a lot
- Very much

8. Select the extent to which you consider that the Municipality where you reside, fulfills its mission for each one of the fields separately:

	Field	Not at all	Very little	Somewhat	Quite a lot	Very much
1	Communication with citizens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Problem solving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Social welfare promotion actions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5	Cultural activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Development Projects (road projects, pavements construction, green areas / parks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Urban environment (green areas' maintenance, energy saving, recycling)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. To what extend do you agree or disagree that the Local Authority today is citizen focused?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

10. To what extend do you agree or disagree that the municipality where you reside has the ability to offer more and better quality services?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

11. To what extend do you agree or disagree that the Local Authority is financially depended by the State?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree

- Absolutely disagree

12. To what extent do you agree or disagree that the political parties intervene to Local Authority's work?

- Not at all
- Very little
- Somewhat
- Quite a lot
- Very much

13. Which of the following political parties express your views?

- AKEL
- DIKO
- DISY
- EYROKO
- K.O.P
- EDEK
- SYMMAXIA POLITON
- None of the above

PART C: PROPOSED DRAFT LAW

14. At which level are you informed about the reform?

- Not at all
- Very little
- Somewhat
- Quite a lot
- Very much

15. Which is your information source on Local Authority's reform?

- Web
- Television
- Guilds' information days
- Press
- Municipalities' information meetings
- Other
- Radio
- Political parties' information days

16. To what extent do you consider that Local Authority's reform is necessary?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

17. At what level are you aware on the Draft Law?

- Not at all
- Very little
- Somewhat
- Quite a lot
- Very much

18. To what extent do you agree or disagree with the Draft Law?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

19. Which of the below do you consider that is the Local Authority's reform reason?

- Requirement set by Troika
- Economic reasons
- Political reasons
- Increase of efficiency and services' quality
- Other



20. Do you consider that the House of Representatives will vote in favor of the Law?

- Yes
- No

21. Do you consider that the impact(s) from the enactment of the Law will be positive, negative or both positive and negative?

- Positive
- Negative
- Positive and negative

22. According to your opinion, select the extent of the impact(s) from the enactment of the Law, at each one of the following fields

	Field	Not at all	Very little	Somewhat	Quite a lot	Very much
1	Customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Staff productivity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Servicescape	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Waste collection and disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Street lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Road maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Green areas maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Health services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Building permits, operation licenses and alcohol licensing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Traffic warden services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Social services/social welfare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Culture promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. At what level do you agree or disagree that the proposed Law enhances the role of Local Authority?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

24. At what level do you agree or disagree that the proposed Law enhances the connection between the central administration and the Local Authority?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

25. Do you consider that the proposed Law will enhance or weaken the relationship between citizens and the Local Authority?

- Enhancement
- Weakening

26. At what level do you agree or disagree that the proposed draft Law's targets are strategic vision, modern framework of structures focusing on citizens, and provision of quality and uniform services?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

27. Do you consider that with the proposed changes there will be economic recovery and expenditure savings?

- Yes
- No

28. At what level do you agree or disagree that with the establishment of the District Councils (Secondary Bodies), bureaucracy will be eliminated?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

29. At what level do you agree or disagree that with the establishment of the District Councils (Secondary Bodies), political parties intervention will be eliminated?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

30. According to the Draft Law, the number of the municipal councilors will be diminished with a maximum number of 10. At what level do you agree or disagree that this fact will lead to negative impact(s) on the municipal council's role and decisions?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

31. Which form of reform do you consider that is the most suitable for the Municipalities in Cyprus?

- Territorial reform (municipalities' integrations)
- Inter-municipal cooperation (cooperation between municipalities)
- Joint projects/contracts

ANNEX II

(Questionnaire addressed to Mayors/Municipal Secretaries)

(e-form: <http://goo.gl/forms/ikcpZuz1IY>)

The present research is carried out in the framework of my master thesis, in the program of Business Administration of the Open University of Cyprus (MBA). The main objective is the diagnosis and evaluation of citizens' satisfaction level from the services provided by the Local Authority, and the collection of data which prove the necessity, usefulness and effectiveness of the Local Authority's reform, based on the preliminary Version of the Law.

The reform of Local Authority is presented as one of the most vital and major modern issues. Does the proposed Bill of reform constitute in the substance, a conclusion from the various surveys conducted by experts, from both Cyprus and abroad. Have the results and impact(s) been evaluated? How is the role of Local Authority changed and transformed? The results from the voting of the Draft Law will be definitely, or may be negative effects also?

The completion of the questionnaire is voluntary and requires only 5 minutes from your time. However, your participation is critical for the completion of this research and I would be grateful if you could participate. The questionnaires are anonymous and each personal data which may be included is confidential and will be used exclusively for the purposes of this research.

Thank you very much in advance, for your participation and time!

Fani Panayiotou

Master in the Program of Business Administration (MBA)

Open University of Cyprus

E-mail: fani.panayiotou@st.ouc.ac.cy

Tel.: 99370483

PART A: DEMOGRAPHIC INFORMATION

1. Gender:

- Male
- Female

2. Age:

- 18-24
- 25-34
- 35-47
- 48-63
- 64 +

3. Marital Status:

- Single
- Married
- Divorced
- Widowed

4. Which municipality do you serve?

5. Select the position you possess:

- Mayor
- Municipal Secretary

6. Educational status:

- Higher Education
- Secondary Education
- Primary Education
- Early Childhood Education
- No Education

PART B: PRESENT SITUATION

7. At which level are you satisfied with the way Local Authority perform its functions?

- Not at all
- Very little
- Somewhat
- Quite a lot
- Very much

8. Select the extent to which you consider that your Municipality fulfill its mission as defined in the Articles 83 and 84 of the Municipalities Law for each one of the fields separately:

	Field	Not at all	Very little	Somewhat	Quite a lot	Very much
1	Communication with citizens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Problem solving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Promotion actions of social welfare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Cultural activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Development Projects (road projects, pavements construction, green areas / parks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Urban environment (green areas' maintenance, energy saving, recycling)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Personnel training – training courses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8	Staff productivity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Internal organization administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Liquidity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Pay offs to creditors and financial institution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Fees and taxes collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. **Please give the yearly total income and expenditures for the years 2009 – 2013.**

Year	Income (€)	Expenditures (€)
2009		
2010		
2011		
2012		
2013		

10. **What is your municipality's total debt to financial institutions?**

11. **At which level do you consider that the Local Authority is financially depended by the State?**

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

12. Select the extent to which you agree or disagree that your municipality has the ability to offer more and better quality services.

- Absolutely agree Neither agree nor disagree Absolutely disagree
 Agree Disagree

13. At what level do you consider that the political parties intervene to Local Authorities work?

- Not at all
 Very little
 Somewhat
 Quite a lot
 Very much

14. At which political party do you belong?

- AKEL
 DIKO
 DISY
 EYROKO
 K.O.P
 EDEK
 SYMMAXIA POLITON
 None of the above

PART C: PROPOSED DRAFT LAW

15. To what extent do you consider that Local Authority's reform is necessary?

- Absolutely agree
 Agree
 Neither agree nor disagree
 Disagree
 Absolutely disagree

16. Which of the following suggestions and surveys do you consider that were taken into account for the drafting of the Law?

- British's Survey
- Italians' Survey
- Political Parties' suggestions
- Mayors' suggestions
- Proposal by the Municipal Secretaries Association
- None of the above
- Other

↓

17. Do you consider that the main reform's reason is financial?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

If you selected Disagree / Absolutely disagree, please give the reason which you consider is the main reason that led to the idea of Local Authority's reform.

18. Do you consider that the House of Representatives will vote in favor of the Law?

- Yes
- No

19. At what level do you consider that citizens agree or disagree with Local Authority’s reform?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

20. At what level do you agree or disagree that the Draft Law comply with the European Charter of Local Self Government?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

21. Do you consider that the impact(s) from the enactment of the Law will be positive, negative or both positive and negative?

- Positive
- Negative
- Positive and negative

22. According to your personal opinion, select the extent of the impact(s) from the enactment of the Law, at each one of the following fields

	Field	Not at all	Very little	Somewhat	Quite a lot	Very much
1	Customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Staff productivity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Servicescape	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Waste collection and disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5	Street lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Road maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Green areas maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Health services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Impact(s) on building permits, operation licenses and alcohol licensing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Traffic warden services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Social services/social welfare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Culture promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Income and expenditure balance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	Debts pay off	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. At what level do you agree or disagree that the draft Law enhances the role of Local Authority?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

24. At what level do you agree or disagree that the draft Law enhances the connection between the central administration and the Local Authority?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

25. At what level do you agree or disagree that the draft Law enhances the relationship between citizens and the Local Authority?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

26. At what level do you agree or disagree that the proposed draft Law's targets are strategic vision, modern framework of structures focusing on citizens, and provision of quality and uniform services?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree
- Absolutely disagree

27. Do you consider that the voting and enactment of the Law may cause redundancies?

- Yes
- No

28. Do you consider that with the proposed changes there will be economic recovery and expenditure savings?

- Yes
- No

29. At what level do you agree or disagree that with the establishment of the District Councils (Secondary Bodies), bureaucracy will be eliminated?

- Absolutely agree
- Agree
- Neither agree nor disagree
- Disagree

Absolutely disagree

30. At what level do you agree or disagree that with the establishment of the District Councils (Secondary Bodies), political parties intervention will be eliminated?

Absolutely agree

Agree

Neither agree nor disagree

Disagree

Absolutely disagree

31. At what level do you agree or disagree that the reduction of the number of municipal councilors will lead to negative impact(s) on the municipal council's role and decisions?

Absolutely agree

Agree

Neither agree nor disagree

Disagree

Absolutely disagree

32. According to the Law, the School Boards will be integrated in the new form of Local Authority and the Municipal Council will act as its district School Board. Do you consider that with such a regulation, the School Boards' role is downgraded, upgraded or remains the same?

Downgraded

Upgraded

Remains the same

33. At what level do you agree or disagree that one year is enough for the enactment of the Law?

Absolutely agree

Agree

Neither agree nor disagree

Disagree

- Absolutely disagree

If you selected Disagree/ Absolutely disagree please select one of the following options for the timetable that must be set, according to your opinion, so as the establishment of the District Councils is feasible:

- 2 – 3 years
- 4 – 5 years
- 6 – 7 years
- 8 – 9 years
- 10+ years

34. Which form of reform do you consider that is the most suitable for the Municipalities of Cyprus?

- Territorial reform
- Inter-municipal cooperation (in the form of clusters)
- Joint projects/contracts

35. Please justify your selection on the above question.