

Local corporatization: A vehicle with different intentions across the world

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Anglo-Saxon	Central East European	Central European Federal	Napoleonic	Nordic
Canada England Israel Wales	Hungary Poland Slovakia	Austria Germany Switzerland	France Italy Greece Portugal Spain Turkey	Denmark Netherlands Norway Sweden

INTERNATIONAL CONTEXT

Corporatization is developing everywhere, unmistakably international, but developing everywhere with different outcomes and different results:

Nordic & federal Central Europe: steady growth, aimed at flexibility and professionalization of public services

Napoleonic systems (mix centralized & decentralized): align local public services with national development goals

Southern and Eastern Europe (increasingly centralizing): generally curtailing municipal corporations or tightening of state control



AUTONOMY

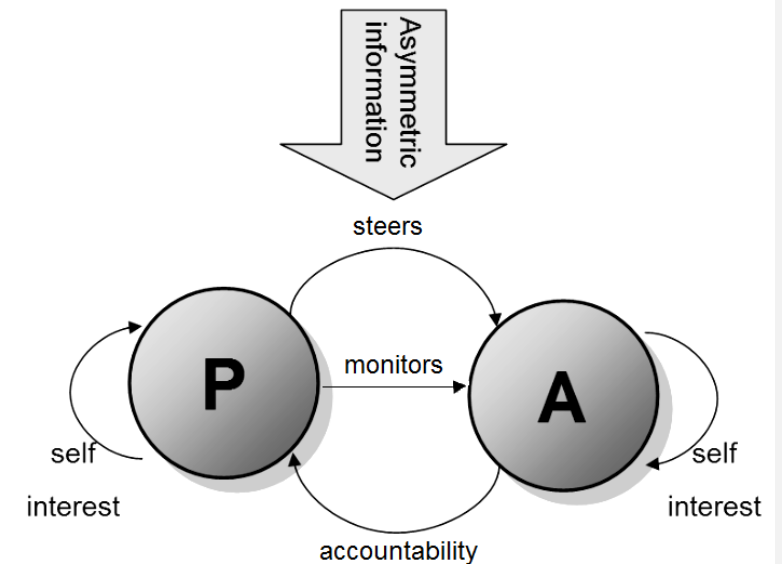
Autonomy was the core reason to corporatize, but varies across the world:

Caveat: hard to assess. Many forms of autonomy: policy, operations, financial/labor, strategic

Some countries: municipal corporations are very autonomous (especially in federal systems)

Others: increasing tightening of control

Many countries in between: broad policy scope within increasingly stringent national guidelines



NATIONAL CONTEXT

Very big effect of differences in national context:

- Public versus private law (or hybrid)?
- Organization and size
- Board structures
- Corporate governance

All seem to matter a lot!

Dual accountability: market-oriented performance expectations and public service obligations.



FUTURE

1. Corporatisation is no longer just a managerial tool, but a structural feature of local governance
2. The challenge is not when to corporatize, but *how* to manage the results
3. Future of corporatization depends on how municipal corporations can balance governance, accountability, and democratic values

Comparative understanding is essential. Our task is simple, yet complicated:

- strengthen the **governance of autonomous institutions**
- embed **public purpose** in corporate form effectively
- and use **comparative knowledge** as a compass for governance reform

