LOCAL GOVERNMENT OUTSIDE LOCAL BOUNDARIES

Rescaling municipalities, redesigning provinces and local-level Europeanisation

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Introduction

For many decades the traditional picture of local government in most European countries included a three-tier territorial structure and line-of-command. This structure included a first-tier government (i.e. municipalities) defining place-bound local policy, a second-tier government (e.g. provinces, counties, départements) overseeing and assisting the latter and central government acting as the over-riding authority. Our chapter discusses a number of evolutions and reforms that have challenged this classic pattern, and ultimately provoked local government to step outside its traditional boundaries.

Denters and Rose (2005: 1) distinguished between macro-level and micro-level trends to denote the ‘brave new world’ of ‘major transformations in the contexts within which local governments operate in most contemporary democracies’. While macro-level trends refer to ongoing processes of urbanisation, globalisation and Europeanisation, their micro-level complements signify the enhanced substantive demands of citizens towards local government as well as their formal quest for participation in the decision-making process. The micro-level trends have been commonly addressed by reforms aiming to improve the efficiency of local government (i.e. output legitimacy) on the one hand and its democratic quality (i.e. input legitimacy) on the other (Kersting and Vetter 2003: 11–26). And although such reforms are by no means a new phenomenon (Rose 2005: 397–399) the rise of local government reorganisation in recent decades signifies a major wave of reform across the European continent.

Starting from the notion of the classic threefold local government structure and line-of-command, this chapter specifically focusses on the macro-level Europeanisation trend and substantive micro-level reforms that have modified traditional local government boundaries. They mainly represent a territorial and / or functional reorganisation of the locality. The former aspect is related to the question how sub-national boundaries are drawn. These boundaries have been subjects of change for many years and this evolution continues. The latter, on the other hand, deals with the allocation of responsibilities and competences among different layers
of government. Indeed, a shift of competences through the last decades in many countries has challenged ‘old’ structures and divisions across the different layers of local government.

At the first tier, these evolutions mainly come down to a redesign of local boundaries with municipal amalgamations, decentralisation and inter-municipal cooperation as the most visible examples of reform – an evolution that goes hand in hand with a shift of competences towards the municipal level. In many countries the municipal level has therefore gained in importance, both in terms of size, financial means and competences. That evolution is taking place against the backdrop of second-tier government being challenged by a continuing search for the most efficient and effective way of coordinating supra-local issues. Traditional structures have subsequently been re-designed, abolished or complemented by new ones (e.g. city regions). Lastly, the ongoing Europeanisation process is challenging national (or in some cases regional) governments as the ultimate supervisory authorities for local government. This has resulted in a new functional design where local authorities comply with EU policies (as mediated by their national government). At the same time, however, the institutional structures of the EU offer them a new functional opportunity to promote local interests at an additional upper-government level.

Within each of these dimensions the chapter first presents an overview of the current situation and its main challenges. Secondly, it outlines the implications for traditional local government in terms of the emergence of new local actors, overlapping responsibilities and spheres of competences, scale and redistribution issues, etc. Finally, within each dimension it presents an assessment of current academic challenges in order to provide students with inspiration for future research activities.

**Rescaling municipalities: a story with many facets**

The element of scale is very important when talking about local government. Scale is the base for all administrative activities. In that sense, it has always been a part of the debate and discussions on local government reform in past decades in Europe. In the most simple terms, this debate comes down to a discussion between advocates of small versus large local authorities. Both options do have their own rationale (Baldersheim and Rose 2010: 7–10). The first vision argues for small local authorities. In this ‘public choice’ vision the local political elite is able to deliver local services that provide an answer to specific local needs. If local authorities are not responsive, then it is up to the people to vote them out of office, or to ‘vote with their feet’ to another local authority were their needs and preferences are better met (Tiebout 1956). This vision also values the idea that local politicians are very accessible for citizens. That access is possible precisely due to the small scale of the local government level. In contrast there is the school that advocates larger local authorities, also called the consolidationist position (Baldersheim and Rose 2010: 8). In this vision, municipalities should merge in order to reach a certain level (and scale) so that they can overcome fragmented, costly and duplicated functions that arise with tighter local boundaries. Larger local authorities are deemed to be more efficient as they can take up more functions and they benefit from economies of scale. That last argument is partly drawn from the private sector, where corporate mergers to achieve scale advantages are a well-known phenomenon.

This discussion comes down to what was already described by Dahl and Tufte (1973). They argued that the search for the optimal scale will always be a trade-off between arguments of efficiency and arguments of very localised democracy. A choice for large scale local authorities will have to be weighed against the advantages of small local authorities. In the same way will the argument of efficiency be balanced against the argument of local democracy. According to
both authors, ‘no single unit size will be optimal for every purpose’ (Dahl and Tufte 1973: 28). In an ideal world, size should be an adaptable and flexible concept, so that units can: ‘change in size and scope as technology, communications, values, identifications and other factors alter the balance of gains and costs’ (ibid.). The consequence of this dilemma is that every scale decision will always be a compromise. A compromise which essentially involves a political decision about how to structure and organise the local government level.

**The current scale debate**

Scale reforms, and municipal amalgamations in particular, have been implemented in post-war Europe in the quest for the optimal scale on the local level. These reforms were implemented in two waves. The first wave started in the 1950s and lasted till the 1970s. A second wave started in the 1990s and continued into the current century. It is interesting however to see that both waves differ substantially, not only geographically, but also in the rationale behind their implementation.

The first wave of scale reforms took place in northern and western European countries. Several Scandinavian countries conducted large-scale mergers. Most dramatically, this occurred in Sweden, where the number of municipalities was reduced by 87%. Belgium is also situated in this group thanks to the reform legislation in 1976, which reduced the number of Belgian municipalities by 76%. In the majority of southern European countries scale reforms were limited or even completely absent (Rose 2005: 400). In that period, the focus of these reforms was to put an end to the extensive fragmentation that existed and to implement a minimum or optimal scale for the municipalities so that they could exercise their assigned tasks. Much had to do with the expansion of the welfare state, which in several countries, was an important task for the local level (De Ceuninck, Steyvers, Reynaert and Valcke 2010). The second wave of scale reforms was more focused in central, eastern and southern European countries. For example both Latvia and Greece implemented large scale reforms. Latvia conducted in 2009 a merger by which the number of municipalities was reduced from 524 to 119 (Dexia 2011: 5). In Greece, the same happened in two movements (Getimis and Hlepas 2010). Yet the motivation to implement such scale reforms was not the same during the two waves (Marcou and Wollmann 2008: 133–134). In some eastern European countries, a period of territorial fragmentation started after 1990, often as a reaction against earlier territorial consolidations introduced by former communist governments in an undemocratic manner (Swianiewicz 2010). Quite soon it became clear that this territorial fragmentation was one of the major barriers to the decentralisation and effective functioning of the local government system. As a reaction several countries in eastern Europe introduced some form of scale reform at the local government level, such as the Former Yugoslav Republic of Macedonia and Georgia.

Despite these two waves of scale reforms, the issue of scale did not disappear from the political agenda in the new century. That echoes the arguments of Dahl and Tufte. Existing arrangements are constantly questioned as the socio-economic reality is subject to constant change. Under certain conditions, social changes bring about administrative reforms. In this respect local government has always been the subject of reform in one way or another. The most striking example in this context is Denmark, where a real revolution in local government took place (Mouritzen 2010). The number of Danish municipalities was reduced from 275 to 98. The process was unusual; central government played a vital and dominant role, change moved very quickly, and this left little room for resistance. This brought Mouritzen to the conclusion that ‘contrary to received wisdom, the Danish case demonstrates that politics can sometimes achieve the impossible’ (Mouritzen 2010: 40).
The ‘Danish case’ serves as an example for other countries and regions that consider possible scale reforms, for example in Flanders, the Dutch speaking part of Belgium. Both the previous (2009–2014) and the current (2014–2019) Flemish government initiated a debate about internal state organisation. The central elements in their discourse include the reinforcement of local government. Several measures were therefore introduced, such as greater financial autonomy, a decentralisation movement towards the local level and the encouraging of voluntary mergers. The last is remarkable, given the fact that amalgamations have always been a difficult and highly sensitive instrument to implement (De Ceuninck 2009). After all, it affects existing power relations and it can generate new conflicts. Nevertheless, in order to stimulate those mergers, several instruments were created, such as juridical and administrative support with financial incentives. It is also clear that in different German regions and in The Netherlands scale is again under discussion (Walter-Rogg 2010; Boedeltje and Denters 2010). However, in both countries this is a continuation of an existing policy, given that the issue of scale has always been on the political agenda.

**Implications of scale discussions for traditional local government**

This continuing scale debate and its consequences, an enlargement of the local government level in terms of scale that is often combined with more competences, has strengthened the position of local government across Europe. In several European countries these amalgamations are seen as an instrument in a broader picture, namely as a way to strengthen the local government level, before decentralising extra competences towards the local level. A study from the Council of European Municipalities and Regions (CEMR 2013) points out that a major wave of decentralisation of competences is being prepared in Europe. The question is whether this must be seen as a political commitment towards the local level or as a withdrawal of the central state in a times of crisis? This evolution towards a stronger local government level generates two important consequences for that last, which we will briefly address. First, what are the alternative approaches to deal with the scale issue and second, what about other layers of (supra local) government?

When we talk about the alternatives for municipal amalgamations, the first and foremost alternative is inter-municipal cooperation. Teles (2015) makes the rightful claim that inter-municipal cooperation, despite its relevance, has been less discussed in academic fora than many other local government related themes. The above mentioned study of CEMR (2013: 11) indicates that, despite the many disadvantages associated with municipal amalgamations, this option still remains popular with policy makers. However, the CEMR asserts that amalgamations should be carried out on the basis of well-founded studies. They also argue inter-municipal cooperation can also represent an interesting alternative allowing for more efficient management of competences without losing proximity to the citizens.

A second consequence rises from the fact that the number of European people living in cities and their metropolitan surroundings has rapidly increased during the last decades (Loughlin, Hendriks and Lidström 2011: 10) and those areas have expanded physically. As a result, city-regions (and metropolitan areas) have become more important, both as habitats but also as centres for economic activities. The way these regions are governed touches upon the essence of the debate on scale. However, the reality shows a huge diversity in the way these regions are governed. There are directly elected metropolitan governments (London), but in many instances the development of a city-regional structure resulted in a proliferation of inter-municipal cooperation. As a consequence, local government finds itself in a context in which it has to
deal with a multitude of supra local players, in many different forms. Local governments, or independent city-regional structures, will have to deal with that complex reality.

France can serve as an example to illustrate both tendencies. The country did not generally pursue amalgamations, but organised its local level in such a way that inter-municipal cooperation (quite formalised in independent structures) became dominant over the municipalities (Cole 2011: 324). Cole points out that though citizens display more trust in local government institutions, these non-elected structures are responsible for a fast growing part of local expenditure. The challenges this generates have different dimensions. An increasing scale of the local government level demands a different approach towards inter-municipal cooperation. On the other hand, a fast growing landscape of inter-municipal cooperation implies a different approach from the local level in terms of management and democratic accountability. France also witnessed a prolonged debate about the creation of a specific statute for large metropolitan areas (Pasquier 2015).

**Current and prospective academic research**

The scale debate has reached something of a paradoxical situation. Despite the success of many amalgamation policies in different European countries, many questions can be asked concerning the effects of that policy. The most important effect of amalgamations seems to be an improved service quality, which however does not always seem to go hand in hand with a reduction of costs as proponents of change have hoped for (Steiner et al. 2016). Many other studies have shown that the quality of local democracy suffers as a result of those reforms (Swianiewicz 2010; Kjaer, Hjelmar and Olsen 2010; Lassen and Serritzlew 2011; Denters et al. 2014). In smaller jurisdictions the link between the elected and the citizens is closer. As a result, there is a better flow of information, there is more mutual trust and local governments are more accountable towards the local population. Swianiewicz also points out that several studies show that citizens of small municipalities are more satisfied with local government performance than their counterparts in larger municipalities. As part of research in Denmark after the structural reform in 2007, Kjaer et al. (2010) revealed that local councillors from amalgamated municipalities reported lower levels of influence. A substantially larger proportion of councillors found it more difficult in 2009 (after the structural reform) than in 2003 (before the reform) to realise their political ideas if these were not in agreement with the ideas of the leading administrative officers in the municipality. In that sense their research indicated that political influence shifted, from the elected local council to the local administration.

However, the consequences for local democracy are not the only concern when talking about the results of scale reforms. The question also arises whether the argument holds true that these reforms generate economies of scale. This can be approached from a financial perspective. So the questions are: is spending decreasing? Are costs decreasing? The answers to these questions are crucial for several reasons. Mergers are very often justified and implemented as a purported means of achieving savings. The argument goes that after a municipal merger, things will be organised much more efficiently, and at lower cost than before the operation. A second approach is broader than the first and is about the quality of public services. Usually the latter improve after a municipal merger, which is often due to a more efficient organisation of the local government unit. We do, however, also see here mixed results from studies in this regard. A good example is the study of Allers and Geertsema (2014) from the Netherlands. Based on fifteen years of boundary reforms, they studied the effects of amalgamations on public spending and service levels. In their conclusion Allers and Geertsema are clear:
First, we found no robust evidence of an effect of amalgamation on aggregate municipal spending. Neither an increase nor a decrease of spending can be observed either before or after amalgamation. Secondly, we find no evidence that economies of scale do in fact occur, but only for amalgamations of small jurisdictions, or jurisdictions with homogeneous preferences. Thirdly, we find no evidence supporting the hypothesis that amalgamations generate economies of scale, but that these are used to raise service levels, not to reduce spending.

(Allers and Geertsema 2014: 29)

The authors conclude their research however with a nuanced qualifying statement. Amalgamations of municipalities remain a valid instrument, but it is important to know that economies of scale should not been taken for granted, budgetary savings may be elusive and public services do not automatically improve after a merger. These findings are remarkable, given the fact that the country has a long tradition of amalgamating its municipalities and has a long tradition in evaluating the functioning of the local level (Korsten, Abma and Schutgens 2007). To some extent, similar findings as the one by Allers and Geertsema, were also done in Sweden (Hanes 2015) and in Australia (Aulich et al. 2014). These examples show that there still is a comprehensive research agenda about scale reforms in general and municipal amalgamations in particular to develop.

The demise of the second tier of local government?

Looking at the second tier of local government in Europe (provinces, counties, départements and the like) three main features must be taken into account. First, there is a gradual shift from a simple three layer government system into a complex and multi-level institutional landscape. Second, there is the institutional reality that provincial government only plays a modest role within this system. Third, while it is very rare to discern a debate focused on the second tier of local government, most of the time such a debate is part of a broader attempt to reform local government as a whole. Moreover, in the current era of regionalisation the second-tier level has become the weakest link in the chain of multilevel government systems in Europe, which makes it easy to ‘target’ this level as the main subject of reforms aiming at efficiency and a more simplified institutional architecture (Bertrana, Egner and Heinelt 2016).

Evolution: from territorial rescaling to functional redistribution

Reforms affecting the second level of local government followed the different waves of territorial and structural reforms as described above and affecting the first (municipal) tier of local government. Territorial reforms are mainly intended to optimise the scale for local services and provisions (often framed as enhancing government effectiveness and efficiency) albeit guaranteeing local identities and the democratic inclusion of the local citizenry, functional reforms aim to ‘improve’ the allocation and division of responsibilities to the different layers of government, including the (re)assignment of tasks and competencies with differing degrees of discretion to the ‘local’ level (Denters, Goldsmith, Ladner, Mouritzen and Rose 2014). It is often difficult to disentangle functional from territorial reforms, the former often followed the waves of territorial reform.

The aforementioned reform processes also affected the second tier of local government, which frequently is squeezed between the powers of upper levels of government and the
municipalities. In some countries it has been up-scaled or even abolished in the context of wider regionalisation processes, in others it has been completely revised to become a proper institutional structure for governing fragmented urban areas by upscaling municipal powers or decentralise tasks of upper government levels (Bertrana, Egner and Heinelt 2016: 1). The only exceptions to this multi-level reform processes can be found in most of the Eastern European countries where decentralisation took place quite recently and - since the democratisation of the second tier of local government over the last thirty years - it has only experienced minor institutional changes.

Northern countries like Denmark, Sweden or the United Kingdom share a long tradition of continuous structural reforms of local government, which has continued during the last decade. Denmark, for example, abolished the 14 existing counties in 2007, shifting most of the tasks to municipalities (which were amalgamated) and creating 5 new regions responsible mainly for health care and hospital provisions (Mouritzen 2011). In Sweden, there is an on-going review of the second tier of local government towards amalgamation which should be complemented by the allocation of more functions of the deconcentrated central state administration at this level of government (Bäck 2011). England is in a continuing process towards the creation of the so-called ‘unitary authorities’, merging the former counties and districts; in Wales and Scotland unitary councils were created in the mid-1990s.

As opposed to the so called ‘North European Strategy’, characterised by its coercive top-down approach, the ‘South European Strategy’ has retained not only the historically based small-size format of the municipalities, but also a highly stable second tier of local government (Bertrana, Egner and Heinelt 2016). One of the most striking features of the reform processes on local government during the last decade in Southern European countries like France, Italy or Spain is their impact on the second tier of local government. In almost all of these cases the economic and financial crisis played a crucial role in the reforms deviating from the ‘South European Strategy’.

In France, the départements and the regions have been renewed under the government of President Hollande. Sub-national levels of government above the municipalities are experiencing a significant reform of their electoral system, their powers and competences (with a probable abolishment of the general clause of competence) and their territorial structure. In January 2015, for example, different ‘métropoles’ were created with both municipal and departmental competences. This applied for cities like Rennes, Bordeaux or Strasbourg. And after the creation of the métropoles of Paris and Marseille in 2016, the former 22 regions have been replaced by 13 new regional units.

In Italy in 2015 different provinces have been transformed into ten metropolitan cities. They will also combine the competences of the former municipal and provincial levels of government. These metropolitan cities are led by a ‘metropolitan mayor’, who is the mayor of the biggest city, and a council consisting of ‘metropolitan councillors’, elected among and by the municipal councillors and mayors. Furthermore, a transitional regime for the remaining provinces has been proposed and they may be abolished if there is a successful Constitutional reform (Baccetti and Magnier 2016). However, general political uncertainty in Italy leaves it unclear what further specific changes might occur.

The plans of the Dutch cabinet to reduce the number of provinces through mergers have failed. Moreover the existing law on inter-municipal structures (the so-called ‘Wgrt’ arrangement) was abolished and the provinces became the first and most important government level for spatial planning. Nevertheless, ideas about city-regions, the ongoing amalgamation of municipalities and the development of new cooperative arrangements between
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municipalities and provinces are still central to an ongoing process of reform (Castenmiller and Herweijer 2015).

Since the regionalisation of the competences regarding the organisation of local government in Belgium (in 2001), the reform plans in Belgium differ in the two main regions of the country (Valcke and Verhelst 2015: 70). After the 2014 regional elections, the Walloon government consolidated the provinces. They remain important at the intermediate government level to support municipalities in partnership with the regional government. The Flemish government that came into power in 2014 in contrast, planned a far-reaching functional reform, altering the role of the provinces. From 2018 onwards Flemish provinces will only be responsible for territory-related competences (and no longer for person-related competences).

The Czech Republic illustrates the exception to the multi-level reform process in Eastern European countries. Since 2000 the country is divided into 14 regions (called ‘kraje’) acting as the second tier of local government (CEMR 2016: 22–23). And while there is virtually no debate on the abolition of the regions, neither is there debate or reform trying to establish a metropolitan government.

These examples not only show that the democratic quality as well as the effectiveness of the second tier of local government is increasingly contested in the ongoing re-scaling of statehood, but also that reform processes are opening up even in countries where until now this level of local government has shown a high capacity to resist any attempt to impose far-reaching structural reforms.

The implications for traditional local government

In most large and medium sized European countries, local government functions are divided between a municipal and a second tier. Among the European Union member states such units are present in 19 of 28 states (Loughlin, Hendriks and Lidström 2011). Some common functions of the second tier include responsibility for secondary education, health care and specialised social services which typically require larger populations. In addition, the second tier may also have supervisory and coordinating functions vis-à-vis municipalities and other actors (Heinelt and Bertrana 2011).

The recent CEMR report ‘Local and Regional Governments in Europe’ states that the number of local entities in Europe has decreased by approximately 15% while the number of regions has increased by approximately 10% (CEMR 2016: 3). Although issues of structural reform always are embedded in pre-existing (and shifting) central–local relations, the regionalisation and amalgamation processes have altered the context. Indeed, the need for a second tier level may diminish when amalgamations create larger municipalities with equally increased functions and capacity.

Moreover, there is a further structural development in the background. Traditional forms of place-bound government (national states, provinces and municipalities) are under pressure and are replaced or at least supplemented by government organised through interests. This development is sometimes reflected in functional regions but also in virtual interest or pressure groups. Hence, the relevance of place-bound government is challenged by the network society where dynamic scale levels and ‘daily urban systems’ could take over from traditional government levels (Castenmiller and Herweijer 2015). While in some countries metropolitan areas are already created, in other countries the city-regional debate is gaining ground. One important question however always needs to be addressed and that is how to guarantee the democratic aspect of decisions in such a network environment.
Current and prospective academic research

Specific scholarly attention to the second tier of local government is rather scarce. Theoretical and empirical observations can be found in the literature concerning government reform in general and publications dedicated to reforms at the municipal level. This should not come as a surprise given the relative weak position of the second tier and the multi-level dimension of 21st century (local) government.

Sadioglu and Dede (2016a, 2016b) edited two volumes, the first of which addresses the effects of recent reforms on local government and politics as well as future innovations. The second volume presents relevant perspectives from comparative research and case studies regarding the structure, process and policymaking aspects of local government.

Schwab, Bouckaert and Kuhlmann (2017) edited a volume on the future of local government in Europe. Their starting point is the wave of political and administrative reforms European local government had to cope with in recent decades. Not only is local government responsible for efficient administration, high-quality services and a legally correct execution of laws, but also for ensuring legitimacy, democratic participation, accountability and trust. Moreover, severe conditions of austerity have been implemented in the aftermath of the economic and financial crisis. The volume presents research findings of an international project on local public sector reforms in 31 countries and tries to give advice to policymakers to shape the future of local government in Europe, addressing key features of local governance like autonomy, performance and participation.

A rare example of a study dedicated solely to the second tier of local government is the volume edited by Heinelt and Bertrana (2011). The book takes a comparative approach to local government across 14 European countries, looking at processes of decentralisation, regionalisation and reforms of local government. The combination of a comparative analysis of institutional trends and reforms of local government with an examination of country-specific features and analysis of recent reform debates, leads the book to argue that the democratic quality and effectiveness of this territorial level of government is in the focus of on-going debates about the rescaling of statehood and a shift from ‘government to governance’.

The more recent volume by Bertrana, Egner and Heinelt (2016) had a different approach. It provides a thematic and cross-national analysis of the key actors in local government. Still focussing on the second tier of local government, it examines new empirical data on councillors in 15 European countries and integrates important variables such as party politics, notions of democracy, finance, multi-level settings.

Apart from these rare general approaches there are some authors with country specific focus on the second tier of local government. In these publications two main concerns emerge: first, what is the optimal scale of intermediate government (do we need smaller or larger entities?) and second, how can democratic quality be guaranteed (Bacetti and Magnier 2016; Castenmiller and Herweijer 2015; Valcke and Verhelst 2015).

Future research could on the one hand focus on the effects of the ongoing regionalisation and amalgamation processes for the future role of the second tier level (can it adapt or is it becoming redundant?). On the other hand research is still short on the meaning and importance of identity politics at the intermediate government level. Despite the dawn of network society and daily urban systems, in many countries in at least some of the provinces there is some form of territorial connectedness at the intermediate level that citizens experience – although in other parts of the same countries this is totally absent. Research on how the polis deals with this could explore many aspects of how to build a qualitative government structure for the future of network society.
The Europeanisation of local government: central–local relations revisited?

A third fundamental transformation of local government boundaries concerns the increasing impact of the EU as an additional upper-government layer. Traditionally, local government has been defined by the central state in terms of its functions, discretion, underlying ethos, autonomy, constitutional status and access to higher government levels (Page and Goldsmith 1987; Hesse and Sharpe 1991). Yet in the wake of the European integration process in the 1980s–1990s, and the completion of the Single Market and development of EU regional policy in particular, local government has become increasingly subject to European legislation as well (Goldsmith and Klausen 1997; John 2000). Particularly in policy fields such as the environment, the Single Market and cohesion, the impact of European legislation is substantial nowadays (Guderjan 2015). Regarding the latter, the EU also aims to promote its significance and policies in an indirect way via programmes and financing opportunities for which local authorities can compete (Schultze 2003). At the same time, the top-down regulatory impact of the EU has been matched by proactive bottom-up involvement of local authorities contributing to the EU decision-making process that will affect them later on and/or promote local interests at a higher level (de Rooij 2002) (e.g. individually, or via local networks such as EUROCITIES or associations such as CEMR).  

Europeanisation: challenging central–local relations within the state

The dynamic, multifaceted relationship between local government and the EU is commonly defined as the ‘Europeanisation of local government’. For Hamedinger and Wolfhardt (2010: 28), this concept denotes:  

the interplay between actors and institutions on the European and the city level, which leads to changes in local politics, policies, institutional arrangements, discourse, actors’ preferences, values, norms and belief systems on both levels.

Given its comprehensive impact on local authorities, Europeanisation has been singled out as one of the most fundamental developments in local governance during the past decades (John 2001; Denters and Rose 2005). The new intergovernmental relationship between local government and the EU is moreover part of a broader system of multi-level governance (MLG), in which policy is shaped by non-hierarchical networks of interdependent state and non-state actors (Bache and Flinders 2004). With the acknowledgement of local self-government and subsidiarity in the Lisbon Treaty (2009), the Commission White Paper on European Governance (2001), the Committee of the Regions White Paper on Multilevel Governance (2009) and, more recently, the EU urban agenda and the Pact of Amsterdam (2016), the EU has also (and increasingly) sought to formalise this multilevel concept and the role and structural involvement of local government therein.

There is no doubt that the Europeanisation of local government has changed existing central–local relations in the Member States. Bomberg and Peterson (1996: 1) argue in this regard:

it has become impossible to understand relations between local and central government in Europe without considering the impact of the European Union (EU) decisions and decision-making. European Union policies . . . have yielded complex relationships between sub-national, national and supranational levels of governments.
Although the characteristic intra-state relations have not become obsolete (Goldsmith 2011), they are affected by Europeanisation in several ways. The top-down impact of EU rules, for instance, reduces the legislative grip of central government, but puts an additional strain on local autonomy and self-government instead (Fleurke and Willemsse 2006). Besides, the EU’s legislative impact is also mediated to some extent by existing central–local relations since the latter still define the competences and functions of local authorities generally (Jeffery, in de Rooij 2002). Indeed, the impact of EU rules is felt more strongly when local authorities have more competences in the first place. Some Member States also try to find a way to manage the anticipated consequences of the Europeanisation of local government – for instance when they are fined for the non-compliance of local authorities with EU law. In this respect, for example, new acts in the Netherlands and the UK allow central government to pass the cost of European fines on to non-complying local authorities, or to intervene in local policy-making which is perceived to go against EU rules (Backes and van der Woude 2013; Varney 2013).

As regards the bottom-up mobilisation of local government towards the EU, Hooghe and Marks (1996: 73) refer to the new European multilevel polity as a potential ‘multiplication of extra-national channels for subnational activity’. Such ‘para-diplomacy’, however, comes in different forms in practice (Callanan and Tatham 2014). Whereas by-passing the central state to contact EU decision-makers might simply go unnoticed, it can also result in direct conflict when opposite positions are advocated by the central and local level. Cooperative para-diplomacy, on the other hand, where local government uses national government to approach EU-institutions, might be more effective. Besides, the very choice between the different forms of para-diplomacy is often moulded by existing central–local relations and party political contacts in the state as well (Tatham 2010) while it affects those relations in return (Goldsmith 2005). In fact, direct access to European decision-makers might enhance the autonomy of local government vis-à-vis the central state.

The impact on traditional local government

Europeanisation not only affects the central–local relations in the Member States, it also impacts upon local authorities’ internal organisation and functioning. Basically, Europeanisation has an impact on nearly the entire range of local government functions (e.g. employer, licensing body, purchaser, planner, etc.) and policy domains (energy, economy, environment, culture, tourism, education, health and safety, etc.). Klausen and Goldsmith (1997) discern three types of impact. First, EU rules directly affect local authorities in their daily operation (e.g. public procurement rules, liberalisation of the energy market). Second, an indirect impact refers to the increased harmonisation of local policy as result of European rules (e.g. working conditions, environmental policy, consumer affairs). Third, Europeanisation has altered the technical, institutional and political context of local government. Competition between local authorities has drastically increased in the quest for European funding or stimulating local trade and industry. Internally, the organisation and behaviour of the local authorities have changed as well. New policy expectations, innovative forms of cooperation and negotiation, adjustments in the organisation (e.g. establishing a department for EU affairs) and task division (e.g. allocating personnel to EU affairs) are common third-order consequences of the Europeanisation process.

Several authors have created a typology or classification to depict the internal Europeanisation of local government. John (2001) uses the image of a ladder with ascending degrees of internal Europeanisation and the corresponding discretion of the local authority to engage with Europe. In the minimal phase, local authorities merely seek to meet the EU’s legal requirements. The second phase is financially orientated as the authorities aim at maximising their efforts in the
competition for European funding. When local governments enter the third phase, they engage in networking with other authorities in the EU. In the final phase local governments are fully Europeanised; they incorporate EU policies in their internal policy agenda and enter in the process of EU decision-making.

Goldsmith and Klausen (1997) distinguish between counteractive, passive, reactive and proactive local authorities. The first category refers to those authorities which are sceptical about EU affairs and deliberatively choose not to participate in Europeanisation processes. Passive authorities more often engage with Europe as a coincidence than as the result of a deliberative policy choice. Reactive governments, on the other hand, do have an interest in Europeanisation dossiers and are keen on learning, even though their engagement usually builds further upon the initiatives from other actors. Finally, the proactive group is a fairly small one. It consists of those authorities which have a clear vision on their place in Europe and consequently take the lead in Europeanisation processes. These four categories largely coincide with the four general outcomes of Europeanisation that Radaelli (2000) has described: retrenchment, inertia, absorption and transformation.

Irrespective of the typology used to study Europeanisation, it is clear that there is only a small minority of cities and municipalities that belongs to the pioneering group of fully Europeanised governments. Moreover, a closer look at the possible determinants of this internal Europeanisation process reveals a complex and compound reality as well. The list of determinants includes local government size and structural position in the state, national culture, available resources (e.g. finance, personnel, expertise and knowledge), but also eligibility for funding, intrinsic motivations and perceptions, and the presence of political and administrative policy entrepreneurs (e.g. de Rooij 2002; Hamedinger and Wolffhardt 2010; Goldsmith 2011).

Current and prospective academic research

The academic state of the art has grown in parallel with the Europeanisation process from the 1990s onwards. Following from the multifaceted nature of this process, Europeanisation research is quite diverse. Some general lines of inquiry in this large body of empirical research are outlined below.

A first group of studies tackles Europeanisation in a comparative fashion. In 1997, Goldsmith and Klausen edited a book titled *European Integration and Local Government*, which took stock of the Europeanisation of local government in 12 countries at the end of the century. In addition to the different country chapters, which provide useful benchmarks to scrutinise the Europeanisation process over time, the comparative summary yielded a classification of local authorities (see previous section) and an overview of national disparities and underlying mechanisms. One decade later, two comparative edited volumes (Hamedinger and Wolffhardt 2010; Van Bever et al. 2011b) combined thematic in-depth studies at city and/or country level with a theoretical and conceptual overview of the state of the art and a research agenda. The edited volume of Panara and Varney (2013) presents an overview of the position of local government in the multilevel system in 13 European countries on the basis of several themes such as the constitutional framework, local autonomy, organisation and elections, supervision and collaboration, functions, funding, reforms and the European dimension to local government.

The academic state of the art is further comprised of a wide range of studies focusing on particular elements of our research subject. Some examine the diverse aspects of the Europeanisation of local government in a particular country context (e.g. de Rooij 2002; Van Bever et al. 2011a; Guderjan 2015). Others deal with one particular element or dimension of Europeanisation in a given setting. The latter group includes among others implementation studies dealing with
EU compliance at the local level (e.g. Bondarouk and Liefferink 2017), studies of the interest representation of local government (and its associations) in the EU (e.g. John 1994; Heinelt and Niederhafner 2008; Callanan 2012), networks of local authorities at EU level (e.g. Huggins 2013), and the financial mobilisation of local government targeting EU subsidies and programmes (e.g. Schultze 2003; Zerbinati 2012; Verhelst et al. 2015).

In summary, there is an emerging research agenda focusing on the Europeanisation of local government from different perspectives. Future comparative research could build on the work that has been done thus far, while including new (above all East and Central-European) Member States in the analysis and using a common framework of research. Thematic in-depth analyses are recommended to complement the existing research agenda (see e.g. Hamedinger and Wolffhardt 2010; Goldsmith 2011).

**Conclusion**

This chapter addressed the shifts in the boundaries of traditional local government during the past decades across Europe. This evolution was characterised by a transformation from the typical three-layer structure in which the local level, the second tier government and national authorities played a leading role, towards a more diffuse landscape with shifting boundaries and competences. Furthermore, the contribution identified the main consequences of this evolution for traditional local government and drafted a research agenda responding to it.

With regard to first tier government, the shifting boundaries imply important territorial and functional evolutions. On the one hand, we notice an ongoing search for the optimal scale of local authorities, which in reality comes down to an enlargement of the latter by municipal amalgamations. In many European countries these amalgamations go hand in hand with transferring competences from higher government levels towards the local level. We can therefore conclude that across Europe, the local level is often strengthened during this wave of reform. The research agenda accompanying this evolution is dominated by research into the effectiveness of those reforms. Many recent studies questioned the acclaimed positive outcomes of scale reforms in general and amalgamations in particular.

In contrast with the reinforcement of first tier government, a second transformation of the local boundaries involves major change in the second tier of local government. Most remarkably, this evolution can be observed even in countries where this government level has always shown a high capacity to resist any attempt to impose far-reaching structural reforms. In the current era of regionalisation (with an increase of the number of regions by 10%) the second tier level has become the weakest link in the chain of multilevel government systems in Europe, which makes it easy to ‘target’ this level as the main subject of reforms aiming at efficiency and a more simplified institutional architecture. Moreover the need for a second tier level diminishes when amalgamations create larger municipalities with equally increased functions and capacity. Finally the relevance of place-bound government is challenged by the network society where dynamic scale levels and ‘daily urban systems’ could take over from traditional government levels. While specific scholarly attention to the second tier of local government is rather scarce, future research could focus on the effects of the ongoing regionalisation and amalgamation processes for the future role of the second tier level. In addition research lacks on the meaning and importance of identity politics at the intermediate government level.

Finally, local government’s central line-of-command has shifted as a result of the ongoing Europeanisation of the local level. Nowadays European rules co-determine many functions and policies of traditional local government. For local government, however, the EU offers as much an additional arena to promote local political interests at a higher political level (in some cases...
even via by-passing the central state) as it can place a further strain on local autonomy. The relationship between the EU and local authorities is therefore challenging (but not completely replacing) traditional central–local relations in many European member states. Furthermore, the Europeanisation process has impacted upon the internal organisation and activities of local authorities as well (e.g. establishing an EU-department, participating in EU-programmes). Given the recent establishment of local-level Europeanisation as an academic discipline, future comparative and thematic in-depth research could significantly contribute to our understanding of this complex and challenging process.

Notes
1 The new government structures at the Danish regional level also have certain responsibilities regarding regional development, environmental protection and public transportation. These regions do not have the right to impose taxes on their inhabitants, thus relying on transfers from the municipalities and the state.
2 It is unclear if this will proceed. According to the official government website www.gouvernement.fr/action/la-reforme-territoriale (updated on 4 October 2017; last consultation on 22 October 2017) the reform was still on track.
3 The plan was to create 5 or 7 larger entities (called ‘landsdelen’ or regions) replacing the 12 existing provinces.
4 Additionally, the European context provides new opportunities and incentives for horizontal (often transnational) cooperation between local authorities.
5 For a broader reflection on the connection of intergovernmental relations and MLG, see Ongaro et al. (2010).

References


