



TÜRK-İSVEÇ YEREL YÖNETİMLER ORTAKLIĞI PROGRAMI

TURKISK-TSVENSKT PARTNERSKAP FÖR LOKALT SJÄLVSTYRE

TURKISH-SWEDISH PARTNERSHIP FOR LOCAL GOVERNANCE

Two Tier Metropolitan Structures in Europe

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Metropolitan structures – what for?

- To coordinate delivery of services on functionally integrated but politically (administratively) fragmented area
 - Spatial strategic planning
 - Public transportation
 - Network infrastructure
 - Waste management
 - Sometimes also some social services (eg. secondary schools, interventions on labour market)
- To support economic growth and international competitiveness of metropolis
- To reflect metropolitan rather than local self-identity of many residents („de-localized homo politicus”)

Possible solutions

- Do nothing, ignore the problem
- Annexation (incorporation) of the suburb by central city
 - 19th century solution
 - All services provided on metro level in spite of local character of some of them
 - Demolishes identity of small communities, alive in many parts of the metro area
- Public choice approach: stimulate bottom-up voluntary cooperation
 - Cooperation culture required
 - Strong incentives required
 - Allows to solve issues within scope of competencies of the member municipalities
 - Legitimacy and accountability problems
- Reform theory: two-tier institutional structure
 - Tempting mixture of high formalization and preservation of local autonomies

Advantages of two-tier structures

- Formal character supports long-term policies and development of a common identity
- Clear division of powers and responsibilities
- Allows for direct democratic legitimacy
- Provides room of manoeuvre in financial arrangements
- But.... It is not very common
 - Requires deep changes
 - Usually opposition of several actors
 - Fear of reforms and changes
 - Loosing part of power by local politicians
 - Formalized structure lacks flexibility in the future

European illustrations

- Italy
 - Reform prescribed by the Law but not implement (region as a main opponent)
- Netherlands
 - 7 regional public authorities (1994)
 - Appointed not elected
 - More than IMC – additional functions allocated by the law
 - Obligatory IMC
 - Functions: regional and spatial planning, housing, environment protection
- Helsinki
 - Idea developed due to opposition of suburbs against annexation
 - Council of Helsinki Metropolitan Area – appointed by member municipalities
 - Functions (mostly delivered through contracts with private sector): waste management, public transport, spatial planning, air pollution control.
- Two-tier structures limited to central city
 - Prague
 - Budapest
 - Warsaw
 - Many other

German experience

- Different solutions in individual Länder
- The most often quoted example of hard two-tier structures
- Two the most advanced good practice cases:
 - Hannover
 - Stuttgart
 - Developed after long trial-and-error processes
 - From government to governance.
 - Important role of non-public actors. Business as an important initiator in Stuttgart
 - In both cases institutions fostering economic growth are important part of the reform

Stuttgart

- Metropolitan region from 1994
- 5 counties, 2.5 mln population
- Directly elected regional council (5 years, 90 members, proportional system)
- *Regionaldirektor* – appointed for 8 years
- Main functions:
 - Regional planning
 - Spatial planning
 - Regional transport planning
 - Transfer of social functions failed due to opposition of counties
- Financing
 - Contributions from counties and municipalities
 - Transfers from federal government

Hannover

- Established in 2001
- City and 20 municipalities (surrounding county was abolished), 1.1 million population
- Regional assembly – 84 members, 5 years, proportional system
- President – directly elected, 8 years
- Functions:
 - Public transport
 - Roads
 - Waste management
 - Regional planning
 - Social assistance
 - Vocational schools
 - Health care
 - Spatial planning
- Financing:
 - Contributions of municipalities
 - Transfers from federal government

France

- Formally voluntary IMC, but increasingly similar to 2-tier structure with direct elections, own sources of finance and hard list of functions
- Extreme territorial fragmentation
- *Communautés urbaines* – 16 largest agglomerations, over half a million residents
 - Established by double-majority rule
 - Decision by simple majority
 - Council appointed by member *communes*
 - Mayor of the core city – usually President of the community
- *Communautés d'agglomération* – in over 120 smaller agglomerations
- 2010 proposal of the Balladur Committee to transform them into „complete” tier of government
 - New name – métropole - approved
 - But the reform diluted in the Parliament; additional functions depend on the doubtful agreement with *department*; transfer of additional tax powers rejected
 - But: direct elections to *communautés* from 2014

France -2

- Functions

- Public transport
- Economic development
- Strategic spatial planning
- Selection from among other functions
- Spatial local planning
- Housing
- Environment protection
- Some social services

*Communautés
urbain only*

France - 3

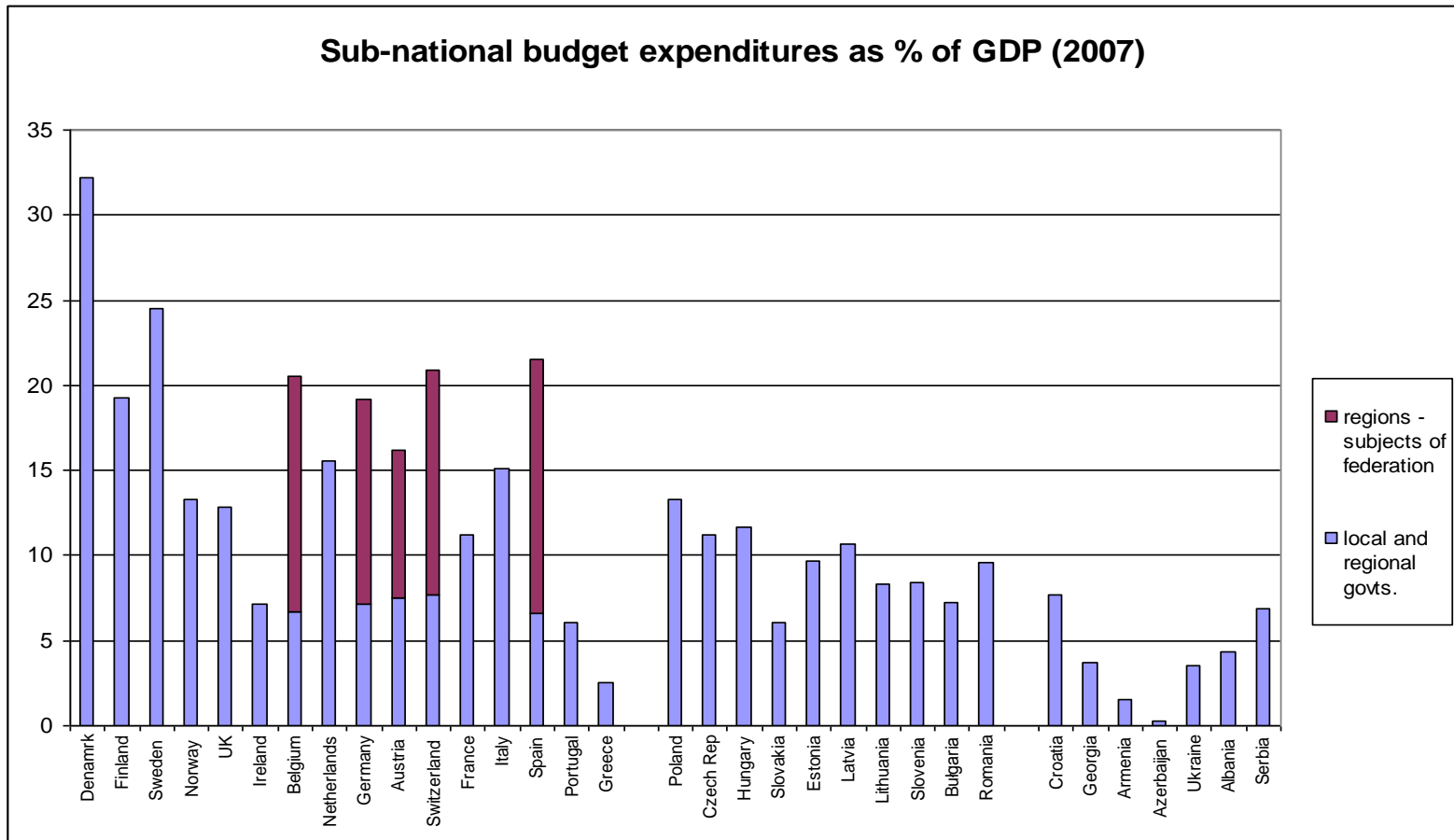
- Finances
 - *Taxe professionnelle* (till 2011)
 - Tax on households
 - Tax on salaries (to maintain transport system)
 - Tax on waste collection
 - Obligatory equalisation scheme („solidarity grant”)
 - General criteria stipulated by the law
 - Details to be decided by *communaute*

Lessons and conclusions

- Consensus of involved actors as crucial factor of successful reform
- Factors supporting the consensus:
 - Solution which clearly contributes to solving existing problems
 - Indicating wins for influential actors
 - Patient negotiation
 - Informing public opinion
 - Pressure of international competition
- Relying on bottom-up voluntary coordination is rarely sufficient
- Variety of hybrid solutions between compulsory and voluntary, hard structures and soft structures
- There is no „ideal model” – pros and cons have to be tailored to local conditions

Questions unanswered directly in the presentation

- a. What is the role of lower tier municipalities?
 - This depends on local government system in each of the countries. All municipal functions, which are not transferred to metro tier. Huge variation; main differences are in social services



Questions unanswered directly in the presentation

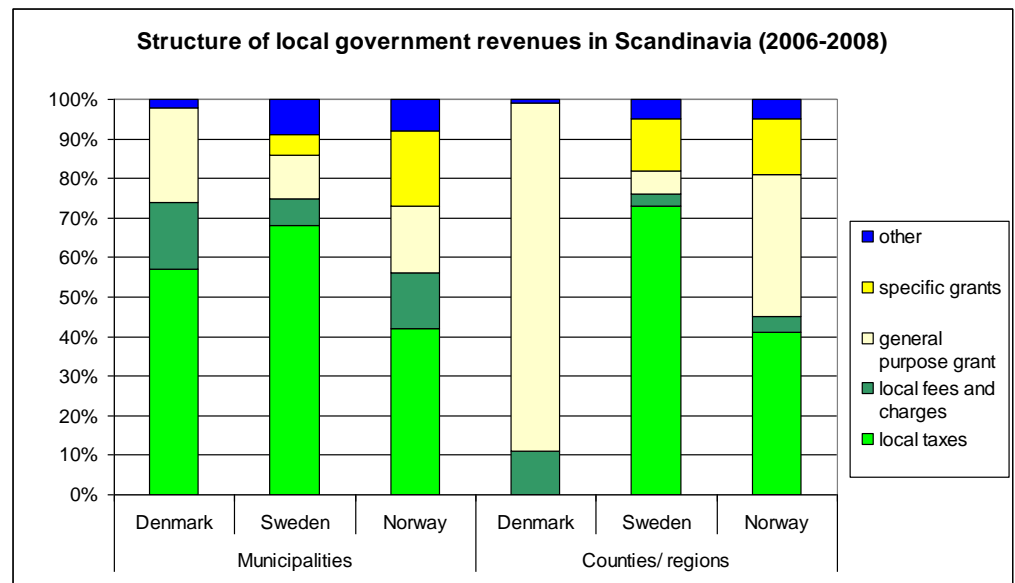
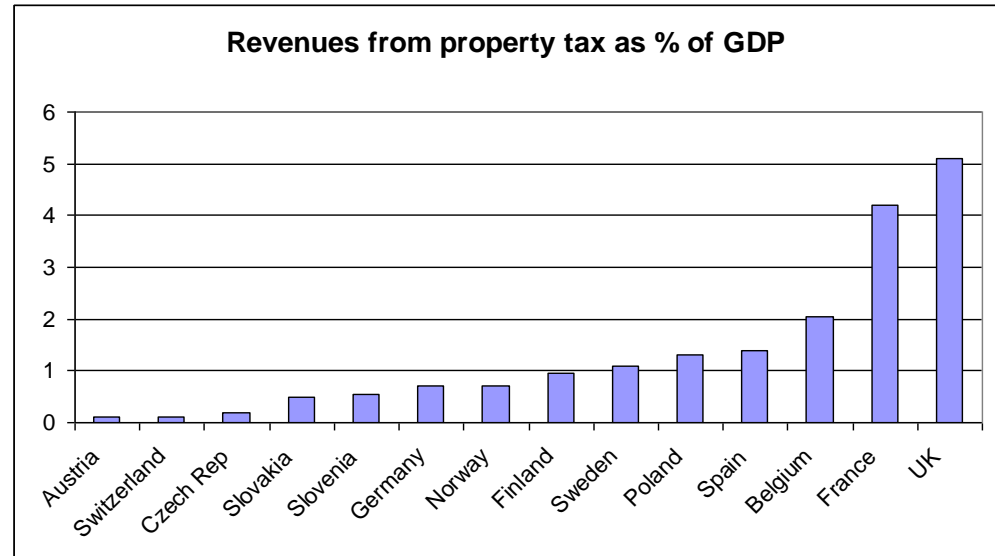
- d. What are the institutional structures of the lower tier municipalities and metropolitan municipalities?
 - It depends on the national model of local government system; huge variation, for example:
- Direct election of mayors: Germany, Italy, Spain, Greece, some UK, Poland, Slovakia, Hungary
- Appointment of collective board by the council: Scandinavia, Czech Rep, Estonia, Latvia, most of UK (ceremonial mayor)
- Proportional electoral system: Scandinavia
- Majoritarian electoral system: UK
- Proportional with strong bonus for the winner: France
- Depending on the size of municipality (proportional in big, majoritarian in small): Poland, Hungary, Slovenia

Questions unanswered directly in the presentation

- e. How are metropolitan municipalities and lower tier municipalities audited?
 - In the same way as any other local government
 - Control of legality only (*European Charter of Local Government*)
 - Specific institutions: *Chambre Regionale des Comptes*
 - France; RIO – Poland, Audit Commission - UK

Questions unanswered directly in the presentation

- f. How is revenue system of lower tier municipalities?
 - It depends on the national inter-governmental system
 - Two dominant systems of local taxes:
 - Based on property taxation: UK, France, Germany, Italy, Poland
 - Based on local income tax: mainly Scandinavia
 - Great variation in local tax autonomy
 - Extensive system of tax sharing (*strict tax sharing and other forms of tax sharing) – usually of PIT, CIT, sometimes VAT and other.
 - Both vertical and horizontal equalization grant systems



Questions unanswered directly in the presentation

- h. Is there a criterion for the population of the lower tier municipalities?
 - Various territorial organizations in European countries
 - Sometimes population criteria in territorial reforms (Denmark, Finland etc.)

Examples of average population size of municipalities (,000):

UK	125	Croatia	9
Lithuania	60	Romania	8
Georgia (after 2006)	58	Italy	7
Denmark (after 2007)	55	Estonia	6
Serbia	49	Spain	5
Sweden	29	Ukraine	4.5
Bulgaria	28	Armenia	4.1
Netherlands	21	Hungary	3.3
Latvia (after 2009)	18	Azerbaijan	3.1
Poland	15	Slovakia	1.9
Finland	12	Czech Republic	1.7
Norway	9	France	1.3