

Central-Local Relations in Flanders: Structural Reforms, Scale, and Decentralisation

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The scale of Flemish municipalities keeps dominating the political agenda in Flanders. In recent years the Flemish government has stimulated the municipalities to merge on a voluntary basis. If they do so, they can receive more competences and strengthen their position. However, this policy has not generated any success so far. In this paper the authors place these efforts in a historical perspective, before addressing the current policy in Flanders concerning scale and decentralisation. In the final part of the paper the authors introduce some foreign experiences with scale and decentralisation. It is remarkable that the current debate in Flanders does not stand on its own. The authors try

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to determine what lessons Flanders can learn from these foreign experiences.

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1. Introduction

Those who occasionally watch television have undoubtedly noticed that several channels replay different programmes. The same happens with coalition agreements. They often contain recipes that have already emerged in former policy documents or coalition agreements. The fact that a recipe is repeated can be interpreted in two ways: either it has been a successful way of dealing with certain problems, which explains why it is being repeated, or the measure was never put into practice and one wants to give it another try.

The same can be said when we speak of the enlargement of the administrative scale, which is mentioned in various policy documents of the current Flemish government (2014-2019). The enlargement of the administrative scale is explicitly put forward as a major priority of the current Flemish policy in the policy declaration on internal administration and urban affairs. However, this was also the case during the previous legislature (2009-2014). In this contribution we therefore examine what happened during the previous legislature and what plans the current Flemish government has in this field. We focus in particular on the administrative scale of Flemish municipalities. Finally, we broaden our focus by discussing some foreign examples of recent scale reforms and see what lessons Flanders can draw from them.

2. A Brief History Lesson: Scale in Flanders in Recent Decades

Although the borders of certain Belgian municipalities date from the Roman period, it was mostly during the French period – many years later – that some uniformity was brought to our state structure, including at the local level (De Ceuninck, 2009). At that time, however, small-scale local government was the norm. The administrative boundaries of mu-

municipalities coincided with the world of the people. A larger scale was not immediately necessary, since the tasks of former municipalities were also much more limited than they are today. From the creation of Belgium in 1830 (when the country had 2,498 municipalities) until well into the 20th century, the scale of local authorities and their borders was barely a topic of discussion, let alone a subject of reform.

It would take until 1937 for the scale of Belgian municipalities to come under discussion. In that year the former Study Centre for the Reform of the State launched a proposal in which they called for a compulsory amalgamation of all municipalities with fewer than 500 inhabitants and an optional amalgamation of all municipalities with between 500 and 1,000 inhabitants. The Second World War, however, led to other administrative and political priorities, so it would take until the 1950s for the issue to appear on the political agenda again. In 1959 the Central Council for the Economy formulated an opinion in which it declared that the extensive local fragmentation in Belgium generated numerous drawbacks. Therefore they called for an extensive amalgamation of all Belgian municipalities with fewer than 2,500 inhabitants, along with a serious expansion of intermunicipal cooperation initiatives.

Eventually, in 1961, the legislator recognised that something had to be done to reduce the large number of small municipalities. The Law of February 14, 1961 “for economic expansion, social progress, and financial recovery” contained a relatively smooth procedure to amalgamate municipalities by means of a Royal Decree. This law was an attempt by the government to deal with the structural weaknesses of the Belgian economy at that time. Municipal mergers were part of this package. Eventually, on the basis of that procedure, about 300 municipalities disappeared between 1961 and 1971, which brought the total number of Belgian municipalities down to 2,379.¹

Soon afterwards, the government realised that the amalgamations of the 1960s were inadequate in both quantity and quality. The total number of municipalities involved in a merger was too low and the newly created municipalities remained relatively small. In response, in July 1971 the Parliament voted in two laws, namely the Law of July 23 “concerning the amalgamation of municipalities and the modification of their bound-

¹ Most of these amalgamations took place in the Walloon part of the country, where local fragmentation was much higher than in Flanders. Two amalgamations worth mentioning were the creation of the city of Oudenaarde that amalgamated with several of its surrounding municipalities in 1964, and the creation of the city of Bruges in 1970.

aries” and the Law of July 26 “on federation and agglomeration”. The first act made municipal amalgamations possible in Belgium according to an overall plan, while the second law wanted to create federations and agglomerations as a second tier of local government. It could be seen as an enforced way of intermunicipal cooperation. However, it would take until 1974 for the law on amalgamations to be put into practice. At the same time, the law on federations and agglomerations died a quiet death. When Joseph Michel became minister for the interior in the Tindemans I government in 1974, his first job was to implement the government decision on municipal amalgamations based on the law from 1971. This meant that municipal amalgamations would be implemented in accordance with an overall plan in which almost all Belgian municipalities were involved. Those mergers were motivated in several ways, but the main reason was undoubtedly to make local authorities financially healthy again. Both small rural municipalities and larger cities faced a difficult financial situation at that time. The first category did not have enough tax revenues to build a sound policy, while larger cities, in their turn, felt locked up within their historical boundaries. That meant that their metropolitan role in delivering many services to their own citizens (but also to citizens from surrounding municipalities) was insufficiently respected. Their main problem was that they could not raise taxes in those surrounding areas, while many of the residents of those areas used some of the services provided by the cities. In addition to this financial motivation for the amalgamations, the government also wanted to put an end to the huge local fragmentation at that time and to open the way for additional powers and competences at the local level. A decentralisation of new competences towards the local level was planned after the amalgamations. The amalgamations that were decided in 1974-75 would effectively start in 1976.

As mentioned before, the mergers of 1976 were carried out according to an overall plan in which the decision-making was strongly controlled by the central government (De Ceuninck, 2009). The minister of the interior formulated merger proposals to the municipalities in question, but the latter could only formulate advice in response to those proposals. Finally, it was the central government, partly based on the advice it received, that decided on the new municipal boundaries. This way of decision-making was a major source of criticism after the reform. Many local politicians felt that their advice had had little or no impact. This way of working resulted in the fact that for many years the subject of municipal mergers was virtually taboo in Belgium. In many municipalities it took a long time before the amalgamations were accepted by everyone.

The amalgamations of 1976 reduced the number of Belgian municipalities from 2,379 to 589.² In Flanders the number of municipalities decreased by 66%; from 906 to 308 municipalities. In Wallonia, the drop was even steeper (82%). Due to many linguistic and other problems, no municipal amalgamations were implemented in the capital region of Brussels. As a result, Brussels still has 19 municipalities.

3. Scale as Part of a Larger Debate

The mentioned taboo resulted in the fact that the issue of scale and amalgamations remained undiscussed for a long time in Flanders. Over the last two decades, however, things have been changing. It is worth noting to see that the debate on scale in Flanders has become part of a wider debate, especially the one on the administrative relationship between the three directly elected levels of government in Flanders. The latter debate can indeed be seen as a permanent search between the three levels of government to optimise administrative relations. That quest was intensified after 2001, when Flanders became responsible for the organisation of local and provincial government levels. Before, this had been a responsibility of the federal government.

The search can also be explained logically. Administrative relations evolve over time along with the levels of government, whose tasks and competences, together with the legal framework in which they function, are also permanently subject to change. Furthermore, one needs to think about the evolution of administrative relationships in Flanders and how to deal with this. Over the years the municipalities have gained many more competences and responsibilities, which has resulted in the fact that nowadays they have a different position compared with the Flemish government then was the case many years ago.

3.1. From CBO-Advice to the White Paper

In the following part we take a closer look at the different initiatives in which the Flemish government and the local (and sometimes provincial government) discussed their relations and their mutual cooperation (De Ceuninck, 2014). This overview demonstrates that both the issues of scale

² Note that the amalgamation of the city of Antwerp only took place in 1982, but is included in this number.

and decentralisation were, despite ups and downs, important elements during these debates.³

Advice from the Committee on Government Organisation. The opinion of the Committee on Government Organisation came in 1997 at the request of Minister Peeters, who was at that time responsible for home affairs, urban policy, and housing. The task of the committee was to formulate an opinion on the future organisation of Flemish local government, and in particular the relationship between the municipalities and the Flemish government level. It should be noted that the advice dates from the period when the federal government was still responsible for the operation and the organisation of local and provincial governments.

The strengthening of municipal administrative power was explicitly put forward by the committee. According to the committee, there were problems in Flanders with the administrative power of all municipalities with fewer than 10,000 inhabitants: at that time one third of Flemish municipalities. Voluntary mergers were, according to the committee, necessary and possibly followed by compulsory amalgamations at a later stage. In addition, the committee was in favour of a stronger differentiation in tasks between municipalities. Greater diversity among municipalities ensures that they are able to fulfil their own responsibilities according to their specific characteristics. According to the committee, an additional way of strengthening municipal administrative power was the stimulation of intermunicipal cooperation. Especially in rural areas, this was seen as a way of strengthening municipal administrative power. The committee also held a plea for a new decree to shape this intermunicipal cooperation. The legal framework which had existed previously was indeed too rigid, leaving many municipalities to cooperate outside the existing legal framework of intermunicipal cooperation.

Specifically, for urban areas, the committee pointed out many difficulties with regard to distribution and redistribution issues. In many cases (especially regarding spatial planning) those issues were a competence of the second tier of local government: the provinces. If those powers were to be decentralised towards a city regional level, things would probably be easier to organise. According to the committee, a city regional scale would contribute to a more effective and efficient regional urban management,

³ In this overview we make use of the text *Evaluation of the Internal Flemish State Reform*, written by the Centre for Local Politics in close cooperation with the Flemish Advisory Council for Administrative Affairs (De Ceuninck, 2014).

better equalisation of the uneven distribution of benefits and burdens between the municipalities, better policy coordination, and more democratic control by the residents of these urban areas. Finally, following this logic (and with the installation of such a new layer of government), the provinces would cease to exist in those urban areas.

Pact with the municipalities. One year after the advice of the Committee on Government Organisation, the Flemish government started negotiations with the Flemish municipalities, which culminated in a pact that was reached in March 1999. The central objective of this pact with the municipalities was to improve public services and achieve a greater citizen involvement by strengthening local democracy. The government hoped to achieve this by investing primarily in larger policy coherence. The Flemish government committed itself to strive for better cooperation between the different Flemish administrations in order to strengthen relations with the municipalities. Although the scale debate was not a part of these negotiations, the pact is still worth noting. Many things that were agreed at that time are still relevant today and have even reappeared in the political discourse.

The negotiations between the local authorities and the Flemish government finally resulted in a ten-point action plan that specified 63 concrete action points. It showed clearly that the Flemish government chose to respect the principle of subsidiarity. This was reflected in the fact that choices had to be made at the most functional government level. The Flemish government saw a role for itself in policy formulation. They stressed that they would only formulate the outlines of a policy and the intended results, while a more concrete completion of the policy would be a task for the local level. In addition, the pact also explicitly recognised the need for prior and timely consultation on important matters that would affect both central and local partners, and initiatives that would benefit their mutual communication and information exchange.

The debate on core competences. The debate on core competences was initiated by the Flemish Dewael government (1999-2003), which announced in its policy declaration a reorganisation of Flemish government organisation. As a result of the Lambermont Agreement of 2001, the regions had indeed acquired responsibility over the operation and organisation of local and provincial governments.⁴ This was an excellent opportunity

⁴ The Lambermont Agreement was a step in a succession of steps of state reform in Belgium. It was reached in 2000-2001 and was actually the fifth step in the process. The agreement decentralised several competences concerning local authorities to the regions and decided on a considerable increase of federal transfers to the communities.

to observe their operation in detail. The debate focused clearly on the vertical dimension of the management organisation, namely the division of powers between the three levels of government in Flanders (Devos and Reynaert, 2002).

The debate eventually centred on two questions, the first of which was: which competences have a public interest and should therefore be taken up by the government? Once that question was answered, one could answer the second question: namely what level of government should take up which public function? However, this needs some nuance. The first question was never really answered, while the second was often narrowed down to a discussion of financial resources between the partners involved in the debate.

The debate was conducted from the perspective of the citizen. Departing from a government perspective would have been wrong because each level of government strives for the defence of its own interests. The debate was conducted between December 2001 and April 2003 by politicians of the three levels of government in Flanders, namely the municipalities, the provinces, and the Flemish government. Apart from the citizens' perspective, the subsidiarity principle was also put forward as a guiding principle during the discussions. This referred to the fact that tasks which could be performed by a lower level of government should not be taken up by a higher level of government. If it were decided otherwise, then this should be adequately justified.

The debate ultimately resulted in an agreement between the three levels of government elected in Flanders, where a clear profile was created for each of these levels. The municipalities were thereby recognised as the basic level, closest to the citizens. Based on the principle of subsidiarity, the local level could take up any competence without limitation. Municipalities can perform all tasks related to their territorial importance, except in cases where this is legally prohibited, or in cases where the tasks are legally (or by decree) reserved for another level of government. Note, of course, that the principle of subsidiarity and further development of local authorities means that the other tiers of government should exercise a restraint position towards the local government level.

Remarkably, some issues remained absent from the debate on core competences (Devos and Reynaert, 2002). Reynaert and Devos pointed out that the core problem of the administrative organisation in Flanders, namely the scale of the municipalities, was left out of the debate: "The majority of the Flemish municipalities do not have sufficient policy ca-

capacity to take on many complex tasks. But nobody dares to say the words ‘amalgamations of municipalities’”. Note that the taboo on new municipal mergers was still alive at the beginning of this century. This would, however, change during the Flemish legislature of 2009-2014, in which the scale of municipalities was explicitly questioned.

The internal Flemish state reform. In the Flemish coalition agreement of July 9, 2009, the political parties made it clear that they wanted to work towards a simplification of the administrative landscape in Flanders. Indeed, the analysis was that over the years too many intermediate policy structures had emerged. The government wanted to tackle this so-called administrative overload by means of an internal state reform. This process would lead to a simplification of the administrative landscape in which all forms of governance would be scrutinised and, where necessary, would be reformed or even abolished. From now on, the focus would lie on the municipalities on the one hand, and the Flemish government on the other. The government announced the intention to limit the list of the competences of Flemish provinces drastically to only ground-tied competences such as economy, agriculture, environment, spatial planning, and so on. Most competences that are person-tied (such as culture, education, and sports) would be transferred to the regional or local level. Only in exceptional cases would some of these competences still be attributed to the provinces (Valcke, 2010; Bourgeois, 2011).

These general principles were further refined in the policy declaration of Minister Bourgeois, who was responsible for internal affairs during the previous Flemish legislature. In an analysis he outlined the particularly complex administrative landscape in Flanders. He indicated that he would focus on a drastic simplification of the many structures within the Flemish administrative landscape. The key elements he included were:

The focus of the policy would lie with the municipalities and the Flemish government. All forms of intermediate governance would be questioned.

A decentralisation towards the local level. The Flemish government would invest in their administrative power.

There would be a comprehensive list of provincial powers with a territorial character.

The creation of homogeneous key tasks for each level of government. Only two administrative levels should play a role per policy sector.

The many intermediate structures and organs between existing government levels would be simplified dramatically.

With the announcement of these policy priorities a major taboo in Flemish policy disappeared, namely new municipal amalgamations. The minister was very clear about this; investing in the capacity of municipalities could also be done by way of new municipal amalgamations (Bourgeois, 2010a). In his Green Paper (July 2010), the minister made this very clear: “Scaling up of local governments through mergers is one possible way of enhancing the administrative capacity of many municipalities. A large-scale top-down approach, where the number of municipality inhabitants is taken as a guiding criterion, is currently not on the agenda. The need to scale up will have to be examined case by case and will have to offer a solution to the specific problems of the municipalities involved. Here we can think of a redistribution problem (e.g. between a city and its surroundings), an imperfect amalgamation of the past, increasing administrative efficiency and capacity, the professionalisation of the administration ... It is important that an amalgamation is seen in the long term; this must be a structural solution with sufficient support among local politicians and the local population.”

Further development of these principles came with the so-called White Paper of April 2011 (Bourgeois, 2011). Again, this text was clearly in favour of new municipal amalgamations. They were explicitly promoted as a way of strengthening the professionalisation of local government. Several foreign experiences were used to underpin this. Moreover, it demonstrated that local democracy does not necessarily suffer under a larger scale. The example of Denmark was specifically highlighted as a successful example of an amalgamation operation that went hand in hand with decentralisation towards the local level.

A concrete implementation of this policy came with the framework for voluntary mergers which was published by Minister Bourgeois (2010b). It contained a concrete path that was developed to allow voluntary mergers, with a deadline before the local elections of October 2012. It was up to the councils themselves to take a decision in principle on this, which could afterwards be confirmed by a decree. The minister worked out two stimulative measures to make the offer slightly more attractive. First, there was a financial bonus for those municipalities that took the step towards amalgamation. A grant was calculated so that during the first local legislature (which is six years in Belgium) after the merger, the new municipality would annually receive extra financial support. Secondly, the framework also provided non-financial guidance and support. The minister suggested the installation of a technical working group which was to assist the municipalities during the merger process. This coaching team would consist

of representatives of the municipalities involved, officials of the (Flemish) Agency for Internal Administration, employees of the VVSG⁵, and the governor. The task of this team would be to support the municipalities legally and organisationally.

With both measures, the Flemish government showed that they did not wish to make the same mistakes as those made during the amalgamations of the 1970s. At that time, the municipalities were indeed forced to merge and there was hardly any public participation. Moreover, the municipalities had had the impression that they had been left alone and received very little administrative support. Finally, it had also been a common complaint that the municipalities had had to pay the majority of the merger costs themselves. With this framework for voluntary mergers there came an answer to all of those complaints. From now on, voluntary mergers would receive both financial and technical support from the Flemish government.

In reality, however, nothing really happened. There have indeed been some exploratory talks in some municipalities, but ultimately no one has taken a step towards an actual merger. There are several reasons for this (Decoster, 2014). The main reason is undoubtedly the lack of support for voluntary mergers. Local politicians are especially reluctant towards new mergers. In part this is due to the unfortunate experiences of the 1970s, but equally so to the fear of losing mandates. Secondly, the timing was extremely tight and politically very unfortunate. The framework for voluntary mergers was issued in 2010 and the councils had to decide on a merger as early as in 2011. Moreover, this framework came during the full run-up to the local elections of October 2012, a particularly unfortunate moment to advocate for municipal mergers. Also, the subject was not an element of debate during the election campaign of 2012. Thirdly, there is insufficient knowledge locally about the benefits of a merger, or the potential of any economies of scale. Note that if local politicians do not know these advantages, it will be very difficult to convince the population. Finally, there are also several organisational aspects that partly explain the lack of new mergers. So far, many questions have remained unanswered; for example, what to do with the official degrees⁶ in the new municipalities, how to tackle distribution issues, and so on.

⁵ The VVSG is the *Vereniging van Vlaamse steden en gemeenten*, the Association of Flemish Cities and Municipalities.

⁶ Official degrees are the municipal secretary (the highest local officer) and the local financial manager.

4. Towards a Multiple Approach of Scale and Decentralisation

The fact that there were no municipal amalgamations during the previous Flemish legislature period does not mean that the policy has failed in this regard. At least the debate is being conducted again, and this means something in Flanders, where this subject has always been largely taboo. Moreover, it will take time to convince everyone of the benefits associated with a merger. In this respect it is important to know the plans of the new Flemish government that came into power in 2014.

The Flemish coalition agreement of 2014 was achieved under special circumstances. There was the effect of the sixth state reform, which transferred a number of new competences to the Flemish government, and there was the tight budgetary framework, which made it necessary to make some important choices. This tight budgetary framework has also affected the local level. Local finances have been under severe pressure in recent years. This has multiple causes: personnel and pension expenses, loss of dividends, and rising costs for police and firefighters. The question has to be asked to what extent local governments have the adequate resources and administrative capacity to meet the many tasks they have to fulfil. The precarious financial situation, partly due to the economic crisis, of several local governments has made that question only more pertinent. An important part of the revenues of Flemish municipalities is formed by an additional rate on the federal income tax. These resources have declined since 2008 and the beginning of the financial and economic crisis.

The Flemish coalition agreement of 2014-2019 clearly shows continuity in its approach towards the local level compared with the previous legislative term (Vlaamse regering, 2014). The focus lies on strong cities and municipalities on the one hand, and a general role for the Flemish government itself on the other hand. The provinces will be downsized further and they will lose all person-tied competences and even their ground-tied competences in cities with more than 200,000 inhabitants.

Some of these powers will be decentralised towards local authorities. In that sense, a serious decentralisation movement is part of the current Flemish coalition agreement. This is based on the fact that local authorities are the first point of contact for citizens and moreover are accountable to their own local democracy. There will also be differentiation according to the scale of local authorities. The largest cities (100,000+) will get the opportunity to deviate from Flemish legislation, if they can explain this

from an efficiency standpoint or from the metropolitan context in which they operate, and insofar as this is consistent with the applicable European directives and regulations. However, even medium-sized municipalities (25,000+) will be able to obtain additional competences if they ask for this.

The increased policy autonomy which is mentioned in the coalition agreement becomes clear in the reform of the financing of local governments. Many sectoral subsidies (in the fields of culture, youth, sport, education, community development, and child poverty) will disappear and be integrated into the municipal fund. This is a general fund managed by the Flemish government, which provides the municipalities with financial means which they can spend with full autonomy. This means that the policy autonomy of the local authorities increases, because from now on they have larger autonomy in deciding how to spend these funds.

The policy declaration of Minister Homans, who is responsible for local and provincial authorities, shows that the government wants to invest in further strengthening the capacities of local authorities (Homans, 2014). The aspects of scale and decentralisation both play an important role in this respect. Two important measures illustrate this, more specifically the encouragement of voluntary amalgamations and the stimulation of regional cooperation. We discuss both in detail below.

4.1. Stimulation of Voluntary Amalgamations of Municipalities

One of the operational objectives in the policy declaration of Minister Homans says: “the encouragement of voluntary amalgamations of municipalities”. In this respect, the minister clearly expands on the work that began during the previous Flemish legislature. The minister acknowledges that the policy during the last legislature did not lead to concrete results, but at least the debate about amalgamations is again on the political agenda. Moreover, a number of municipalities are faced with a lack of administrative capacity and this in a context of increasing demands from the population, increasing tasks, and a rising complexity and technicality of tasks.

To stimulate the municipalities to merge, the minister created some instruments. We briefly take a closer look at them:

A ‘power monitor’ was created in 2015. The result of such a monitor (an instrument that has already existed for many years in the Netherlands)

provides municipalities with an objective view of their own abilities and capabilities. Although it is not intended to oblige the municipalities to merge, it does give an indication of where a local authority stands and what can possibly be done better. It stimulates local authorities to question themselves and make adjustments where necessary.

The detailed framework to stimulate voluntary mergers developed during the previous Flemish legislature will be maintained and even slightly extended. In 2015 the minister developed a financial bonus and a decree that regulates the modalities of a possible amalgamation. Financial support will also be interpreted more broadly than simply a financial bonus. The minister will investigate if the Flemish government can take over financial debts from the municipalities. Moreover, the legal and administrative support developed during the previous Flemish legislature remains preserved.

A final incentive consists of granting additional powers to the amalgamated municipalities. The Flemish policy in the coming years has the intention to decentralise tasks to local authorities, but as has already been mentioned, this is related to the aspect of scale. Only medium-sized (25,000+) and large municipalities (100,000+) will be able to count on these additional responsibilities.

4.2. Stimulation of Regional Cooperation

The fact that Flemish municipalities work together is not a new phenomenon. In recent decades, however, there has been an exponential growth of this cooperation, which raises the question whether all this leads to greater efficiency, or rather a loss of control for the local councils. Many local councillors indicate that it has become difficult for them to follow up all these initiatives. Indeed, there is a danger that too much intermunicipal cooperation will ultimately lead to what can be called an ‘appearance of independence’. Many decisions are indeed taken in other forums and, as a result, the city council with its directly elected representatives is placed out of the game.

These findings are not new and were already formulated during the previous Flemish policy period, in which the instrument of ‘regional screenings’ was introduced. The screenings are a way of exploring the many regional structures per region and formulating possible solutions for this extreme complexity. The approach per region has enabled a customised exploration of the problem, as each region has different characteristics. The

regional screenings were rolled out in several phases. In the first phase, an inventory was drawn up of the many structures per region. This inventory was completed in 2012 and served as a 'starter' for the debate at local and regional level.

The second phase of the screenings consisted of an audit and evaluation of the data collected in the first phase. In this phase the problems were actually identified and the search for a possible solution started. The governors were appointed as commissioners of the Flemish government to organise and support this process. The governors finally prepared a report for each province, in which concrete measures were proposed to weaken the administrative burden. In the final phase, concrete actions and measures were to be implemented. Multiple elements can be part of this phase, such as the abolition of certain forms of cooperation, the clustering of cooperation, mergers of municipalities, the modification of Flemish legislation, and so on.

In her policy declaration the minister proposes a follow-up to the regional screenings. The objectives remain the same as those during the previous legislature, namely reducing the complexity of regional cooperation in its current form. However, municipalities should do as much as possible to work together on a regional scale. All forms of intermunicipal cooperation should be concentrated in one region to the extent that this is possible. How that region is defined is up to the municipalities involved.

To achieve this, the minister wants to encourage municipalities to cluster their cooperation at the regional level, in the belief that defining clusters in which the municipalities and other partners work together will enhance transparency. The minister will develop a framework for this by decree, in order to determine the guidelines for optimal regional cooperation.

It remains to be seen in what way these plans will be realised in reality. The clustering of intermunicipal cooperation in regional associations may sound tempting, but it will take a lot of political and legal thinking to organise this. The many intermediate structures differ dramatically in terms of composition, scope, funding, and so on. Furthermore, this requires a change in thinking not only at the local level, but also at the Flemish level. Considerable restraint will be required on part of the Flemish administration in imposing new partnerships onto the local level: something that was recognised in the coalition agreement.

5. Comparative Experiences

Many of the debates that have taken place in Flanders in recent years have also been on the political agenda in several other European countries. The issues of scale, decentralisation, and the relationships between different layers of government have dominated the debate in many countries. The Netherlands, Germany, and Denmark have extensive experience with municipal mergers, decentralisation, and reforms at the local level. The same debate was also on the agenda in France, however, with a fundamentally different result. We briefly discuss those countries before we draw some lessons for Flanders.⁷

5.1. Denmark

In the literature there is agreement that the reform operation that Denmark has carried out in recent years can be seen as a successful scale reform. That became clear recently in the Netherlands, where the report entitled *Modernisation of the Administrative Structure of the Ministry of the Interior and Kingdom Relations* (MBZK, 2013) referred to Denmark as an example of a successful reform. Klaartje Peeters (2013) lists several reasons for this, the most interesting being the decision on the administrative reform itself. Certainly the control of that decision by the national government can be seen as a success. Firstly, the government made good use of the conditions. Although no planned amalgamation of municipalities was forthcoming, the government made use of a policy window that came up in the summer of 2002. Furthermore, opposition was discouraged and support welcomed. Moreover, the operation was also accompanied by strong policy entrepreneurship. Here a large role was played by the Interior Minister Lars Lùkke Rasmussen, who travelled around the country to convince people of the inevitability of the reforms.

Only seven municipalities (including five small island municipalities) ultimately did not meet the conditions imposed by the government. All the other Danish municipalities found one or more amalgamation partners. According to Peeters, several lessons can be drawn from this:

The ‘robbery technique’ worked. The municipalities had insufficient time to respond or prevent the process. They received only six months from

⁷ In this part we refer to a report published in the context of a research project of the Policy Research Centre (De Ceuninck, Steyvers, 2014)

the government to find a partner: something at which the vast majority of municipalities were successful.

In addition to this there was also very intense time pressure. The result of this tight schedule was that the municipalities immediately searched for amalgamation partners, in the fear of being left behind or ending up in a forced amalgamation.

Reform is easier in prosperous times. The municipalities in Denmark received no financial incentives to merge. But in that particular period the Danish economy was doing well, and as a result so were public finances in general.

Citizens were involved in the amalgamation process. This was done through public consultations that were carried out by citizens in 63 municipalities. A striking fact was that most people were not against the amalgamations as such, but opted for a different amalgamation partner than the one the local politicians had chosen initially. In the majority of municipalities the decision of the municipal councils was followed; therefore no citizen consultation was necessary.

Peeters concludes by saying that it is good to have a vision of reforms, but at a certain moment, while implementing scale reforms, one has to make a decision. Moreover, according to Peeters, there is nothing wrong with the implementation of scale reforms from above, as long as they are designed bottom-up. The Danish case is a good example of this. The decision to merge was taken by the central government at the central level, but the municipalities could choose with whom they merged. The Danish case also shows that reform is easier in financially favourable times and that local politicians attach more importance to small communities than the population.

At the same time Peeters points out that a reduction in the number of municipalities through municipal amalgamations does not necessarily lead to less administrative pressure. As long as responsibilities and powers remain divided over several layers of government, coordination and harmonisation problems remain. The latter, however, can be reduced in a context of regions with a closed list of tasks that goes hand in hand with a decentralisation operation in favour of the municipalities, as is the case in Denmark.

5.2. The Netherlands

The Netherlands, a country that has traditionally often served as a reference point for Flanders, has a long history when it comes to municipal

amalgamations and decentralisation. Amalgamations took place practically annually and over the years they have reduced the number of Dutch municipalities from 1,121 in 1900 to 393 on 1 January 2015. For many years, the number of inhabitants of a municipality served as a guideline to justify an amalgamation. It was assumed that small municipalities would be naturally stronger if they merged. Since the 1980s questions have been raised regarding this policy. The scale criterion faded into the background to make way for what was called 'the problem approach'. This approach referred to certain administrative problems to which amalgamations could be a solution. From then on, a merger was only accepted if it was proven that it would provide a solution to these problems.

From 2002, with the arrival of the Balkenende Cabinet, the focus of the amalgamation policy changed again. The top-down approach that had been almost the norm until then was replaced by a bottom-up approach. Henceforth mergers had to come from the municipalities themselves. In that respect, amalgamations were left to the municipal and provincial governments. From now on there had to be at least a form of local support for the reform and the provincial governments often played a facilitating role. The arrival of the Rutte II Cabinet in 2012 resulted in an enforcement of the amalgamation and decentralisation policy at the local level. In the coalition agreement the political partners stated that from now on, all new municipalities should have at least 100,000 inhabitants. In this way, the population criterion reappeared on the political agenda. According to the government, those larger municipalities are necessary to arm the municipalities to take on additional tasks that the government wants to decentralise in their direction.

This shift of responsibilities and tasks to the local authorities is not a recent phenomenon in the Netherlands. Since the 1980s, decentralisation movements have gone hand in hand with the amalgamation policy. This is something we have also seen more recently in Denmark. As a result, Dutch local authorities have become a major partner for the implementation of (national) government policy. Even if this often involves co-administration tasks, the (sometimes supposed) inability to take up new government tasks forms an important incentive for new mergers. These decentralisations mainly occur in the field of social legislation and welfare. Also during the current Rutte Cabinet a lot of new tasks have been decentralised from the central government to the municipalities. In that respect we refer to a lot of welfare responsibilities in the context of the Social Support Act (WMO).

5.3. Germany

The federal structure of Germany and the reunification of 1990 have ensured that the scale debate was conducted differently in the various *Länder* and led to different results. The former West Germany had already been confronted with amalgamations in the 1960s and 1970s, while East Germany had to wait until after German unification before a similar process started.

The amalgamations in West Germany emerged largely because of the classic argument, namely a lack of scale for local authorities. It was the by now familiar 'carrot and stick' approach that was implemented. First there was a period of voluntary mergers, giving local governments time to amalgamate. This went hand in hand with efforts towards public participation, but nothing more than hearings or the installation of an advising commission. In most *Länder* this approach did not lead to a satisfactory outcome. The result was almost always that they switched to compulsory amalgamations imposed by the parliaments of the different *Länder*.

East Germany followed an identical path from 1990 onwards. Several *Länder* adopted legislation in order to reduce the number of municipalities. It should be noted that the second layer of government (the German districts or *Kreise*) were also involved in those reforms. In several states they were merged exactly like the municipalities.

For several years, Germany has been confronted with a third wave of scale reforms in both the former East and West German states. That has partly to do with the declining number of inhabitants of rural communities, a problem that is manifested primarily in the former East German states. Yet initiatives have also recently been launched in the former West German *Länder* to rethink the scale of local government. Since 2010 there has been an ongoing reform in the state of Rhineland-Palatinate (located in the west of Germany) in order to reform the districts on a larger scale. The authorities are making efforts to create support among the population for those reforms. These efforts go far beyond the obligatory debate in the city council or a possible referendum. Regional conferences with politicians, experts, and citizens have been organised, and in addition appointed juries made up of citizens have been invited to announce their expectations of the reforms. Moreover, online surveys have been organised. This shows that it is possible to work actively towards a platform (and support) for scale reforms. Indeed, the latter is often lacking, which makes it difficult to find support for scale reforms among local politicians and the public.

5.4. France

Since the 1970s efforts have been made to implement reforms at the local government level in France. In the 1970s there were even attempts to amalgamate French municipalities. However, these attempts never succeeded and, as a result, the situation remains unchanged. This had to do with the fierce resistance that was offered by local politicians at higher levels of government. Both nationally, and in the departments and regions, local representatives have always been opposed to scale reforms of local government. The accumulation of political mandates in France is, after all, a widespread phenomenon. As a result, an objective alliance emerged at the party boundaries of cumulards forming a conservative lobby against meaningful changes to the subnational government structure.

The lack of mergers has ensured that in order to shape policy in France, the instrument of intermunicipal cooperation became very popular. This has led to a proliferation of partnerships that have only increased administrative and political fragmentation. It took until the 1990s before it was recognised that there was a need to bring some order to this complex local landscape. The creation of the *communautés* in 1999 was the first step towards the simplification of the administrative landscape because all existing forms of intermunicipal cooperation that raised their own taxes were forced to transform themselves into one of the three types of *communautés*.⁸

A committee headed by former Prime Minister Edouard Balladur formulated in 2009 several proposals to further reform the French administrative landscape. Many of these proposals (including the stimulation of municipal amalgamations and a reform of the *communautés* to full municipalities) ultimately did not make it into legislation or specific policy initiatives. Both in 2010 and 2013 several legislative initiatives were approved, however, to reform at least parts of the governmental organisation. The legislation from 2010 ensured that municipal amalgamations were encouraged but without any incentives. The legislation from 2013 introduced several reforms to the local electoral system and provided a new statute for metropolitan areas. From now on, the French people can elect some of their municipal representatives in intercommunal bodies directly. The second major reform, the creation of a metropolitan government in the biggest

⁸ We distinguish between *communautés de communes* in rural areas, *communautés d'agglomération* around small urban areas, and *communautés urbaine* in a metropolitan context.

French cities (those with more than 450,000 inhabitants), was the subject of a whole debate. A special status was created for those metropolitan areas that received all the powers they need to play their role. Notably, the new administrations take over the role of the former departments where they are created, whose responsibilities they assume fully.

5.5. Lessons for Flanders

Several lessons can be drawn from these foreign experiences for the Flemish situation. Those lessons may inspire the scale and merger debate in Flanders and abroad.

Amalgamations are a way of increasing local administrative power, not an end in itself. The first lesson we draw from these different cases and the literature is probably one of the most important aspects in the amalgamation debate, or more precisely the ‘why’ question. Those who advocate new amalgamations must make clear why these are necessary and to which administrative problems they can be a solution. In other words, the added value must be clearly demonstrated. In the Netherlands the policy is very consistent in that regard. The amalgamation policy is linked to a strong decentralisation policy. A decentralisation of competences to the local level goes hand in hand with a larger scale. In that sense, amalgamations are seen as a means; they are not an end in itself. Also, in Denmark the strengthening of the local level and the expansion of its competences were arguments in favour of amalgamations. Mergers should therefore be seen as a way of increasing local government capacity and opening the path towards a wider range of tasks for local governments. The question that should be central is the one about what kind of municipalities we want. When there is a choice for strong local governments with an extended list of competences, then amalgamations can be a way of achieving that goal.

Create strong policy entrepreneurship. It has become clear that the implementation of reforms and amalgamations in particular is not easy. Whoever takes a decision to implement such kind of reforms will face a lot of resistance and will therefore have to be prepared to sail against the tide. Consequently, strong policy entrepreneurship will be necessary. If the amalgamations in Belgium in the 1970s were smoothly implemented, then to a large extent that had to do with the determination of former Minister Michel, who was responsible for that operation. A similar finding was noted in Denmark, where Minister Rasmussen received praise for the way he handled this reform.

Create political and public support. One of the main causes of the failure of voluntary mergers in Flanders is the limited support of local politicians, and by extension the population. There is a need to create strong support for such kind of reforms, especially if one wants to achieve amalgamations bottom-up. Again, the Netherlands and Denmark can be inspiring. In both countries local authorities gained additional powers after amalgamation. Also, for local politicians, decentralisation after amalgamation can serve as an argument in favour of scale reforms. Strengthening local governments financially may also be a way of increasing support among local decision-makers.

Nevertheless, foreign examples also teach us that voluntary mergers alone are very rare. Some form of compulsory amalgamations will always be necessary. Again, Denmark delivers relevant experience here. The decision to merge was taken centrally but local municipalities were given the freedom to choose their partner. This process can also be called 'steered voluntariness'. Leaving some room for local decision-makers can help to strengthen their support for the process.

Measure the strength of municipalities. The Netherlands has been working for several years with instruments that measure how strong a municipality really is. This means trying to determine the extent to, and manner in which, a municipality can realise its tasks. These instruments clearly explain the strengths and the weaknesses exposed in the municipal organisation. In this way they help municipalities to compare themselves with other municipalities. Moreover, these instruments should be seen as a learning process. The results of such an exercise help to objectify the scale debate.

So far, Flanders has had only limited experience with such instruments. The instrument of the 'city monitor' perhaps comes closest to this. A large-scale measurement of the strength of municipalities in Flanders has not yet been implemented. That last aspect will probably change, since the current Minister Homans proposed such a monitor in June 2015.

Create a clear procedure for municipal amalgamations. Once the decision to amalgamate has been taken, it is necessary to have a clear procedure to merge municipalities. In reality those procedures tend to vary quite considerably: from a purely legal method, to methods with a large participation of local authorities, to methods where the central government in particular has a big say. In some procedures there is also room for the opinion of the people through plebiscites or other participation methods. Each method has its advantages and disadvantages. Yet Paddison stressed that redrawing the local administrative landscape is not a matter

of local politicians alone (2004): 'Political bias will tend to dominate how the reform process is conducted'. The danger of political interference and the redrawing of municipal boundaries in function of their own (political) interest soon comes into play. According to him, municipal mergers are therefore best performed by a healthy combination of both local and national politicians.

Paddison formulates three conditions that contribute to the successful implementation of scale reforms:

Amalgamations must be an answer to local problems and needs. Moreover, the new municipalities need a scale that is still connected to the local community. Excessive local governments are best avoided.

Mergers should be implemented in a transparent, fair, and open way. The decision must therefore provide adequate opportunities for the public participation of local and central decision-makers and the population concerned.

The final outcome must always be a compromise between local and central politicians. The decision on new municipal boundaries may never exclusively be decided by local or central decision-makers.

6. Conclusion

It is good that the debate on scale and decentralisation is back on the political agenda in Flanders. It is also positive to see that the Flemish government wants to learn from past experiences with scale reforms. The policy that was initiated during the previous Flemish legislature is continued and even reinforced in the current legislature. In that respect, we see that the policy on amalgamations is now linked to decentralisation towards the local authorities. This can only help to strengthen the support for scale reforms.

However, it has to be said that amalgamations are not the only way of enhancing local administrative power. Administrative power is determined by more than scale; i.e. by the legal framework in which local governments operate, their funding, their (political) composition, and their geographical location, among other factors. All these aspects determine local administrative power in one way or another. Strengthening the administrative power can therefore only be achieved by a multiple approach, whereby several of these factors are tackled simultaneously. Therefore, amalgamations should be framed by a series of other measures if one wants to fundamentally strengthen local administrative power.

Finally, some foreign examples teach us that scale reforms certainly have their use, and that it is possible to create a platform for them both among the local politicians and the population.

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CENTRAL-LOCAL RELATIONS IN FLANDERS: STRUCTURAL REFORMS, SCALE AND DECENTRALISATION

Summary

In this article central-local relations in the Belgian region of Flanders are the subject of investigation. In recent years, the scale of the municipalities, their competences, and the way they work together in inter-municipal bodies has been the subject of many debates. This article starts with a brief historical overview. In the '60s and '70s, Belgian municipalities were confronted with a far-reaching amalgamation operation which reduced their number from more than 2,000 to the current 589 municipalities. For many years, political calm was achieved. However, in the Dutch-speaking part of the country, debates about how to organise the internal state architecture were never far away. In this contribution the several and successive attempts to organise a structural dialogue between the Flemish government and the 308 municipalities in Flanders are presented briefly. Secondly, the authors address the policy of the current Flemish government towards their municipalities. More than before, the scale of the latter is questioned again. Additional competences for the municipalities are used as a reward and a trigger to convince the municipalities to merge, in addition to financial incentives. So far, however, this policy has been unsuccessful. There is hardly any support among local politicians for voluntary mergers. In this article some foreign examples of reforms of scale are mentioned. They can serve as inspiration pools and several lessons can be drawn from them that are also applicable in Flanders and beyond.

Keywords: local government, scale, decentralisation, central-local relations, amalgamations

SREDIŠNJE-LOKALNI ODNOSI U FLAMANSKOJ: STRUKTURNE REFORME, VELIČINA JEDINICA I DECENTRALIZACIJA

Sažetak

U radu se istražuju odnosi između središnje i lokalne uprave u belgijskoj regiji Flandriji. Posljednjih godina često se raspravljalo o veličini općina, njihovim nadležnostima i načinu na koji surađuju u međuopćinskim tijelima. Započinje se kratkim povijesnim pregledom. Belgijske su se regije tijekom 1960-ih i 1970-ih suočile s opsežnom operacijom amalgamacije kojom se smanjio njihov broj s više od 2.000 na sadašnjih 589 općina. Postignuto je političko primirje koje je trajalo više godina, no na nizozemskom govornom području zemlje rasprave o organizaciji unutarnjeg ustrojstva države nikada nisu prestale. U radu se ukratko opisuju mnogobrojni pokušaji postizanja strukturmog dijaloga između flamanskih vlasti i 308 flamanskih općina. Nakon toga slijedi osvrt na politiku trenutnih flamanskih vlasti prema općinama. Veličina općina se ponovno preispituje i više nego što je to prije bio slučaj. Dodjela dodatnih nadležnosti općinama služi kao nagrada i poticaj općinama na spajanje, uz financijske poticaje. Ipak, zasad se ova politika pokazala neuspješnom. Lokalni političari gotovo uopće ne podržavaju dobrovoljno spajanje. U radu se spominju primjeri drugih zemalja koje su provele teritorijalne reforme. Ti primjeri mogu poslužiti kao inspiracija i iz njih se mogu izvući pouke primjenjive u Flandriji i drugdje.

Ključne riječi: lokalna uprava, veličina lokalnih jedinica, decentralizacija, središnje-lokalni odnosi, spajanja jedinica