

Decentralist Trends  
in European Democracies

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# **Decentralist Trends in European Democracies**

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## Territorial Government and the European State

Western European democracies have a wide variety of systems of territorial government and it is not easy to classify them into tidy categories (Page, 1990). We can, however, identify some ideal types, to which actual examples can be compared, and then examine common trends affecting them over the years. First, there is the Napoleonic type, diffused from France in the nineteenth century and closely tied to the needs of nation and state-building. This is a unitary and centralizing model, with only one source of legitimate authority, the unitary nation. There are two levels of decentralization, the commune which is the basic unit of local democracy and the department or province, which is less politically salient and also serves as a basis for organizing the delivery of central services. In recent years, a regional level has usually been added (see below). Centralization is assured through direct state provision of key services like education and policing, and by the appointment of state officials (prefects) to supervise the role of local government and coordinate government services on the ground. In practice the aims of centralization and uniformity are invariably balanced new forms of local power as local political elites, deprived of much functional autonomy locally, seek to penetrate the state apparatus and exert influence through it (Grémion, 1976). The territorial bureaucracy, intended to control the localities, must make accommodations with local influentials, while these in turn often accumulate office at both central and local levels, allowing them to bypass the former. So centralization, historically aimed at reducing the power of traditional local influentials, serves also to generate a new class of *notables* (*notabili* in Italy, *caciques* in Spain) whose power is based precisely on their ability to link local and state networks and distribute patronage.

The Germanic system is based on organic federalism, with power shared between the centre and the federated units within a unified system of action. So the main feature of German federalism is not the separation of competences between the Bund and the Länder but the sharing of functional fields, with the federal level making general laws and the Länder carrying them out. Further integration is provided by the Bundesrat, the second chamber of the federal parliament, which represents the governments of the Länder and has wide powers over legislation and finance. The system has been characterized as one of cooperative federalism or *Politikverflechtung* in which the layers of government and interlinked within policy fields. Each Land in turn determines its own system of local government

In the Scandinavian model, local government has broad functional competences over urban planning, land use and welfare state matters and is responsible for raising a substantial part of the tax burden. Local politics is an important part of public life and localities have a high degree of functional autonomy. Yet this is contained within a broad national welfare consensus so that there are not wide differences in service provision or policy.

Finally, the British model traditionally gives an important place to local self-government based on the towns and counties. A range of welfare services (but excluding health and cash transfers) are administered locally and local governments have a wide degree of autonomy within broad national standards. In the course of the twentieth century, the traditional notables were gradually displaced by the national political parties, firstly in the cities and then in the counties, although the local and national elites have remained rather separate. In Scotland and Wales there were separate ministries of the central government responsible for

services that in England were provided by functional departments and in Scotland there has always been a separate system of law and of local government. Since 1999 these arrangements have been replaced by an elected Scottish Parliament and Executive and an elected National Assembly for Wales. Northern Ireland is different again. In the last thirty years British territorial government has gone through a radical series of changes, with a drastic reduction of the autonomy, powers and financial discretion of local government.

Although I have illustrated these types with some examples, they are still best seen as ideal types, and there is a tendency for one system to borrow from others. So the British system of local self-government has been widely admired and imitated, even while it has been disappearing in Great Britain. The German experience has influenced the Spanish system of regions (autonomous communities) and both have influenced devolution in Scotland and Wales. The Napoleonic system has not only influenced countries such as Spain, Italy, Greece and Poland, but recent reforms in France have been taken up elsewhere.

### **Modernization and Territorial Government**

Since the 1960s, all the countries of Europe have sought to reform their systems of territorial government in the interests of 'modernization', a concept that covers a multitude of issues and has been interpreted rather differently in different places. There are four principal considerations. The first is that of efficiency which, in the 1960s and 1970s, in imitation of private business and received management wisdom, was seen to require consolidation into larger units able to exploit economies of scale in service provision. This received wisdom has in turn come under challenge since the 1980s with the emphasis on flexibility, differentiation and competition in the 'new public management'. The second consideration is the need for planning, infrastructure provision and the promotion of economic development. Modern planning was seen to require larger units corresponding to functional criteria such as employment basins or economic regions and including cities and their hinterlands. Economic development was seen to require a greater strategic capacity on the part of decision makers and less emphasis on details of service delivery. Closely linked to this and sometimes explicitly articulated, was a desire to displace traditional local political elites, tied to the politics of distribution and often of clientelism, with new elites committed to an agenda of development and growth. In France, rising new elites were described as the *forces vives*, while in Britain commentators and official reports lamented the exit of business people from local politics in the twentieth century and sought to bring them back in.

Third was the issue of democratization and citizen participation. Local democracy was said to be in decline, because of falling electoral participation (notably in Britain), elite domination and the long incumbency of local leaders. There was also a stress on the need for citizen participation outside of the electoral cycle, in planning exercises and in service provision. A fourth consideration was the need to relieve central government of the political and administrative burden of centralization. French centralization had been described as long ago as the nineteenth century as a situation of apoplexy and the centre and paralysis at the periphery. Modernizing officials in central government began to realize that detailed control could be counter-productive, merely bringing local micro-politics into the ministries, encouraging local notables to seek exceptions and allowing them to blame the centre for all

failures. Decentralization therefore might be a way of enhancing goal achievement as well as forcing local notables to take responsibility for their own decisions.

The problem is that these four goals were not always explicitly stated and were not always consistent with each other. The managerialist emphasis on efficiency was in constant tension with the commitment to democratization and local participation. Governments might insist that they wanted citizen participation on the broad issues of policy, rather than on the minutiae of administration, which could be left to officials. Local government, however, is mainly about service delivery and this is the focus of citizens' concerns so that it was always naïve, if not disingenuous to imagine that 'policy' and 'administration' could so easily be separated. There was equally a tension between modernization in an effort to get local government to fulfill national goals, and decentralization to allow localities to make their own choices. The distinction was merely hidden by assurances that the goal was 'strong' local government, since this could mean either local government that was functionally strong enough to fulfill its responsibilities or local government that was strong enough to stand up to the centre.<sup>1</sup>

### **Consolidation vs. fragmentation**

In the 1960s and 1970s these considerations led western European countries, with the notable exception of France, to consolidate their local government systems, drastically reducing the number of units as illustrated in Table 1.

<b>Table 1 reduction in number of municipal governments in some European states</b>		
	<i>1945</i>	<i>2001</i>
Great Britain	1, 730	440
Sweden	2, 500	284
Denmark	1, 300	275
Western Germany	24, 282	8, 504
Italy		8, 100
Spain	9, 267	8, 083
France	38, 000	36, 000

The result is a varied picture, with France still retaining a large number of mostly very small communes, while Scotland has the largest average population of all the countries in the OECD.

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<sup>1</sup> This struck me when I worked as a parliamentary assistant in the reform of local government in Scotland in 1973 (Keating, 1975). Later a senior Scottish Office official who had worked on the reform confessed that they had wanted 'local governments strong enough to do what we told them to' (Ross, 1980).

**Table 2 Average population size of smallest unit of local government, 2001**

<i>Country</i>	<i>Average population</i>
France	1560
Switzerland	2122
Austria	3000
Spain	4700
Canada	5594
USA	6600
Italy	7019
Germany	8845
Norway	9421
Finland	10770
Belgium	16740
Netherlands	17860
Denmark	18811
Australia	19114
Sweden	30249
Portugal	34180
Ireland	41190
New Zealand	46729
England	135600
Wales	136300
Scotland	156250

Another trend was to the establishment of metropolitan governments, based on the concept of the ‘city-region’, a functionally interdependent territory consisting of a city and its hinterland. There has been variety of types of metropolitan government in western Europe. Perhaps the strongest was in the Strathclyde region of Scotland, where an elected council was established covering a wide area taking in Glasgow and its entire functional area, with a strategic planning role, powers over the detailed plans of the lower tier municipalities, and major infrastructure and service provision responsibilities. Another celebrated example was the Rijnmond in the Netherlands. Elsewhere, metropolitan governments were weaker, as entrenched local elites were able to resist change. So in France urban communities (*communautés urbaines*) were formed as federations of communes. Usually, the upper tier was given only weak powers, often it was indirectly elected and in many cases metropolitan boundaries were tightly drawn. All this weakened the potential of the metropolitan model and made it an easy target for opposition.

By the 1980s the impetus had gone from the creation of metropolitan governments. Strategic planning had been weakened in the wake of the economic instability provoked by the oil crises of the 1970s, and by the rise of neo-liberal ideology. Central governments remained wary of transferring real power, and municipal politicians in many countries resented the intrusion of another layer above them with the result that metropolitan councils often lacked precisely the powers needed to make their plans effective. So metropolitan consolidation was

halted and even reversed, with the abolition of the English metropolitan counties, the Scottish regions (as late as 1996), the Rijnmond and the Metropolitan Barcelona authority. By the 1990s, however, the tide was turning again as governments reacted to the rapid urban expansion of the late 1980s and the need to plan major infrastructure projects. The opening of European markets and the increased competition among metropolitan regions in the new Europe focused attention on the need for stronger units to control wasteful intra-metropolitan competition and encourage collaboration in infrastructure development and capital attraction. These considerations stimulated a return to metropolitan issues. A new French law provided for the establishment of *communautés de villes* in those places where urban communities had not already been established. A new strategic authority was introduced in the Greater Rotterdam area, replacing the defunct Rijnmond. New provisions encouraged Italian cities to form metropolitan governments and in 1999 a new elected strategic authority was established for Greater London.

The return to a concern with strategic planning, however, was a counterpoint to a general trend in the 1990s towards a more competitive and differentiated type of local government system. Efficiency, rather than being associated with consolidation and economies of scale is, in the 'new public management' linked to individual responsibility, flexibility, looser forms of organization, and competition among service providers. The influence of the 'public choice' school, while less pervasive than in North America, can be felt here. Intergovernmental relations in federal and devolved systems of government, too, have tended to move from co-operation and integration to competition, whether for resources and investment, or in policy innovation.

### **The rise of regions**

One of the most striking features of territorial government in the modern European state is the rise of the regional or 'meso' level, institutionalized for the first time in some states and strengthened in others. This is a response to a complex set of factors which can be summarized under the headings of functional change and political demands.

The most important functional change involves the relationship between territory and economic development, and the strategies of states in managing their territorial economies. Following the Second World War, governments, faced with problems of underdevelopment in some regions and obsolescence in others (notably in the older industrial areas of the United Kingdom), put in place ever more elaborate mechanisms to manage their spatial economies by diverting investment to areas of need. At a time of overall full employment, this was presented as a zero-sum policy, in which the needy areas would benefit from added investment, the booming areas from the relief of pressure, and the national economy from mobilizing resources in peripheral areas that would otherwise remain idle. The broad aim was to reintegrate declining areas into national economies, while preparing to face European competition and the opening of global markets. Policies, initially based on fiscal incentives and grants and on planning controls, gradually became more sophisticated as governments engaged in spatial planning (especially in France, Scandinavia and the Netherlands) and sought to build 'growth poles' around key sectors. Policy was overwhelmingly top-down, aimed at integrating the regions into the national economy but, as strategies became more

elaborate, governments sought partners on the ground, among local political and economic elites. In France, Italy, Belgium and the United Kingdom, regional development councils were established to engage in concerted action and integrate central and local efforts. These were not generally a great success, caught as they were between central demands and local needs but did succeed in politicizing what was until then a rather technical exercise. In France, Italy and Belgium, regional planning councils gave way over time to elected regional government, while in the United Kingdom they atrophied until their abolition in 1979, but were revived in a new form in England in 1999. In Germany, there was a less corporatist approach to regional development, which was handled intergovernmentally through the Joint Tasks Framework between the federal government and the Länder.

Centralized regional policies increasingly came into question after the oil crisis of the 1970s. With the end of full employment, the consensus on diversionary policy collapsed and regions had to compete for development. Some of the large developments sponsored by governments failed to take root or to spark self-sustaining growth around them, giving rise to the jibe that they were 'cathedrals in the desert'. In Italy, the system of regional development had been captured by the *partitocrazia* and subordinated to a clientelistic logic of divisible benefits, with projects being broken up into small pieces and losing their critical mass. With the opening of markets and increased capital mobility, governments were unable to prevent firms locating in boom areas since they would otherwise flee the country altogether. Regional policy thus lost its economic rationale and was sustained only for social and political reasons. This led to a change of focus from large regions and into smaller scale local and urban initiatives.

At the same time, there has been a change in academic thinking about regional and local development, which has supported the move away from top-down planning and towards more locally-based approaches. There is a new emphasis on place, considered as more than mere location but as a complex of social relationships, norms, institutions and understandings so that economic development is more than about merely assembling factors of production in a physical space (Bagnasco and Trigilia, 1993). The social structure of places is important, so that parachuting an investment into an inappropriate locale is unlikely to lead to success. To the traded dependencies of traditional industrial districts have been added *untraded interdependencies* arising from the 'milieu' or informal patterns of cooperation and support, and the proximity of innovators, research facilities and associations within a region (Storper, 1995; Scott, 1998). These sustain networks and foster the *associational economy* which combines market competition with social cooperation and learning (Cooke and Morgan, 1998). Economies of scale are achieved not within the firm, as in conventional theory, but at the level of the local system of production. Such economies are particularly important for small and medium sized firms based on *flexible specialization*.

So the locality, from being a mere space in which market forces operate, becomes a production system itself. The old idea of comparative advantage under which every region had a place in the national and international division of labour, and which underlay traditional regional policy, has given way to absolute or *competitive advantage*



(Scott, 1998), in which regions, not just firms, compete for investment, markets and technology. This has radical implications for politics, since it postulates a common regional interest in competition, over-riding other solidarities of class, sector, gender, age or ethnicity. It encourages a neo-mercantilist form of politics, in which politicians can portray the region as pitched into ceaseless competition for market advantage. How much such political appeals are based on hard economic reality and how much on the political interpretation of it, is another question.

Regional development policy has been refocused. It is more *decentralized*, to the regional or local level where the capacity for horizontal integration and knowledge of problems is greatest. It places less emphasis now physical infrastructure and more on *human resources* development. Training policies have widely been decentralized to complement other instruments of intervention and education has often been tied into economic policy in a more direct way than before. There is also a strong emphasis on *research, development and technology transfer* through networks and linkages among firms and between them, universities, research centres and governments. There is less emphasis on synoptic planning or large scale intervention and more on ‘steering’ and selective intervention to remedy market failures. There is a focus on the need to determine the region’s niche in the global economy and to foster clusters of industries that can exploit this best and sustain each other. Endogenous and self-sustaining growth is the new formula for success.

State restructuring more generally, away from centralized and uniform policies, towards differentiation and complex forms of organization, strengthens these trends (Loughlin, 2000). European integration has further reinforced the tendency, as leaders of regional development coalitions have sought to position the region not only within the national economy but within an increasingly competitive European economic and political space. European initiatives, notably through the Structural Funds, have sought to draw regions into the EU policy process and have become a focus for regional mobilization (Hooghe, 1996).

At the same time, regions have emerged in some places as significant political places and demands have arisen for political autonomy. This is most obvious and pronounced in historic ‘stateless nations’ where a tradition of distinct identity has long survived, such as in Catalonia, the Basque Country, Scotland, Wales or Brittany (Keating, 2001a). In other places, existing cultural cleavages have intersected with economic cleavages and institutional change to produce new forms of territorial movement. So in Flanders a movement of cultural defence has evolved into a form of cultural-territorial nationalism comparable to the British or Spanish cases. Competitive regionalism, by stimulating regional actors to situate themselves within European space, has led to a questioning of internal fiscal transfers and this in turn has produced political movements. Such economically based regionalism is found both in poorer regions, complaining about their neglect by the state and by Europe, and in rich regions, complaining about the burden of fiscal transfers to their poorer compatriots, which they see as a handicap in European competition. Italy’s Lega Nord, which started out as such a revolt of the rich, has sought to fit itself out with a distinct culture, identity and history to match the British and Spanish cases, with a limited degree of success (Biorcio, 1997). Demands

for a revision of fiscal equalization provisions have also been made in Spain (notably by Catalonia), in Germany (the southern Länder), in Belgium (Flanders) and in the United Kingdom (from both the rich south and the poor north of England).

Regionalism has also been fostered by democratizing impulses, seeking to move power out of centralized states, but also to democratize systems of corporatist 'governance' that have emerged at the regional level around themes of economic development. Regional development coalitions tend to be dominated by business interests and public officials concerned with economic development in a rather narrow sense. This may lead to a neglect of distributional issues and social solidarity, as well as environmental and cultural questions. So oppositional forces will seek to democratize regional institutions in order to open them to a wider range of interests. More generally, there has been a certain demystification of the nation state and a growing disenchantment with its democratic performance. New spaces of democratic deliberation are opening up, many of them territorially based, whether in regions, cities or neighbourhoods. In the stateless nations, this has led to a rediscovery of non-state histories, a questioning of state teleology and the revival of doctrines of mixed and shared sovereignty which, along with European integration, have the potential radically to question the normative foundations and legitimacy of the state itself (MacCormick, 1999; Keating, 2001b).

### **Regions and European integration**

European integration has had profound effects on the spatial economic and political order of Europe. Market integration has impacted unevenly on different territories, producing winners and losers. In the early years, there was a tendency for the more peripheral regions to consider themselves further marginalized by the move of power to Brussels and the tendency of development to concentrate in the centre, a tendency still visible in the Nordic countries. Elsewhere, peripheral regions have learnt to play the European game, encouraged by the Structural Funds and increased opportunities to be involved in European policies, and have come to see Europe in a positive light as a counterpoint to their own states. Studies of European economic geography have replaced the old image of the golden triangle in the centre and increased poverty at the periphery with more complex image of winners and losers,<sup>2</sup> showing that opportunities exist in many parts of Europe. Politically, the European Community was initially seen as a problem for regions, given its intergovernmental nature which allowed national governments, meeting as the Council of Ministers, to take decisions on matters falling under regional jurisdiction. The German Länder were the first to complain about this and progressively sought more engagement in European policy making, culminating in the provision of the Treaty on European Union (Maastricht Treaty) allowing regions to represent the state when matters of regional competence are at issue. This clause has been used by Germany, Austria, Belgium and the United Kingdom. Regions have also been given recognition in the partnership arrangements for the Structural Funds, which since the late 1980s have represented the second biggest item of expenditure (after agriculture) in the Community budget, and in the Committee of the Regions. These

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<sup>2</sup> A famous one is the 'blue banana' produced by French economists showing the area of greatest prosperity to be an arc from southern England, through the valleys of the Rhine and Rhone, down to northern Italy.

developments have ensured that Europe plays a central part in the construction of regions in most countries, with region-building elites using it as a framework for their aspirations. A Europe of the Regions, in which the region operates as a 'third level' of government alongside states and the European Union, is, however, still a rather remote prospect.

### **Regions as political space and regional identity**

Regions have thus emerged across Europe in different forms. They are a level of government in the federal states of Germany, Austria and Belgium as well as the regionalized states of France, Italy, Spain and (partially) the United Kingdom. The varieties of regional government are discussed in the next section. The regional level may also provide the frame for civil society in the form of business, trade union and voluntary groups and self-regulating activities across the policy spectrum. Scotland and Catalonia, for example, stand out for the degree of distinctiveness of their civil societies from that of the host state, a factor that is much less marked in the French regions. Regions may also, as discussed above, be seen as functional units, notably in relation to economic development but also potentially in relation to culture or social solidarity. Generally regions have been seen primarily in economic terms, but in the right political conditions they may also become spaces for social solidarity – there is some evidence that this is happening in Scotland. Regions may also be political spaces, in the sense that political issues are framed by the territory and interpreted by their impact on the territory, there is a political debate focused on the territory, and citizens regard the territory as an appropriate level at which to make binding decisions.

There may or may not be a sense of regional identity. This is a difficult and complex issue, since identity is a problematic concept and can take on different meanings. Survey data on regional identity exist but the questions asked differ from one country to another and, even when identical questions are asked, as in the Eurobarometer surveys, there are differences in meaning according to national context. Some surveys ask people to rate their identities according to territorial level all the way from the locality to Europe and these tend to show rather strong senses of local identity, probably as an artefact of the research design. Others give people the choice of exclusive or mixed identities, with a similar unsurprising tendency for people to go for the mixed identity and intermediate categories, except in the most strongly nationalist regions such as Scotland and the Basque Country. Only a few surveys, especially in France and Spain, seek to probe just what people mean by the region or regional identity, which might go all the way from appreciating the landscape or the cuisine to seeing the region as the prime focus of political legitimacy. To interpret the findings, we can perhaps identify two types of regionalist citizen in Europe. can therefore make a tentative distinction between 'regional traditionalists', largely depoliticized or conservative in orientation and resembling nineteenth-century conservative regionalisms, and new or modern regionalists found in the more educated sections of the population, and interested in the region as an element in modernization and the construction of Europe (Keating, 1998). Regional traditionalists may be uninterested in regional autonomy, seeing the region in a purely cultural or topographic perspective, and preferring traditional mechanisms of

representation in central and local government, including partisan and clientelistic networks. Modern regionalists will be more outward-looking and see the region as a dynamic force for economic and social change. These are generalizations, since the meaning of regionalism is shaped by the historical and contemporary politics of individual states, and by the character of regional institutions.

In some places, there is a conflict of identities, where historically the region (or stateless nation) has been pitted against an integrative state. Elsewhere, regionalism has historically been compatible with belonging to the nation, and may even be an important component of this. In some places, regionalism is merely an extension of localism.<sup>3</sup> In other places, the regional level is identified quite distinctly. In the multinational states of Spain, the United Kingdom and Belgium, regional identity is often juxtaposed to national identity while in France and Germany, being a regionalist does not imply being any less French or German.

Region-building elites, as we have seen increasingly place their project in a European context. Surveys show some mixed evidence that this link is being made at the grassroots level. There is a growth of multiple identity, with the region, the state and even Europe (Grivel, 1994), above all in the most educated sections of the population, but the region-Europe or region-global link is mediated by other factors. Catalans and moderate Catalan nationalists tend to be very pro-European and this is true also of moderate Flemish nationalists and supporters of the moderately nationalist Social Democratic and Labour Party in Northern Ireland. Scottish voters are at least less hostile to Europe than those in England. A more general link between Europeanism and regionalism has been detected in analyses of Eurobarometer and other surveys (Schmidberger, 1997). At the same times, a differentiation of values is not necessary for a region to develop its own identity so that regionalism is ever less incompatible with transnational integration. What is required is that it become the framework for appraising political and social issues. Indeed, it may be that territorial identity increases precisely as value differentiation declines, with the sub-state level taking over as the framework for expressing and operationalizing universal values.

### **Regional government**

There is a rather generalized new regionalism across western Europe but its institutional expression varies greatly from one state to another and even within states. The weakest form is functional regionalism, where regions are confined to specific tasks rather than have a general regulatory authority. This is the case in France, where regions are mainly charged with economic planning and investment programming. It has also been the case in Italy, despite the intention that regions should be a level of general government, because the management of the health service has overwhelmed their other activities. In England there is a form of functional regionalism around the needs of economic development but, as yet, this has not given birth to elected regional institutions. The same is true of other states where, under pressure from the European Commission,

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<sup>3</sup> The Eurobarometer surveys of 1991 and 1995 paradoxically show greatest support for regionalism in the three states that do not have regions, Ireland, Portugal and Greece. It would seem that these surveys are really tapping a diffuse sense of localism.

states have put in place mechanisms for regional planning and administration of Structural Funds but have been reluctant to establish a rival level of political power.

A stronger form of regionalization is devolution, in which governments are established with broad powers of social and economic regulation but are still in important respects subordinate to the state. Scotland, Wales and Northern Ireland have elected institutions whose powers vary among them but which, especially in Scotland and Northern Ireland, are broadly drawn. Indeed, many of the powers of the Scottish Parliament are exclusive since no London ministry plays any role in their exercise. On the other hand, Westminster still officially insists that these powers are merely devolved from the centre, which could take them back any time it chose.<sup>4</sup> Devolution, or home rule as it is sometimes called, is a response to the multinational state, in which there are strong demands for autonomy in some parts but not in others, and where the state is unwilling to undergo full federalization. Spain's system of autonomous communities might also be seen as a form of devolution since powers were transferred from the centre, the state is not federalized, and it was the intention at the outset to confine autonomy to this historic nationalities and keep the state otherwise centralised. In practice, the autonomy movement spread and, unlike the position in the United Kingdom, the competences of the devolved bodies are constitutionally protected, leading some to characterize Spain as a federation in the making (Moreno, 1997). The model of devolution has been widely discussed for Italy, given the tensions between a centralizing tradition and demands for autonomy.

The strongest form of autonomy exists in federal systems, where each level of government has its own guaranteed powers and neither level is permitted to intrude in the other's domain. Europe's only federal states are Germany, Austria and, since 1993, Belgium. These are very different cases, since Austria has a rather weak form of federalism while Germany has a strong one. Also the context is very different since federalism in Belgium was instituted to overcome powerful centrifugal tendencies, which do not exist in the other two cases.

### **Functions, competences and territory**

It is very difficult to generalize about the functions and competences of the various levels of government in European countries. Regions have often been designed, as we have seen, as a response to specific functional problems to do with planning and economic development, and this is a concern in all cases. They are also an important level for social concertation over development issues, a meeting place for the social partners even, or especially, where there is not an elected regional government. In federal or devolved systems of government, they have wider responsibilities for social regulation and service provision. In Germany and Austria, functions are generally shared between the federal and regional level, with a high degree of co-operation and most legislation coming from the federal parliament. In Belgium, the federated units are of two types, territorial regions and language communities. Flanders has merged the two institutions for most purposes, but in Brussels and in Wallonia they are separate. The

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<sup>4</sup> The political reality – and even the legal doctrine – in Scotland is very different and this issue will no doubt be tested in due course.

Belgium system is in principle one of exclusive competences, derived from a longstanding political conflict, although in practice there is a need for cooperation, especially in Europe. The division of competences in Spain is rather unclear, consisting of three lists, powers that must be devolved to regions, powers that can be devolved, and powers that must be retained at the centre. While the central state still sets general norms in devolved matters and, even where it is supposed to have vacated policy fields devolved to the autonomous communities, it maintains the relevant central ministries and even field services. In the United Kingdom, Wales has only administrative powers, relying on laws passed at Westminster and mainly covering England and Wales together. Scotland, and Northern Ireland, on the other hand, have full legislative and administrative control of all competences not expressly reserved for the centre. This means that the centre's laws and administration in these fields are effectively restricted to England and Wales or England, giving it no tutelary power over Scotland and Northern Ireland. To put it slightly differently, in fields like education, local government, housing and social services, there is no 'centre' at all in the United Kingdom, merely a set of territorial policy systems.

Local governments also have a range of responsibilities varying from one state to another. Generally they are responsible for local planning issues and urban development and have important roles in social integration. In many countries, they are the basis for local democracy, allowing them to express local views on issues beyond their statutory scope. The mayor in France or Italy for example is an important community figure and interlocutor with the state, even while he or she may lack major autonomous powers. The mayor may also be at the centre of local policy networks, the individual best placed to pull together powers and funding from diverse agencies. In the United Kingdom, on the other hand, local government has steadily declined in status and powers following successive reorganizations and centralizing measures and no longer has a central role in local communities. In Scandinavia, the local level remains the basic unit for administering the welfare state, giving it a role unmatched elsewhere.

There remains in most countries an intermediate level between region and locality, corresponding to the province, *département* or *Kreise*. This has historically developed as a level of state administration, which has progressively been democratized but is often criticized for not corresponding either to the functional needs of modern government, or to citizen identity. There has been talk of abolishing this level in countries like France, Italy and Spain, which have established regional government, but it remains a power base for local politicians and central bureaucratic elites. In Great Britain, there were efforts to move to a single tier system of local government in the 1990s but this was applied only in Scotland, Wales and some of the English cities. In much of England, especially in the south, a two tier system of counties survived.<sup>5</sup> The provincial level has a variety of functions that vary from one state to another.

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<sup>5</sup> Northern Ireland has a single tier system of districts with very limited powers. Most of the functions undertaken elsewhere in the United Kingdom by local government are handled by appointed boards. The reason why the Conservative government was able to reorganize local government in Scotland and Wales so easily is that it had almost no presence in the existing system and so faced no internal party opposition.

## **Trends in territorial government**

The experience of individual countries in the reorganization of territorial government continues to differ but some common trends can be discerned. One is the rise of the region as a new or revitalized level of political representation and policy making. Another is the increased focus on economic development in competition with other regions and cities. This has had profound effects on local and regional politics, sometimes producing a form of neo-mercantilism in which each territory is portrayed as being pitched into competition with others for limited resources in investment, markets and technology. Whether this reflects the reality of globalization and European integration or is a spin put on these by politicians in order to mobilize voters and interests behind them is an open question, whose answer may vary from case to case. Another trend is towards asymmetry in territorial government. The most asymmetrical case is the United Kingdom whose four constituent parts have radically different forms of territorial government which even bring into question the nature of the centre. Spain has powerful pressures towards asymmetry on the part of certain regions, balanced out by the habit of the centre of resisting these or, when it has to concede, applying the concessions to the whole state. Local government systems now encompass a variety of forms as states have permitted different models within their territory, or different forms of consortia of local authorities. Even where a state has remained constitutionally symmetrical, there are tendencies to differentiation, with some localities adopting very active strategies of civic or regional promotion, or putting together development coalitions of actors, while others are more passive. French regions differ considerably from each other in this respect. European integration has exposed cities and regions to greater competition for investment, markets and technology, reinforcing the effects of globalization. Yet it has also provided new opportunities for political activism in European political space and, with qualifications, additional resources beyond their local tax bases.<sup>6</sup> Again, localities differ greatly in the extent to which they are playing the European game. The level at which competitive development coalitions are put together also varies, with some focused on large regions and others on cities. In other cases again, there is a rivalry between a regional and a city-based system of action, as in the relationship between Catalonia and Barcelona.

Local and regional governments have also seen changes in their relationships with economic and social actors. The competitive development imperative, together with the influence of the new public management, has pushed them into closer partnership with the private sector, in a manner long familiar in the United States. These public private partnerships have had important effects on local governance (Pierre, 1998) and have come under some criticism for their potentially corrosive effect on local democracy (Keating, 1998). Under the influence of Anglo-Saxon intellectuals and politicians, there has been a move towards privatization and private involvement in the provision of local services and planning, first in the United Kingdom (Barnekov, Boyle and Rich, 1989) and later elsewhere in Europe. For many this represents a new paradigm in which

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<sup>6</sup> The European Structural Funds in principle provide money for development of regions and localities but in practice national governments have maintained a high degree of control of their distribution and in some cases have simply kept the moneys for themselves.

government gives way to 'governance' or the traditional local government ceases to be a service provider and becomes an 'enabler' allowing other agencies to do the job.

Together these influences are changing the role and status of local and regional government. Previously territorial politics could be understood as a dyadic relationship in which centre and localities exchanged powers and resources. Central states protected localities from the international market and provided resources in exchange for political support, for the regime or the government in power. In an integrating Europe and globalizing economy, these old bargains no longer hold so easily. Regions and localities face a complex pattern of dependencies, on the state, on the private sector, on the international market, and on European institutions. Autonomy no longer means what it did under the old dispensation. Now if a city or region becomes more autonomous from the central state, it risks becoming a prisoner of the international market, unless it can compensate through access to Europe. Self-government becomes less a matter of asserting autonomy than of managing interdependencies. Some cities and regions are better equipped economically and politically to do this than others, and may find themselves in a good position to play the new game, while the others are reduced to new forms of dependency.

This is a complex political order, comparable, although not identical to, the pre-state European order of overlapping and underlapping sovereignties, different types of authority in the state, the economy and civil society, and competing forms of legitimacy. Despite loose talk of a neo-medievalism, or analogies with the Holy Roman Empire, however, it is distinctly modern in that it coexists with universal norms of liberal democracy. Political scientists, seeking to make sense of it, have come up with a plethora of new concepts and neologisms, none of which quite fits the bill. What is needed is a set of concepts that allows us to place the new order in its historical context, to analyse its dynamics, to assess the distribution of power and resources. They must enable us to compare different times and places to identify their distinguishing features. We also need normative concepts to enable us to judge the new dispensation and its relationship with shared ideas of democracy, accountability and justice.

Perhaps the most widespread notion in contemporary analysis is that of 'governance'. This is a broad term, for which at least six different meanings have been identified (Rhodes, 1996) but the basic idea is that government, identified with the traditional hierarchical state form, has given way to a world of diffused authority in which the boundaries between public and private are blurred. Governance seems to refer to the regulatory capacity of the whole gamut of organizations in the public sphere, including governments at all levels, private firms, and associations. Applied to local and regional restructuring, this takes the form of 'multilevel governance' in which the state shares power with emerging bodies above and below it as well as with the institutions of market and civil society. There are a number of problems with this concept. In the first place, it relies heavily on a mythical view of a past in which authority was monopolized by a centralized state which, in turn, was the only actor in the international system. At best, this describes an aspiration of European states from the mid-nineteenth century until the late twentieth century, not the historical experience of European space. Even in the archetypal centralized, hierarchical state, France, researchers for over thirty years



have emphasized the complex dispersal of power and the need for continuous negotiation. Students of federalism, especially in Germany, have long recognized the interdependence of tiers of government and the complex patterns of cooperation and competition that this produces. In the minority nations of Europe the legitimacy of the state has always been seen as somewhat conditional and resting on a range of explicit and implicit concessions. In other words, there is nothing new about territorial politics.

More seriously, concept of multilevel governance (and governance generally) is impossible to operationalize. It is never clear, in fact, whether it is meant to be an operational theory or a general comment on the state of the world. It does not seem to be possible to contrast instances of multilevel governance with instances where it is absent, or to calibrate degrees of multilevel governance. If multilevel governance is everything, then perhaps it is nothing – or maybe no more than a descriptive metaphor. The concept is loosely pluralistic, in its emphasis on the dispersal of authority and, like so much pluralist theory, suffers from a severe level of analysis problem. At some level of analysis, every social phenomenon is plural, since we can go on disaggregating until we come down to the level of the individual. This is very easy since the state, the region, Europe, social class or gender are no more than abstract concepts. What is more difficult in the social sciences is to choose appropriate levels of reaggregation. This is the work of theory. Theories of governance, which have their origins in organization theory, tend to take the organization as the unit of analysis. This in turn has a number of effects. It fillets out of the analysis other social aggregates like class, gender, residential location, which undergird much of the struggle over power and resources in society. This in turn confirms the pluralist analysis, since organizations are easily disaggregated and pluralistic theory becomes self-confirming. Eventually, disaggregation takes us down to the individual actor, yet theories of social action built purely from an individual basis are notoriously unreliable. So pluralism, and multilevel governance with it, becomes no more than an artefact of methodology; if you look for it anywhere at all, you will find it.<sup>7</sup> It also introduces a rather insidious conservative bias, since we are deprived of those very social aggregates needed to form normative judgements. Perhaps more generously, it sustains a ‘third way’ type of politics in which there are no left and right, no two sides of industry, no north and south, no country and city (to name a few of the critical social cleavages that Tony Blair has denied in the last couple of years). It is a form of social science designed for a post-ideological age.

The task for social science is therefore not merely to explore new constellations of functional competence and networks of influence but to think anew about the place of territorial government in a liberal democracy.

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<sup>7</sup> This is exactly what happened to the debate between pluralists and elitists about community power in the 1960s.

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