



Regionalism in international contexts

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Prepared by:

BENNETT MIDLAND LLC

245 West 29th Street, Floor 12A

New York, New York 10001

www.bennettmidland.com

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Overview

Charge and approach

To supplement the Ministry of Interior and JDC's ongoing research and planning effort to design a regional model for Israel, this work focused on surfacing strategies and lessons from regional reform efforts around the world with relevant implications for Israel. The work centered on two objectives:

1. Conduct in-depth research on regionalism in other national contexts to surface examples and insights to inform strategies for Israel; and
2. Map the international landscape of forums and discussions on regionalism to identify opportunities for Israel to learn from, participate in, and contribute to.

This report synthesizes insights from contemporary regional reform efforts gathered through a literature review and interviews with experts and practitioners, and is anchored in the following research questions:

- How have central governments planned and implemented regional reform efforts (e.g., territorial reform, establishment of metropolitan authorities, transfer of responsibilities, etc.)?
- What are the conditions for successful regional governance, in terms of planning, fiscal authority, and division of responsibilities?
- What types of mechanisms and strategies do government authorities employ to effectively work together within and across tiers?

After a preliminary review of regional reform efforts around the world, nine countries were selected for in-depth case studies to illustrate relevant lessons and strategies.¹ Below is the list of experts we consulted for each country.

Table 1. Countries explored and experts consulted²

Country	Expert consulted
Czech Republic	Martin Brusis, International Idea
Denmark	Jens Blom-Hansen, Aarhus University
Finland	Marianne Pekola-Sjöblom, Association of Finnish Local and Regional Authorities
France	Philippe Estèbe, Institute of Advanced Studies in Territorial Planning Martin Vanier, Paris School of Urban Planning
Netherlands	Nico Groenendijk, Oslo Metropolitan University; Derk Moor, Association of Provinces of the Netherlands
New Zealand	Mike Reid, Local Government New Zealand
Norway	Gro Sandkjær Hanssen, Oslo Metropolitan University
Peru	Gonzalo Alcalde, Pontificia Universidad Catolica del Peru
Sweden	Malin Stegmann McCallion, Karlstads University

In what follows, the report outlines a set of strategies to consider in setting about regional and territorial change, and country-specific tactics that serve as examples for those strategies

¹ To frame our research and identify the relevant key considerations for Israel, we also consulted with Tali Hindi, CEO of Beta Research, and Professor Itai Beer of the University of Haifa.

² Descriptions of the national and sub-national government structure for each country are included in Appendix A.

or helped achieve them. A more detailed summary of regional reform efforts in these nine countries and the list of sources reviewed can be found in [Appendix A](#) and [Appendix B](#), respectively.

The report concludes with ‘Additional considerations’ and ‘International opportunities.’ The additional considerations encompass crosscutting themes and challenges that can be seen across the nine countries and are relevant for Israel’s effort. The international opportunities includes a list of organizations that can provide additional expertise and serve as a planning resource for regional reform.

Typology of strategies and overview of country-specific regional reforms

With the central goal of identifying strategies that might serve as guides or lessons for a new regionalization effort, we sorted the strategies into two phases of reform:

- **Planning and negotiation:** approaches to catalyzing momentum toward reform, securing support, and creating a process by which regional reform is designed and deliberated.
- **Implementation:** approaches to launching and executing a regional reform, planning for its sustainability, and establishing mechanisms for ongoing sub-national collaboration and coordination.

From our case studies, we have distilled eight types of strategies across these two phases.

Table 2. Typology of strategies

Strategy	Examples
<i>Planning and negotiation</i>	
#1 Establishing a review body	Setting up an independent commission; leveraging an existing group in charge of administrative reform
#2 Sequencing change	Breaking down reform into several legislations; piloting reform in certain geographies; sequencing mergers or change in political representation
#3 Securing buy-in	Involving stakeholders early; offering staffing guarantees; promising new responsibilities and funding; deploying former local politicians to champion reform; mandating discussions with neighboring jurisdictions on possible merger
#4 Managing opposition	Strategically releasing plans; timing negotiations; offering concessions
<i>Implementation</i>	
#5 Building organizational capacity	Providing technical assistance; establishing transitional authorities
#6 Ensuring compliance	Deploying government representatives; passing additional legislation
#7 Tracking performance	Mandating performance measurement in legislation; commissioning research
#8 Fostering coordination	Leveraging local government associations to coordinate across and within tiers of government; establishing regular convenings

Overview of regional reform efforts

For all the case studies, we focused on one or two specific moments of regional reform to discern concrete strategies that were deployed. These moments were selected based on recency and relevancy to the Israeli context.³ Below we include an overview of each of the chosen reform efforts.

Table 3. Description of regional reforms⁴

Country	Description	Timeline
Czech Republic	The government agreed in December 1997 to create 14 self-governing regions, each with their own elected assembly. This reform began with the 1992 Constitution which mandated the creation of new regions, but was expedited by EU expectations and pressure, and the law finally came into effect in 2000.	1992 – 2000
Denmark	The government successfully passed the Local Government Reform in 2005 that a) established five new regions to replace 14 counties, b) amalgamated municipalities, reducing their number from 271 to 98, and c) clarified the division of responsibilities across different tiers of government.	2002 – 2007
Finland	The government passed a set of reforms in 2007—known as the PARAS reform—that encouraged municipalities to merge or develop inter-municipal cooperation agreements to provide healthcare and social services at scale, resulting in over 60 mergers. The government also launched an effort in 2015 to establish regional governments that would be responsible for healthcare and social services, among other duties, but this ultimately failed.	2005 – 2011; 2015 – 2019
France	Between 2014 and 2016, the government passed three key legislations—together known as Decentralization Act III—that a) established metropolitan status for 14 largest French urban areas, b) forced the amalgamation of select French regions, and c) increased responsibilities for regional governments.	2014 – 2016
Netherlands	The Netherlands created seven ‘city-regions’ in 1994 that required certain municipalities to create cooperative bodies to manage spatial planning, transportation, and economic development issues. There was an effort to formalize these city-regions into directly-elected ‘city-provinces,’ but due to resident pushback, the government granted permanent legal status to the city-regions instead. The city-regions were ultimately abolished in 2015, as part of the same reform effort that unsuccessfully tried to consolidate the number of provinces, beginning with the pilot merger of Flevoland, Noord-Holland, and Utrecht.	1994 – 2015; 2012 – 2015
New Zealand	The government successfully consolidated eight local governments to create the Auckland Council, a metropolitan government led by a mayor and legislative body. The	2009 – 2010

³ Following conversations with JDC and experts on Israel, we identified several important conditions for the Israeli context that helped us narrow the case selection, including: the asymmetry and power of metro areas in regional reform; building trust across municipalities with diverse populations and interests; and the need to build persuasive cases for regional reform particularly during moments of political transition.

⁴ A detailed summary of each reform effort is included in Appendix A.

Country	Description	Timeline
	government pursued this reform after years of dissatisfaction with the performance of Auckland and concern that fragmented governance was leading to an underperforming economy.	
Norway	The government successfully passed the local and regional government reform effort that resulted in 356 municipalities (from 428) and eleven counties (from 19). The reform is fully effective as of January 1, 2020.	2016 – 2020
Peru	After a period of authoritarian rule, the government created 24 directly-elected regional governments and devolved some central government responsibilities and funding.	2001 – 2006
Sweden	Sweden has been carrying out a bottom-up, asymmetric regionalization effort since 1996, which was spurred by the creation of four pilot regions that were based on three different governance models.	1996 – present

Reform strategies

#1 Establishing a review body

Almost all the countries surveyed convened a new or existing group of experts and leaders to assess the need for regional reform and suggest recommendations. Some included a wide range of government stakeholders, while others were composed entirely of independent experts. While there isn't clear evidence that one approach is more effective than the other, these two routes offer different advantages—the former helps to build buy-in from key stakeholders early on and sets the stage for inter-ministerial collaboration, and the latter helps to avoid partisanship and bring greater technical legitimacy.

Denmark: The government established the Commission on Administrative Structure in 2002 that was composed of representatives from Local Government Denmark, the Association of County Councils, the City of Copenhagen, the Municipality of Frederiksberg, the Ministries of the Interior and Health, Finance, Economic and Business Affairs, and Justice, and additional subject matter experts. The Commission was given the narrow charge of assessing whether or not a public sector reform was needed. The Commission produced a report in 2004 that answered in the affirmative, arguing that the size of the counties and the municipalities was insufficient for optimal performance and that the distribution of responsibilities for certain policy areas was inappropriate. The report, however, did not provide concrete recommendations, which gave the government flexibility in shaping a reform package.

New Zealand: The government established the Royal Commission on Auckland Governance to propose a new regional governance model for the Auckland area. The Commission was headed by three commissioners with both academic and political backgrounds, and was supported by a team of researchers. The Royal Commission superseded the standing Local Government Commission for this particular effort, to allow for more efficient planning. The government did not have a preferred structure for reform and gave the Royal Commission independence to complete its work. The Royal Commission was charged with developing recommendations after the subsequent election, when a new party would be in power.

#2 Sequencing change

Successful regional reform requires long-term planning and sequencing, both in terms of the legislative process and in the design and roll-out of the reform. Breaking down a reform into sequential pieces of legislation has its benefits and downsides. On the one hand, it allows for greater opportunities to negotiate and build buy-in. On the other hand, it may result in an outcome that differs significantly from the original vision. Depending on the interest of the ruling government and the support of the legislative body, substantive regional reform from conception to implementation took anywhere from three to ten years. Of course, this time does not include failed efforts that preceded it or the subsequent refinement of specific components of the reform.

Czech Republic: The government launched its regionalization effort by passing a constitutional reform in 1997 that codified the territorial divisions of the 14 new regions. Given that a repeal of this constitutional change would require a 2/3 majority in parliament, the reform offered a stable framework from which to negotiate and clarify divisions of responsibilities and plan for capacity-building. In 2000, the government passed additional legislation that endowed the regions with political authority and new responsibilities and established rules for elections. The new regional governments were elected and began functioning by January 2001. The transfer of responsibilities to the regions was fully realized with the abolition of the centrally-controlled administrative districts in January 2003.

Denmark: The government enacted the 2005 Local Government Reform in 50 separate legislative acts. The government passed the amalgamation of municipalities and the abolishment of counties first, before granting certain concessions to the opposition party in the subsequent legislations around the division of responsibilities. Though the government succeeded in the reform through its slim parliamentary majority, the opposition party voted with the government in 28 of the 50 laws.

Sweden: In 1997, the government experimented with three models of regional governance in four regions as a pilot. The regions were deemed a success and granted permanent status. After the success of the pilot, this model of regional governance was adopted widely across the country. Prior to these reforms, the government was responsible for coordinating regional development and planning.

Netherlands: In its failed recent effort to amalgamate provinces, the government proposed merging the provinces Flevoland, Noord-Holland, and Utrecht first as a pilot. This choice was made based on a number of factors. First, Flevoland and Utrecht are relatively small provinces. Second, none of the provinces have strong regional identities. And third, the three provinces had had previous discussions about a possible voluntary merger. The government was ultimately unable to offer a compelling rationale for merging the provinces, and the provinces successfully mobilized the Dutch Senate to reject the reform.

Finland versus Denmark: The two countries offer different models for organizational change, each with different merits. When Finnish municipalities merged as part of the PARAS reform, they maintained the same number of representatives for an initial period, which helped to gain the buy-in of local politicians. In contrast, as part of its local government reform, Denmark opted to align the number of regional

representatives with the new regional model before it was fully implemented, which allowed for smoother organizational planning.

#3 Securing buy-in

Building consensus is central to any political reform effort. The case studies surfaced a range of tactics that governments deployed to secure buy-in around their reform effort, from offering financial incentives and promising new responsibilities to deploying local politicians to drum up support for reform.

Denmark: Building in structural incentives and involving stakeholders early

The architecture of Denmark's 2007 local government reform was crucial to its success: the government was able to effectively persuade the municipalities to accept the proposed municipal amalgamations by promising a significant transfer of tasks from the counties to the municipalities. The Interior Minister also spent a considerable time meeting with mayors and local party branches to persuade them of the reform package. In addition, the government involved key party leaders, ministers, and Local Government Denmark (a powerful coordinating body for municipalities) early in the reform planning process.

Finland and France: Offering job guarantees

When public sector reforms are proposed in the name of efficiency, local and regional government staff and elected officials fear administrative cuts and job loss. In the PARAS reform, Finland guaranteed that there would be no municipal staff layoffs for at least 5 years. In the recent decentralization and municipal amalgamation effort in France, the law stipulated that each mayor from the pre-merged municipalities would become deputy mayor in the amalgamated municipality, which helped secure their support.

Finland: Providing financial incentives

Municipalities participated in the PARAS reform on a voluntary basis. The central government incentivized municipal mergers through grants to the participating municipalities. The size of the grants was determined by the population size of the municipalities and the number of participating municipalities. The mergers occurred largely between municipalities with a history of cooperation.

Sweden and Norway: Deploying former local politicians

The Swedish Minister of the Interior, who was central to the introduction and implementation of the Regional Pilot Project, formerly served as the mayor of a city. He brought his experience and credibility on the local level to push the reform effort forward. Similarly, in Norway, the Ministry of Local Government chose as its deputy minister a former mayor who had been in favor of municipal amalgamation in his home region to play an active role in campaigning for the local government reform.

Norway: Holding 'neighbor talks'

In the lead-up to the 2014-2020 local and regional government reform, municipalities were mandated to hold 'neighbor talks' with neighboring municipalities to discuss possible mergers. Across the counties, these talks were facilitated by the County governors, who are centrally appointed and are usually

well-regarded former politicians. These neighbor talks allowed the municipalities to explore different scenarios and laid the groundwork for a smooth merger process.

Norway: Using technology to imagine the future

In addition to active campaigning and facilitating neighbor talks, the Norwegian government created a website that presented clear arguments for the reform and included an interface where users could compare key statistics from existing and possible new municipalities, including around demography, social services, and municipal economy.

#4 Managing opposition

When building consensus fails or seems unlikely, governments have several tactics at their disposal to manage or weaken their political opposition, from timing the negotiations to offering certain concessions.

Denmark: The ruling government was intentional in how it carried out the negotiation process in 2007 to maximize its political advantage. First, during the planning phase, it met with opposition parties to gather their perspectives on regional reform without disclosing its own agenda, while concurrently holding closed-door negotiations with allies to develop a formal proposal. Next, it launched open negotiations very soon after releasing its formal plan, preventing the opposition parties and local authorities from building an effective anti-reform coalition. Finally, once the core proposal for municipal and regional amalgamations was passed, the government made strategic concessions to the opposition parties on the division of responsibilities to build a broader consensus for the reform.

#5 Building organizational capacity

Creating a new regional government is a challenging administrative undertaking and requires proactive capacity building and alignment of fiscal resources. The level of technical support provided to regional governments has a significant impact on the success of a reform effort. This technical support includes training, personnel, and funding, and can be from either the central government or an independent entity.

New Zealand: The administrative work of creating the Auckland Council was completed within 18 months by a new entity established by the central government, the Auckland Transition Authority. Its main responsibilities were determining the organizational and staffing structure; appointing key personnel; developing financial and tax policies and preparing the council budget; standardizing regulatory policies and fees; implementing systems changes for information technology, financial management, human resources, and communication; and conducting the first local elections.

Finland: The central government and an association of local governments provided technical assistance to the municipalities and supported community engagement to address concerns about democratic legitimacy by holding open discussions, providing informational materials, and facilitating seminars.

Peru: The government created the National Council of Decentralization (NCD) to oversee the transfer of responsibility and financial and human resources to the regional governments. Regional governments must be accredited by the NCD by

demonstrating capacity to assume new responsibilities. Despite its position under the President, the NCD did not have enough authority or resources to implement the reforms. It was also criticized for its bureaucratic and top-down structure.

#6 Ensuring compliance

While governments sometimes provide technical assistance and other forms of oversight for the implementation of regional reform, they also have to contend with resistant local authorities or threats of future repeal. There are steps that the government can take, however, to secure compliance and improve sustainability of the reform.

Denmark: Once the reform package passed, and in order to ensure compliance, the central government appointed an official mediator who travelled to parts of the country where issues arose during implementation and spoke to the involved municipalities. The mediator was able to resolve the issues himself, without requiring further government enforcement. The mediator had strong credibility as a respected former municipal mayor who belonged to the opposition party.

New Zealand: In 2012, the Parliament changed the process for local government reorganization to make it harder for local opposition to derail a plan that the national government supports. Prior to the changes, the Local Government Commission would review proposals for reorganization and, if it decided to proceed with the proposal, the plan would be put up for a referendum. The reorganization plan required a 50% approval vote in each affected district. With the new changes, rather than an automatic referendum, a referendum is only triggered if at least 10% of residents in an affected district sign a petition. If there is no petition, the proposal becomes law. If a referendum is held, it requires 50% approval vote in the overall affected area, rather than 50% in each of the affected districts, meaning that the individual districts have less say than before.

#7 Tracking performance

Several regional reform efforts included a mechanism for evaluating the success and effectiveness of the reform, such as internal evaluation or partnership with independent researchers. The Danish example is particularly instructive, as the internally-driven evaluation resulted in a new set of changes, and makes the case for the efficacy and value of such routinized, government-led assessments.

Denmark: In 2012, five years after the Local Government Reform went into effect, the government established a committee to evaluate the reform. Specifically, the committee was tasked with assessing the current distribution of tasks between the tiers of government and the cooperative structures between them around four key areas: healthcare, social services, environment, and regional development. As with the committee that was established to evaluate the need for the reform, this evaluation committee was composed of representatives from key stakeholders, including the Ministry for Economic Affairs and the Interior, the Ministries of Finance and Taxation, Local Government Denmark, and Danish Regions. The evaluation resulted in an agreement among the political parties for specific adjustments to the Local Government Reform.

Finland: A partnership of the Association of Finnish Local and Regional Authorities and several universities evaluated the effectiveness of PARAS. They investigated

the decisions made by local authorities, the impact of local government actions, factors that affected implementation in municipalities, and the role of the State in the implementation of the reform in municipalities.

New Zealand: The Council has conducted separate evaluations on the effectiveness of the government restructuring and the performance of the Council-Controlled Organizations, which are semi-public companies responsible for issues such as transportation, water management, economic development, and facilities management. There have also been external evaluations of the reform, most notably by an independent civic organization (the Committee for Auckland), in partnership with a policy research organization at the Auckland University of Technology.

#8 Fostering coordination

Coordination among and between different levels of government is rarely straightforward. Even with formal mergers or the creation of new regional tiers of government, coordination across levels of government is necessary to effectively make policy decisions and carry out service delivery. On the other hand, there are alternative ways that regions or municipalities can collaborate, short of a formal merger.

Sweden: Regions coordinate regional development but have few of their own resources and many of their decisions must be approved by the state. Given their dependency on the central government, regions align their strategies with central plans for regional development. At the same time, national plans for regional development are created by incorporating priorities from regional plans.

Peru: Given the weakness of regional governments, special bodies made up of local and regional governments (called *mancomunidades* or municipal or regional commonwealths) have been created to collaborate on big projects that cross borders. *Mancomunidades* exist for both municipal and regional governments. They have their own budgets and autonomy, and typically work on issues such as infrastructure (e.g., roads, water) and tourism.

Netherlands: The Netherlands has a clear mechanism for coordinating priorities and objectives across the three tiers of government. Every four years, the different levels meet to set an “Intergovernmental Agreement,” a set of strategies for all policy areas (including for regional planning) that is made public. The Netherlands also promotes ‘Inter-administrative Programs,’ which are working groups composed of representatives from municipalities, provinces, the central government, and the water boards to address key social issues from climate change to affordable housing.

France: As part of the legislation that established the ‘metropolis’ status for 14 cities, the government set forth a mechanism for intergovernmental collaboration called the Territorial Conference for Public Action which would take place in each region, Chaired by the president of the respective regional council, the Conference was intended to bring together all the local representatives within a region to set strategic agreements and improve coordination. In practice though, the conferences have not fulfilled their potential and have served more the function of presenting and exchanging information rather than setting agreements.

Additional considerations

In addition to the reform strategies that local actors carried out in response to specific needs and constraints, the research also surfaced broad conditions for reform success or failure as well as common, recurring challenges across national contexts. Below are some principles rooted in these common themes and challenges that are relevant to consider in setting out on an ambitious regionalization effort. While it is not always possible to realize these principles given the varied political dynamics, Israel has an opportunity to take them into account in planning for reform.

Have a clear rationale and set a vision for regional competency

Regionalization is a complex undertaking, and like any comprehensive government reform, requires a clear rationale. Reform efforts can mitigate potential challenges if the goals of the reform are articulated by leaders, and are accompanied by a vision for how the reform will change the lives of residents, how local government will function or change, and how decisions about public goods will be made.

Setting a clear rationale at the outset can help anchor negotiations with stakeholders and persuade others to support the effort, and guides the development of strategies necessary for achieving successful reform. The rationales for regionalization of the countries studied range from achieving administrative efficiency and fostering dispersed economic growth, to strengthening local democracy and guarding against authoritarianism.

A rationale for reform should also inform a broader strategic vision for the regions' overall function and their model. First, how much political and fiscal power and autonomy should regions have *vis-à-vis* the central and local governments? Second, what are the territorial divisions, scope of responsibilities, and fiscal policy that could help realize the intended authority of the regional layer? Third, what is the value proposition to local authorities and their residents? Across some of the cases studied, these questions were resolved through discrete legislation, the establishment of a regional map, and negotiation of the fiscal responsibilities and resources allocated to regions. Some political actors also used these components to weaken the overall regions, for instance by making them small in size or constituency, limiting their responsibilities, or depriving them of independent revenue.

New resources must go along with new and explicitly defined responsibilities

In some countries, the state delegated new responsibilities to the regional governments without appropriate funding or a mechanism for generating revenue, thereby undermining the ability of regions to carry out their new roles effectively. A regional reform effort should be clear-eyed about aligning fiscal resources with new responsibilities, whether through grant transfers or through establishment of new taxing authority. In addition to funding, it is important for countries to develop detailed implementation and operational plans to equip regional governments with the technical capacity and personnel to carry out their new functions.

When creating new regional governments or changing existing regional government models, it is crucial that countries determine a clear division of responsibilities with other levels of government. The case studies examined suggest that this may take several tries and iterations given the numerous stakeholders involved—so the matter should be central to planning. Given the difficulty in achieving a clear division, some countries have proposed mechanisms for intergovernmental collaboration as part of their decentralization reform for all the actors within a region to come together and collectively agree on priorities and respective tasks.

Be intentional about public engagement and proactively address concerns of peripheral or underrepresented groups

Some of the countries studied pursued regionalization solely as a technocratic exercise and did not engage with the public. Others faced pushback from key stakeholders and citizens who feared that regionalization would reduce or change the nature of public services, impinge on their political representation, or create another unnecessary level of government. Countries have generally avoided the use of direct democracy tools like referendums as these have often resulted in rejection of public sector reform or delegitimized the ruling government more broadly. A regionalization effort that seeks to strengthen local democracy or build social cohesion should consider creative and intensive engagement efforts to address and mitigate residents' concerns, and allow the public to provide input into the reform.

Importantly, some of the pushback of regionalization efforts in the countries studied was from underrepresented populations, especially people living in rural areas or in the periphery of large cities. In France, the establishment of 'metropolis' status for 14 cities garnered the criticism of rural towns that perceived the reform as explicitly favoring the big cities. In response, the government initiated new funding programs to support smaller townships and ease their concerns. In New Zealand, the Auckland consolidation included the creation of a special body within the government that would represent the interests of the minority Maori population. The Maori Statutory Board provides policy guidance to the Auckland Council. Anticipating the concerns and perspectives of peripheral regions and underrepresented communities at the outset, and building a strategy that truly engages the full spectrum of affected interests, can result in a more sustainable regional model.

Consider the political sphere and anticipate motivations and interests

When establishing new regional governments or decentralizing responsibilities, there will be entrenched interests that resist or seek to lessen the reform. It is crucial to anticipate these interests and plan accordingly. At the administrative level, officials and staff could push back on reform out of fear of job losses or transition. If their support for the reform is needed, something like a jobs guarantee could help appease their concerns. At the political level, the main parties may be incentivized to either keep the regions weak so as to maintain central oversight or structure regions in such a way to make it favorable for them to maintain power at the regional level. In such cases, proactive advocacy and input of expertise are needed to re-anchor the reform around the public good.

Even with a clear rationale and vision for regional reform in hand, it is important to tailor messaging about its intended goal to different audiences to gather the most widespread support. Alternatively, if the reform will have clear winners and losers, it may be wise to identify and develop a tight coalition from the beginning and strategically manage the opposition. A consensus-based approach may be easier to carry out, but may dilute the public rationale and the outcome of the reform. A coalition-based approach, while being riskier, could help to adhere to the initial vision.

International opportunities for engagement

A goal of this research was to identify the most promising opportunities for Israeli stakeholders to engage in the global discourse on regionalism. Our review included leading international platforms, conferences, academic programs and publications, professional associations, and expert convenings. Below we include a summary of the opportunities identified in our review.

Intergovernmental organizations and research centers

Organization	Key activities	Opportunities
Assembly of European Regions (AER) Website Parent Organization: <i>None</i> Category: <i>Intergovernmental</i>	<ul style="list-style-type: none"> - Independent network of regions from 35 countries and 15 interregional organizations. - Hosts exchange programs and summer convenings for youth and regional government practitioners. - Monitors state of regionalization by regularly producing “State of the Regions” report. - Provides technical assistance on EU funding projects for member regions. 	<ul style="list-style-type: none"> - Attend EU Regions Week 2020 in Brussels - Consult general and country-specific experts as well as organization staff on regionalization
Congress of Local and Regional Authorities (CLRA) Website Parent Organization: <i>Council of Europe (CoE)</i> Category: <i>Intergovernmental</i>	<ul style="list-style-type: none"> - Political institution representing local and regional governments from the 47 member states of the Council of Europe (CoE), which predates the European Union. - Assesses the application of the European Charter of Local Self-Government in its member states; monitors local and regional democracy issues, including elections. - Reinforces cooperation and partnerships with member states and other institutions in order to consolidate territorial democracy. 	<ul style="list-style-type: none"> - Attend a biannual session of congress (next meeting in Strasbourg)
European Committee of the Regions (CoR) Website Parent Organization: <i>The European Union (EU)</i> Category: <i>Intergovernmental</i>	<ul style="list-style-type: none"> - Serves as a representative body for voice of regions and cities in the European Union (EU). - Advises on the 70% of EU legislation that has an impact on regions and cities. - Seeks to “reduc[e] the gap between the EU institutions' work and EU citizens” by bringing regional, local, and citizen representatives into political debates and discussions. - Promotes multilevel governance at the national, regional, and local levels. 	<ul style="list-style-type: none"> - Attend the annual EuroPCom (the European Public Communication Conference – next meeting in Brussels)

Organization	Key activities	Opportunities
Regional Development Policy Committee (RDPC) Website <u>Parent Organization:</u> <i>Organization for Economic Co-operation and Development (OECD)</i> <u>Category:</u> <i>Intergovernmental</i>	<ul style="list-style-type: none"> - An institution of the Organization for Economic Co-operation and Development (OECD), dedicated to “evidence-based solutions to a range of social, economic, and environmental challenges.” - Aims to reduce regional disparities by supporting economic activities and improving quality of life. - Promotes the design and implementation of policies adapted to specific territories, focusing on regional opportunities and assets. 	<ul style="list-style-type: none"> - Attend the annual OECD Forum (next meeting in Paris)
United Cities and Local Governments (UCLG) Website <u>Parent Organization:</u> <i>None</i> <u>Category:</u> <i>Intergovernmental</i>	<ul style="list-style-type: none"> - An international umbrella organization headquartered in Barcelona, that represents cities, regional governments, and municipalities in 140 countries; divided into 7 regional sections, 1 metropolitan section, and 1 “forum of regions.” - Promotes decentralization and the perspectives of local and regional governments in global decision-making processes. - Acts as an advocate of “localization: the achievement of ... global agendas from the bottom-up.” 	<ul style="list-style-type: none"> - Attend the UCLG Annual Retreat
Council of European Municipalities and Regions (CEMR) Website <u>Parent Organization:</u> <i>United Cities and Local Governments (UCLG)</i> <u>Category:</u> <i>Intergovernmental</i>	<ul style="list-style-type: none"> - Founded in 1951 and representing 41 countries at the local, intermediate, and regional levels, it’s the oldest regional organization in Europe. - Acts as the European arm of the of the UCLG, representing European regional government on the international stage. - Influences European policy and legislation in all areas that have an impact on municipalities and regions. - Provides a forum for debate between local and regional governments via their national representative associations. 	<ul style="list-style-type: none"> - Federation of Local Authorities in Israel is a member association - Attend the quadrennial Congress of European Municipalities and Regions (next taking place in Innsbruck in May of this year)

Organization	Key activities	Opportunities
European Association of Development Agencies (EURADA) Website <u>Parent Organization:</u> None <u>Category:</u> Economic Development	<ul style="list-style-type: none"> - Founded in 1992, the European Association of Development Agencies (EURADA) operates a network of 22 countries and 76 regional agencies dedicated to economic development in the European Union and beyond. - Seeks to promote innovation and best practices in economic development through the exchange of information, development of cooperative projects, and assistance and training to countries and developmental agencies. 	<ul style="list-style-type: none"> - Attend AGORADA2020 (taking place in Brussels in June)
European Federation of Agencies and Regions for Energy and Environment (FEDARENE) Website <u>Parent Organization:</u> None <u>Category:</u> Energy and the Environment	<ul style="list-style-type: none"> - Founded in 1990 by an alliance of six European regions, the European Federation of Agencies and Regions for Energy and Environment (FEDARENE) has expanded to more than 80 organizations from 23 European countries. - FEDARENE's stated goals are to act as a liaison between local/regional authorities and the European Institutions; promote the exchange of transnational projects; provide a forum of discussion for stakeholders of the energy sector, promote the voices of regions in the international climate debate, and increase their capacity to take actions on the local level. 	<ul style="list-style-type: none"> - Participate in many events in conferences throughout the year (including EU Sustainable Energy Week in Brussels in June)
Local Governments for Sustainability (ICLEI) Website <u>Parent Organization:</u> None <u>Category:</u> Sustainable Development	<ul style="list-style-type: none"> - A global network of more than 1,750 local and regional governments, Local Governments for Sustainability (ICLEI) is committed to sustainable urban development and innovation in reducing urban emissions, consumption, and inequity while increasing urban resiliency and biodiversity. - Applies global strategies to the subnational level, while representing regions on the global stage. - Fosters connections between cities, between regions, and across governments, financial institutions, universities, civil society, and the private sector to support sustainable development. 	<ul style="list-style-type: none"> - Join through ICLEI's European Secretariat - Participate in periodic webinars

Organization	Key activities	Opportunities
International Association of Public Transport (UITP) Website <u>Parent Organization:</u> <i>None</i> <u>Category:</u> <i>Transportation</i>	<ul style="list-style-type: none"> - An international network of 1,800 public transit companies from 100 countries - Produces reports and other publications on latest trends in public transportation - Works with international organizations to advocate for strengthening public transportation to local and national governments - Provides training and technical assistance from industry leaders 	<ul style="list-style-type: none"> - Attend Middle East Transport Congress and Exhibition in Abu Dhabi in April 2020 - Attend Biennial Global Public Transport Summit and Exhibition,
International Transport Forum Website <u>Parent Organization:</u> <i>OECD</i> <u>Category:</u> <i>Transportation</i>	<ul style="list-style-type: none"> - An intergovernmental organization with 60 member countries, including Israel - Conducts policy research and promotes exchange among transportation leaders around the world. - ITF's signature event is its Annual Summit, the world's largest gathering of transport ministers. 	<ul style="list-style-type: none"> - Attend this year's Annual Summit, is in late May in Leipzig, Germany
Regional Studies Association (RSA) Website <u>Parent Organization:</u> <i>None</i> <u>Category:</u> <i>Research</i>	<ul style="list-style-type: none"> - Serves as a hub for regional studies research, hosting conferences and providing research grants. - Coordinates research networks organized around key topics. - Publishes five academic journals: <ul style="list-style-type: none"> o Area Development and Policy o Regional Studies o Regional Studies, Regional Science o Spatial Economy Analysis o Territory, Politics, Governance 	<ul style="list-style-type: none"> - Attend 2020 RSA Winter Conference (taking place in London) - Attend 2020 RSA Annual Conference (taking place in Ljubljana)

Country-specific governmental associations

Organization	Key activities
Association of Regions of the Czech Republic Website	<ul style="list-style-type: none"> - Established one year after the regional system was implemented to promote the regions' joint interests. - Represents regional interests in national parliament, the cabinet, and European institutions. - Produces reports and opinions on regional competencies and programs. - Supports the Czech national delegation in the Committee of the Regions.
Local Government Denmark Website	<ul style="list-style-type: none"> - Association of all Danish municipalities that represents local government interests at the national level. - Supports municipalities by sharing best practices, clarifying legal issues, assisting regional networks, and developing tools and guidelines for municipal authorities. - Serves as the employer's association of the municipalities, negotiating salaries and terms for all municipal employees.
Danish Regions Website	<ul style="list-style-type: none"> - Represents the interests of regional governments. - Serves as a platform for collaboration and knowledge sharing and contributes to the execution of regional tasks. - Serves as the negotiating body for regional employee salaries and benefits.
Association of Finnish Local and Regional Authorities Website	<ul style="list-style-type: none"> - Advances the interests and development of municipalities and their partner organizations. - Provides services to Finnish hospital districts, regional councils, and joint municipal authorities. - Oversees the Finnish Consulting Group which operates internationally and offers services around community planning and good governance.
Regions of France Website	<ul style="list-style-type: none"> - Advances the interests of French regions and promotes decentralization in France.
Terra Nova Website	<ul style="list-style-type: none"> - Terra Nova is a liberal think tank established in 2008 that has played an influential role in shaping public policies, including around the government's decentralization reform.
Association of Provinces of the Netherlands (Interprovinciaal Overleg; IPO) Website	<ul style="list-style-type: none"> - Association of the twelve provinces that advances provincial interests and shares knowledge and best practices across the provinces. - Represents the provincial interests at the European level through an office in Brussels.

Organization	Key activities
Norwegian Association of Local and Regional Authorities Website	<ul style="list-style-type: none"> - Association of all local governments in Norway, including municipalities and counties. - Negotiates salaries and benefits with municipal and county government staff. - Played an active role in the planning and implementation of the most recent government reform.
Local Government New Zealand (LGNZ) Website	<ul style="list-style-type: none"> - LGNZ represents local government interests at the national level and provides support for improved performance and reform at the local and regional levels. - They produce policy reports on local and regional government trends and provide training and tools for government practitioners. - Their EquiP program delivers tailored guidance to strengthen local government. - Their CouncilMARK program assesses the performance and achievements of local and regional councils and shares this information with the public.
Swedish Association of Local Authorities and Regions Website	<ul style="list-style-type: none"> - A national organization that represents the municipalities and regions of Sweden. It is an important advocate for decentralization. - In addition to its work in Sweden, it has an international arm, SKL International, that has experience advising on decentralization projects in over 30 countries.

Appendix A. Country profiles

Appendix A. Country profiles

Below are detailed profiles for the nine countries surveyed, each of which includes an overview of their regional governance model and a summary of one or two of their relevant regional reform efforts. The profiles are based on expert interviews and sources listed in Appendix B.

Comparative overview

Country	Reform effort of focus	Population ¹	# of regions	Avg. regional pop. size	Range of regional population	Subnational spending as % of total public spending ²
Czech Republic	Establishment of regions (2000)	10.67M	14	760,000	296,106 to 1,286,554 (2017)	26%
Denmark	Local Government Reform (2007)	5.76M	5	1,152,000	589,148 to 1,822,659 (2018)	65%
Finland	PARAS (2011)	5.52M	19	290,000	68,437 to 1,671,024 (2019) ³	40%
France	Decentralization Act 3 (2016)	65.99M	13	5,076,000	2,559,073 to 12,278,210 (2020) ⁴	20%
Netherlands	Reform of provinces and city-regions (2015)	17.06M	12	1,421,000	383,519 to 3,708,585 (2020)	32%
New Zealand	Auckland consolidation (2010)	4.74M	16	296,000	32,500 to 1,642,000	11%
Norway	Local and Regional Government Reform (2020)	5.34M	11	485,000	Not yet available	33%
Peru	Creation of directly elected regional governments (2006)	31.99M	25	1,279,000	141,070 to 8,574,974 (2017)	42% (2013)
Sweden	Regional Pilot Project (2000s)	9.97M	21	475,000	59,686 to 2,377,081 (2019)	51%

¹ UN Statistics Division, 2019

² OECD Subnational government expenditure as a percentage of total public expenditure, 2016

³ Not counting Åland, an autonomous region

⁴ Not counting Corse, an island region

Czech Republic

Regional model

Structure	Two-tier government system, with 14 regions and 6258 municipalities
Division of responsibilities	<p><u>Municipalities</u>: Education, agriculture, housing, primary health care, social care services, local roads and public transport, water and waste management</p> <p><u>Regions</u>: Upper secondary education, regional roads, public transport, health care/general hospitals, economic development and planning, social assistance for disadvantaged groups</p>
Political representation	Regions directly elect their own regional assemblies, which in turn elect a regional governor and governing council; the regional assemblies can submit bills to the parliament.
Fiscal policy	Taxing and spending among regions have increased since the creation of regions. In 2016, regions accounted for ~45% of subnational government expenditure and tax revenues.



Establishment of regions

Timeline	1992 – 2002
Rationale	Facilitate EU ascension; institutionalize local self-government following a period of centralized, communist rule
Outcomes	<ul style="list-style-type: none"> - Establishment of 14 regions with elected regional assemblies - Dissolution of administrative districts - Regions endowed with new responsibilities, some of which were transferred from the administrative districts
Political context	<ul style="list-style-type: none"> - A multi-party parliamentary government, the Czech Republic was led by Prime Minister Vaclav Klaus and his right-wing party, the Civic Democratic Party (ODS) between 1993 and 1998. - The creation of new regions was mandated by the 1992 Constitution. However, the concept was initially strongly opposed by the Klaus and ODS, which led to delayed implementation of this constitutional requirement. Klaus was concerned that regionalization would undermine the control of the major parties and create additional bureaucracy. Klaus preferred the route of establishing voluntary associations between local governments. - The reform was supported by the centrist Czechoslovak People's Party (Christian and Democratic Union) but there was no clear consensus across reform proponents on the exact size and number of regions. - The reform was managed by the Ministry of Interior, in consultation with the Ministry of Economy and the Regional Planning Administration.

Planning and negotiation	<ul style="list-style-type: none"> - The creation of new regions was mandated by the 1992 Constitution, following the dissolution of Czechoslovakia. The previous system of National Committees and their administrative bodies at the regional level were also phased out, leaving a void at the regional level. - However, the government was in no rush to fulfill this new mandate. The ODS proposed converting administrative districts into regions in 1994, which was soundly defeated, as was their proposal to create 17 regions in 1995. - Then, in 1997, the European Commission published an ‘Opinion’ that highlighted the Czech Republic’s shortcomings in public sector reform and proposed the establishment of regional authorities. This accelerated the adoption of the constitutional law, resulting in the 1997 Constitutional Act on the Foundation of Regions. This was preceded by extensive discussions on the size and number of regions. <ul style="list-style-type: none"> o Christian Democrats wanted nine regions while Civic Democratic Alliance wanted 13 regions. Klaus, of the former party, favored a larger number of smaller regions to minimize their potential political importance. Others advocated for a smaller number of larger regions to ensure eligibility for EU structural funds. o The result was that 14 regions would each have an average population of about 800,000. o The borders were drawn across the historical Bohemian-Moravian lines to undercut Moravian pro-autonomy sentiments. - In 1999, the new Social Democratic government, led by Miloš Zeman, submitted a proposal for regional self-government. The parliament largely accepted it, but further proposed that the regional government and state administration be integrated, contrary to the initial proposal of keeping these separate. - Overall, the fact that the territorial divisions were codified as a constitutional amendment offered great stability in the subsequent negotiation process. The repeal of the amendment would require a 2/3 majority, and the parliament was able to clarify divisions of responsibility and plan for capacity-building with a clear framework in mind.
Implementation	<ul style="list-style-type: none"> - The regional self-government law went into effect in January 2000. In the same year, the government passed additional laws establishing rules for elections and defining regional responsibilities. The electoral laws excluded independent candidates from running and generally disadvantaged small parties. - The first regional elections took place in November 2000, and the new regional governments began functioning in January 2001. - The transfer of responsibilities to the regions was fully realized with the abolition of central government-controlled administrative districts in January 2003. - The 14 regions were grouped into 8 larger ‘cohesion regions’ for the purpose of administering the EU Structural Funds.

Denmark

Regional model

Structure	Decentralized, two-tier government system, with 98 municipalities, 5 regions, and 2 autonomous regions
Division of responsibilities	<u>Municipalities</u> : education, social services, spatial planning, among others. <u>Regions</u> : Healthcare services, regional development, transportation, and environment
Political representation	Regions are represented by elected councils, each composed by 41 members from whom the regional head is chosen.
Fiscal policy	<ul style="list-style-type: none"> - For healthcare expenses (which make up 90% of the regions' budgets), regions receive from the central government an equal lump sum, dependent on actual expenditure, contributions per specific activity, and municipal contribution. - Unlike the now-abolished counties, regions cannot levy taxes; they are financed by transfers from the state (75%) and municipalities (25%). - The Budget Act sets a limit for spending for all three levels of government.



Local Government Reform (2005-2007)

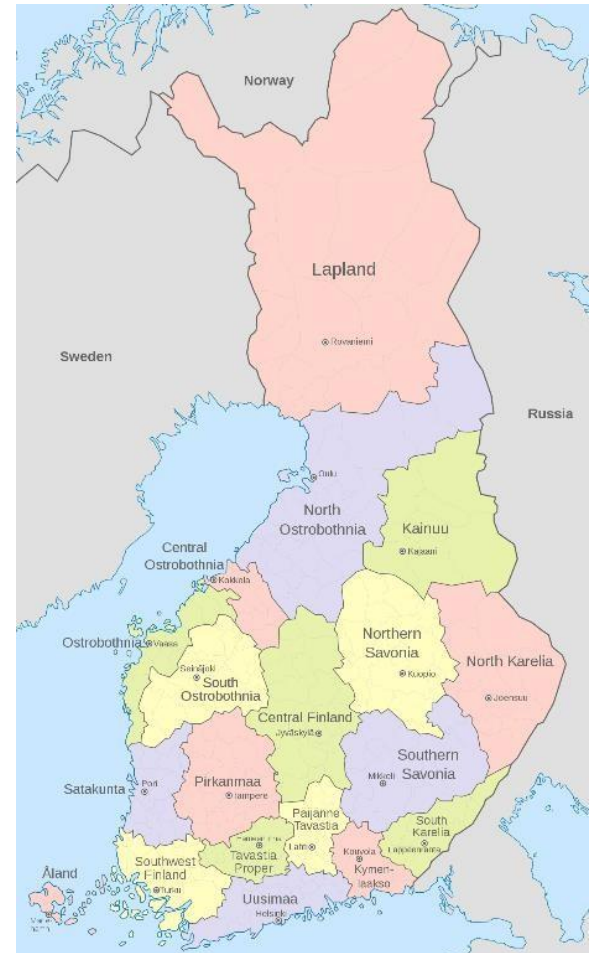
Timeline	2005 – 2007
Rationale	Achieve economy of scale and more effective service delivery at the local level; improve healthcare provision at the regional level
Outcomes	<ul style="list-style-type: none"> - The 2007 reform abolished 14 counties and established 5 regions in their place, and consolidated 271 municipalities into 98. - The 2007 legislation delimits the responsibilities of the regions positively, <i>i.e.</i>, regions cannot take on tasks other than those mentioned in the legislation. The regional share of tasks has fallen as a result of the reform.
Political context	<ul style="list-style-type: none"> - A multi-party, parliamentary government, Denmark was at the time led by Prime Minister Anders Fogh Rasmussen and his center-right party Venstre. - The reform was spearheaded by Lars Løkke Rasmussen (also of Venstre but no relation to the Prime Minister), the Minister of the Interior and Health and former County Mayor who subsequently served as Prime Minister from 2015 to 2019. - The abolition of counties had long been an important goal for both Venstre and the right-wing Danish People's Party (DPP). The DPP had preferred abolishing the counties without establishing a new regional tier, but ultimately backed the reform effort. - The reform was strongly opposed by the existing county authorities (which would be abolished by the reform) and the center-left Social Democratic Party.

Planning and negotiation	<ul style="list-style-type: none"> - In October 2002, the central government established a Commission on Administrative Structure to review the structure of the public sector. The Commission was composed of representatives from Local Government Denmark, the Association of County Councils, the City of Copenhagen, the Municipality of Frederiksberg, the Ministries of the Interior and Health, Finance, Economic and Business Affairs, and Justice, and additional subject matter experts. - In January 2004, the Commission concluded that a reform was needed, arguing that the size of the counties and the municipalities was insufficient for optimal task performance and that the distribution of responsibilities for certain policy areas was inappropriate. The paper did not make any concrete recommendations. - The government kept its intentions in the dark after the Commission's report was released, and took their opponents by surprise when they released their plan for reform. The launch of formal negotiations shortly thereafter prevented the opposition from creating an effective anti-reform coalition. The interior minister spent considerable time meeting mayors and local branches of the Liberal party to persuade them to accept the reform. - The government made a successful alliance with Local Government Denmark (the coordinating association for municipalities) in order to combat county opposition (counties and Association of County Councils). Support from Copenhagen and other municipalities was achieved by allowing for them to transfer many tasks, and funding, from the county to the municipal level. - After the initial proposal, the government granted certain concessions to appease the opposition. For example, the government withdrew its proposal to decentralize the labor market, but only after the amalgamations of municipalities already began so that the municipalities could not back out. - The parliament enacted the reform in 2005 as 50 separate acts. Ultimately, even the opposition party voted with the government in 28 of the 50 laws.
Implementation	<ul style="list-style-type: none"> - While the reform was not fully implemented until January 2007, the local elections of 2005 comported with the impending change, electing representatives for 98 municipalities and five regions. - In 2012, the government established a committee to evaluate the results of the local government reform. The committee was composed of representatives from Local Government Denmark, Danish Regions, Ministry for Economic Affairs and the Interior, Ministry of Finance, Ministry of Taxation, and the Ministry of Business and Growth. The committee's report is publicly available.

Finland

Regional model

Structure	Decentralized, one-tier government system with 313 municipalities and 1 autonomous region; 19 regional councils exist but they have limited authority
Division of responsibilities	<u>Municipalities</u> : healthcare, social services, and education <u>Regional councils</u> : planning regional land use, coordinating regional development and regional funds especially from EU
Political representation	Regional councils are not directly elected; they are appointed by the municipal councils.
Intergovernmental collaboration	<ul style="list-style-type: none"> - Each region has a land use plan, for roads, rail, energy, recreational facilities, water supply, and other development issues involving multiple municipalities. Regional land use plans are approved by regional councils and submitted to the state for ratification. - Municipal cooperation is common, especially for the provision of healthcare, social services, and education to create economies of scale. Many form joint municipal authorities, which are financed by the municipalities and led by a board assigned by municipalities. Most municipalities belong to 5-10 intermunicipal organizations.



PARAS reform

Timeline	2005 – 2011
Rationale	Produce cost savings for healthcare and social services; facilitate municipalities to officially merge or develop formal inter-municipal cooperation arrangements to provide healthcare and social services.
Outcomes	The PARAS reform resulted in over 60 mergers of municipalities. There were large upfront costs associated with the administrative changes of the mergers, which prevented the realization of immediate savings. The changes did not produce direct cost-savings, but the mergers made service provision more efficient.
Political context	<ul style="list-style-type: none"> - A multi-party, parliamentary government, Finland was at the time led by Prime Minister Matti Vanhanen and his Centre Party. - While the Centre Party was in favor of voluntary cooperation agreements, the other major parties, including the center-right National Coalition Party and the center-left Social Democratic Party favored municipal mergers.

	<ul style="list-style-type: none"> - The Association of Local and Regional Authorities helped design the PARAS reform effort and played a major role in evaluating the reform. - Business and industry leaders were generally supportive of the reform. - The municipal unions were concerned about layoffs and peripheral regions were concerned about decreasing levels of service. In response, the state guaranteed that there would be no municipal staff layoffs for at least five years and the level of services would not decrease in peripheral areas. - There were concerns about losses in democratic representation. In response, the central government and an association of local governments provided technical assistance and supported community engagement to address concerns about democratic legitimacy by holding open discussions, providing informational materials, and facilitating seminars.
Implementation	<ul style="list-style-type: none"> - The mergers were purely voluntary; the central government incentivized mergers through grants to participating municipalities. The size of the grants was determined by the population size of the municipalities and the number of participating municipalities. The mergers occurred largely between municipalities that had a history of cooperation. - Each municipality had the option of holding a referendum to determine whether to participate in a merger. Only a handful of municipalities chose to do so. Most voted on mergers through their municipal council. - At first, the councils of the merged municipalities were brought into one large body but by the next election, the number of councilors was greatly reduced. - There was a perception that the guidance provided by the central government was not coherent, however, as the ministries were working in siloes and had different goals, and therefore provided different information.

Failed regional government reform effort (2015 – 2018)

Timeline	2015 – 2018
Rationale	<ul style="list-style-type: none"> - The state sought to establish regional governments with responsibility over healthcare and social services. The goal was to control costs and reduce regional inequality. There was significant planning but the effort was abandoned when a new government took power in 2019. - In addition to healthcare and social services, the counties would have taken over responsibilities for economic development, transportation, and environment. - The regional government reform failed largely because there was not enough support across political parties to sustain this reform after the change in government, the reform was too ambitious for the proposed timeline, and there was a strong top-down approach that did not adequately engage with municipalities and residents.

France

Regional model

Structure	Decentralized, three-tiered government structure with 35,885 municipalities, 101 departments, 13 regions and 5 outermost regions (Guadeloupe, Guyane, La Réunion, Martinique, Mayotte).
Division of responsibilities	<p><u>Municipalities</u>: primary education, town planning, municipal roads urban public transport, social support, municipal police, housing, drinking water and sanitation, waste, culture, sport</p> <p><u>Regions</u>: Regional economic development, territorial planning, environmental protection, regional transport, high schools and vocational training</p> <p><u>Departments</u>: promote social cohesion through provision of social welfare</p>
Political representation	<p><u>Metropolis</u>: Each metropolis is administered by the metropolitan council, which is composed of one metropolitan councilor per member municipality, plus one more councilor (for each municipality) per 25,000 inhabitants</p> <p><u>Regions</u>: Directly elected regional assemblies (result of decentralization effort in 1980s), which in turn elect their own Presidents.</p>
Fiscal policy	A 2003 revision to the Constitution ensures that responsibilities transferred from the State to subnational governments must be matched by a corresponding transfer of financial resources.



Decentralization Act 3

Timeline	2012 – 2016
Rationale	<ul style="list-style-type: none"> - The decentralization reform was intended to strengthen local democracy, reduce public spending, and promote regional development. - The reform sought to establish ‘metropolises’ to enhance cross-sectoral coordination, achieve efficiency gains, and promote regional economic growth beyond Paris. - The reform also sought to amalgamate certain regions to achieve efficiency gains, reduce regional disparities, and position regions to engage in European and international cooperation.
Outcomes	The reform—informally called ‘L’acte III de la decentralization’ in reference to two previous substantive decentralization efforts in the 1980s and then in the early

	<p>2000s—encompassed three core legislations:</p> <ul style="list-style-type: none"> - <u>Modernization of Public Territorial Action and Metropolises</u> (“MAPTAM”; 2013-2014): established the ‘metropolis’ status for the 14 largest urban areas, formalizing their specific powers and functions. - <u>Delimitation of Regions and Regional Departmental Elections</u> (2015): forced the amalgamation of regions to reduce their total number from 22 to 13 (not including overseas territories). - <u>New Territorial Organization of the Republic</u> (“NOTRe”; 2015): reformed the distribution of responsibilities across government tiers and increased functions for regions.
Political context	<p>The reform was supported by the then President, François Hollande, and spearheaded by his Prime Minister, Manuel Valls, both of the Socialist Party. However, support for the various legislations did not split neatly along party lines.</p>
Planning, negotiation, and implementation	<ul style="list-style-type: none"> - Initially, the reform was envisioned as one comprehensive legislation. However, due to political resistance and ongoing debates, it was split up into three main legislations, as outlined above. - Several government-commissioned studies preceded and informed the reform effort, including a report by the former Prime Minister Edouard Balladur (2008) and other studies published by government associations and nongovernmental actors such as the Association of Mayors and Terra Nova, a liberal think tank. - Overall, the reform was a highly top-down and technocratic effort, involving little consultation with civil society. <p><u>Establishment of metropolises</u></p> <ul style="list-style-type: none"> - The law established 14 ‘metropolises’—highly formalized intermunicipal cooperative entities with their own taxing authority—in urban areas with more than 500,000 inhabitants. The law prescribed specific conditions for Paris, Marseille, and Lyon, while adopting a standard framework for other areas. Except for Paris and Marseille, the territorial map of these areas did not change. - For each Paris and Marseille, the government created an inter-ministerial task force to manage the implementation of the reform. These task forces were headed by the respective prefects and were responsible for gaining support from all stakeholders. - The establishment of metropolises generated a wide public backlash from the smaller communes, rural interests, and residents. Local authorities from small towns and rural areas perceived the legislation as giving special treatment to the big cities and violating the ethos of egalitarianism across local authorities. Environmentalists argued that privileging cities would have negative ecological consequences, while other activists—such as the more recent <i>gilets jaunes</i>—blamed the favoring of cities for the weakening of public services elsewhere. In response to these criticisms, the government established a set of specialized programs and funds to support communes of different sizes. - The legislation also set forth a mechanism for intergovernmental collaboration in the form of a Territorial Conference for Public Action, which would take place in each region and be chaired by the president of the regional council. The Conference was intended to bring together all the local representatives within a region to set strategic agreements and improve coordination. In practice though, the conferences have not fulfilled their potential and have served more the function of presenting and exchanging information rather than setting agreements.

Amalgamation of regions

- The law on the delimitation of regions merged several regions to reduce the total number from 22 to 14 (not counting overseas territories). Criteria for determining the new regions included: population size, surface area, presence of a metropolitan city, economic vitality, cultural cohesiveness and extent of regional identity.
- Several different territorial maps had been proposed over the years, from previous prime ministers and by François Hollande. The government debated the territorial map extensively, and ultimately adopted one whose merits compared to the other models was not very clear.
- While there was some pushback, the law was passed relatively easily and with little public attention. This may in part have to do with the absence of strong regional identities and the historically weak role that regions have played in France.
- The delimitation law also abolished the obligation for merging local authorities to conduct a local referendum, which reflects the technocratic spirit of the decentralization efforts and the lack of resident engagement. The government was generally reluctant to use referendums before, as it carried the risk of weakening the government's broader political legitimacy.

NOTRe law

- The NOTRe law clarified the division of responsibilities across the different tiers of government and strengthened the functions of regions. Certain responsibilities around education and inter-urban transportation were transferred from departments to regions, and the regions also gained greater responsibilities over economic development and regional planning.
- As a result of this law, the regions are now responsible for drafting a five-year regional plan for economic development and have the authority to determine the distribution of subsidies to the small- and medium-sized businesses. While the regions still must consult the 'metropolises' when setting economic strategy and distributing subsidies, this is an area of competency where regions gained new autonomy and funding.
- The regions also gained the responsibility of setting strategies and regulation around land use and regional planning, through a mechanism called SRADDET (le schéma régional d'aménagement, de développement durable et d'égalité des territoires). Again, while the regions must consult local authorities and set rules in a way that accommodates the different interests and needs of the region, they still possess the ultimate decision-making authority.

Netherlands

Regional model

Structure	Decentralized, two-tier government system, which is codified in the 1815 Constitution; composed of 12 provinces and 390 municipalities; further complemented by 24 water boards
Division of responsibilities	<p><u>Municipalities</u>: urban development and land-use planning, employment policy, social welfare, public health, public safety, public transport</p> <p><u>Provinces</u>: traffic and transport, environment, regional economic development, spatial planning, recreation, culture, and some welfare; also tasked with administrative and financial supervision of municipalities</p>
Political representation	Members of provincial assemblies are directly elected every 4 years by the residents of the province. The members of the provincial assemblies appoint the provincial executive board. The head of the provincial assembly, however, is the Commissioner of the King/Queen, who is nominated by the central government and appointed by the King/Queen. The Commissioner presides over both the assembly and the executive.
Fiscal policy	Provinces are largely dependent on grants from central government. Provinces also levy a surtax on the central government tax on vehicles.
Intergovernmental collaboration	<ul style="list-style-type: none"> - Every four years, the different levels of government meet to set an “Intergovernmental Agreement,” a set of strategies for all policy areas that is made public. - The government also organizes “Inter-administrative Programs” to coordinate and jointly act on key issues from climate change to affordable housing.



Failed provincial reform effort

Timeline	2012 – 2015
Rationale	<ul style="list-style-type: none"> - In 2012, the government proposed to create 5-7 larger regions to replace the current 12 provinces, starting with the merger of Noord-holland, Utrecht, and Flevoland into the “Noodvleugel” province. The proposed merger aimed to

	<p>improve coordination in the loosely-defined Randstad region (which encompasses four large metropolitan areas) where nearly half of the country's population lives and works.</p> <ul style="list-style-type: none"> - This proposal was part of a broader coalition agreement that also included proposals for merging municipalities and abolishing city-regions, only the latter of which was implemented. - The three provinces were tapped for a pilot merger for several reasons. First, the three provinces themselves had previously discussed the possibility of a voluntary merger. Second, two of the regions (Flevoland and Utrecht) are relatively small, helping to build a case for economies scale through a merger. Finally, none of the three regions had a strong regional identity that would be a barrier to the proposed merger. - The government, however, was not able to build a clear argument on why the merger was needed, and was unable to offer a set of incentives to build buy-in from the provincial representatives. The three provinces ultimately mobilized support from the Dutch Senate (the second chamber of the Dutch parliament that is elected by representatives from the provincial assemblies) against the reform and it was subsequently abandoned. It did not help that the ruling coalition had a majority in the House of Representatives but not in the Senate.
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Effort to establish city-regions

Timeline	1994 – 2015
Rationale	<ul style="list-style-type: none"> - In 1994, a temporary law called the Framework Law on Changing Governance mandated that municipalities in seven 'city-regions' cooperate on spatial planning, transportation, and economic development issues. The establishment of city-regions was intended to resolve the recurrence of political deadlocks in planning for complex infrastructural projects, which highlighted the limitations of the voluntary cooperation model. - The Framework was furthermore meant to be a transitional law prior to creating directly elected 'city-provinces.' The idea of establishing city-provinces, however, was roundly rejected by residents in referendums in Amsterdam and Rotterdam in 1995. As a result, the government opted to revise the WGR Act instead, which has been the legal framework in place since the 1950s to facilitate cooperation between local governments. The revised act, called WGR+, granted permanent legal status to the seven (and subsequently eight) city-regions. Each of these city-regions included a large city, and was governed by a council composed of municipal representatives. - Throughout the existence of the city-regions, there were concerns about their lack of political legitimacy, as they were managed by appointed representatives from the constituent municipalities and not elected. Nonetheless, the city-regions worked with lobbying organizations to enhance their public perception and commissioned a study that commended their performance, particularly around transportation. - However, the city-regions were ultimately abolished in 2015 as part of a reform that created two metropolitan authorities (in Amsterdam and Rotterdam-Hague) instead. Once the city-regions were abolished, responsibilities over transportation were transferred either back to the provinces or to the two metropolitan authorities.

New Zealand

Regional model

Structure	Centralized, two-tiered government made up of 11 regional councils and 67 territorial authorities.
Division of responsibilities	<p><u>Territorial authorities</u>: service delivery for sewerage, stormwater, and solid waste management; local infrastructure; parks, recreation, and culture</p> <p><u>Regional councils</u>: planning related to environmental protection, public transport, and bulk water supply.</p>
Political representation	Auckland is governed by a strong mayor and a unitary council composed of 20 councilors. Auckland also has 21 local boards that provide input on policy and deliver some local services.
Fiscal policy	Subnational governments can levy taxes and collect fees; around two-thirds of revenue is from taxes and fees and about a quarter of revenue is from the state.



Consolidation of Auckland

Timeline	2009 – 2010
Rationale	The impetus for the consolidation was the central government's dissatisfaction with the performance of Auckland and concern that ineffective leadership was leading to an underperforming economy. Given the national importance of Auckland, the central government wanted to create a unified governing body—as opposed to the existing group of local governments in Auckland.
Outcome	The central government led a consolidation of 8 local governments in the Auckland metropolitan area to form a unitary council.
Political context	<ul style="list-style-type: none"> - There was strong support from the major parties in Parliament, which greatly accelerated the pace of reform. - Initially, there was some pushback from residents—especially from the peripheral areas that did not want to urbanize—but the national government moved ahead with the reform. - In 2012, the Parliament changed the process for local government reorganization to make it harder for local opposition to derail a plan that the national government supports. Prior to the changes, the Local Government Commission would review proposals for reorganization and, if it decided to proceed with the proposal, the plan would be put up for a referendum. The reorganization plan required a 50% approval vote in each affected district. With the new changes, rather than an automatic referendum, a referendum is only triggered if at least 10% of residents in an affected district sign a petition. If there is no petition, the proposal becomes law. If a referendum is held, it requires 50% approval vote in the overall affected area, rather than 50% in each of the affected districts, meaning that the individual districts have less say than before.
Planning	<ul style="list-style-type: none"> - Prior to the Auckland consolidation, there was a consolidation of local

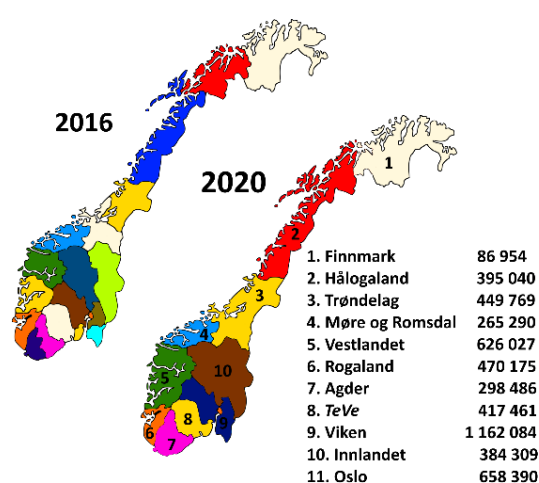
	<p>government in late 1980s. Before these reforms, there were 217 territorial authorities and 22 regional authorities. After these reforms, there were 74 territorial authorities and 13 regional councils. If municipalities did not amalgamate on their own, the national government would step in to make it happen.</p> <ul style="list-style-type: none"> - The Local Government Commission is a standing commission within the national government that oversees the reorganization of local governments. - In the case of the Auckland, the Local Government Commission failed to raise the issue of consolidation. In response, the central government set up a Royal Commission on Auckland Governance to study the issue, and gave the Commission independence to complete its work without a preferred structure for reform. The Commission was charged with sharing its recommendations after the next election, when a new party would be in power. The central government adopted most, but not all, of the Royal Commission's recommendations. The Auckland Council was established by Parliament, rather than through a referendum or local vote.
Implementation	<ul style="list-style-type: none"> - Once the national legislative changes were made, the reorganization process took place over the course of 18 months (2009 – 2010). - The central government charged the Auckland Transition Agency (ATA) with managing the reorganization process, including the following tasks: <ul style="list-style-type: none"> o Determine the organizational structure of government; o Determine staffing level, services, and appointing key personnel; o Develop financial policies and preparing council budget; o Prepare the first Auckland Council planning document; o Design a uniform rating (tax) system; o Set up new local boards and allocate initial responsibilities and budgets; o Standardize all regulatory policies and fees; o Resolve 330 cases of environmental litigation between local councils; and o Implement IT, financial, HR, and communication systems changes. - While planning the new government structure, it had to review decisions of existing local governments to ensure that they would not disrupt the transition. Over 18 months, the ATA received and resolved 1,070 decision confirmation requests from the existing local governments. - After the election in November 2010, the Auckland Council reviewed many of the ATA's policies for approval and carried out other tasks not yet completed. - A key administrative change in the consolidation was the merger of 40 existing Council-Controlled Organizations (CCOs) into 7 CCOs, which are semi-public companies that are responsible for roads/transportation, water/wastewater, economic development, and facilities management. - Auckland established a Maori Statutory Board, which provides policy guidance to the council. The Board does not have decision-making authority and its representatives are appointed, not elected. Maori represent ~11% of the city's population. - ATA was led by a central government-appointed chair and four other board members. At its peak, ATA had 2 employees, 14 contracted personnel, and 34 secondary staff (from existing local governments). ATA spent about \$75M for (1) running their operations, (2) conducting and promoting the October local elections, and (3) implementing changes to information and communications technology systems. - The reform legislation mandated the Auckland Council to evaluate the

	<p>performance of the government, including the CCOs.</p> <ul style="list-style-type: none"> ○ The Council has conducted separate evaluations on the effectiveness of the government restructuring and the performance of the Council-Controlled Organizations, which are semi-public companies responsible for issues such as transportation, water management, economic development, and facilities management. There have also been external evaluations of the reform, most notably by an independent civic organization (the Committee for Auckland), in partnership with the Auckland University of Technology. - The Auckland consolidation was considered a success because it produced a high-capacity metropolitan government that is a trusted partner of the central government as opposed to the previous governance system, which was weak and fragmented.
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Norway

Regional model

Structure	Two-tier government system, with 356 municipalities and 11 counties
Division of responsibilities	<p><u>Counties</u>: Regional planning and development, roads and public transport, upper-secondary education, dental health, culture, environmental protection</p> <p><u>Municipalities</u>: education, health and social care, local roads, utilities, local town planning, environmental protection, culture, firefighting</p>
Political representation	The counties are represented by directly-elected councils; additionally, the central government is directly represented at the local level by the office of the county governor
Fiscal policy	Counties and municipalities can levy income, property, and wealth taxes. Parliament sets the maximum income tax rates for subnational governments.



Local and Regional Government Reform

Timeline	2014 – 2020
Rationale	<ul style="list-style-type: none"> - Local mergers: achieve economy of scale and improve public service delivery - Regional mergers: strengthen local democracy, assign new competencies, and reduce disparity between center (<i>i.e.</i>, Oslo) and peripheral areas
Outcomes	<ul style="list-style-type: none"> - The reform merged several counties and municipalities, resulting in 11 counties (previously 19) and 356 municipalities (previously 428). - The counties gained new responsibilities, including for culture & tourism, health promotion, social services for immigrants and youth, workforce development, and sustainable development.
Political context	<ul style="list-style-type: none"> - Initially, the government was not interested in advancing a regional reform effort. However, the Parliament, at the behest of a centrist minority party (Christian Democrats), instructed the government to explore regional reform. The Christian Democrats wanted decentralization to strengthen local democracy. - In the past, the ruling conservative government and other right-wing parties had wanted to take away the regional tier altogether. - The conservative government ultimately pushed through with the reform with support from the Christian Democrats.
Planning and negotiation	<ul style="list-style-type: none"> - Planning for the reform began in 2014, nearly 50 years after the last amalgamation process, which was largely voluntary. - The government presented a white paper in 2014 that set a timetable for government reform to be fully implemented by 2017. The Ministry of Local Government and Modernization also commissioned an expert report that outlined five alternatives to the elected regional tier, ranging from seven large regions to more flexible regional cooperative models. These recommendations were not implemented, however.

- The government presented a new white paper on regional reform in April 2016. The Parliament asked the government to appoint an expert committee to make suggestions on additional new tasks that should be transferred to the regions. The Parliament then proposed an extended list of tasks to be transferred to the new regions.
- To inform the transfer of responsibilities, the government also administered a survey with the Chief Administrative Officers of 206 municipalities on intermunicipal cooperation, which showed that municipalities primarily cooperated on issues of waste management, auditing, and emergency clinics.

Municipal mergers

- During the planning phase, the municipalities were mandated to hold ‘neighbor talks’ with neighboring municipalities to discuss possible mergers.
- Municipalities had a choice between holding a referendum or conducting a public poll to help decide on a merger. Most municipalities took the latter route, giving them more leverage to advance the merger despite residents’ reservations.
- The County governors were tasked with managing this planning process and helped to facilitate best practices for resident engagement with local authorities. The County governors received additional funding for this process and received technical assistance from the Norwegian Association of Local and Regional Authorities (KS). Separately, the KS also received additional government funding to aid in the planning and implementation of municipal mergers.
- The municipalities were given two possible timelines for the mergers: for those who could arrive at a decision by fall 2015, they would merge by January 2018; those who decided by summer 2016 would merge by January 2020.
- The primary aim of the reform was to reduce the number of small municipalities (with 5,000 residents or less). The number of municipalities went down from 428 to 356, but this represents a fewer number of mergers than what the government had hoped for. Ultimately, 30% of municipalities still have less than 3,000 inhabitants, so the reform did not fully achieve its objective.

Regional mergers

- Historically, counties have been weak, with the municipalities playing a strong role in delivering social services and welfare. Counties had responsibilities over hospitals and child welfare until 2000, when these functions were recentralized. This then raised the question of what other functions the counties could take up. The government discussed, most recently in 2010, giving more responsibilities over regional development, economic growth, and transportation services to the counties.
- In beginning the reform process, the government was initially not interested in advancing any regional reform effort. However, the Parliament, at the behest of a minority party (Christian Democrats), instructed the government to explore regional reform. That the regional reform was ultimately implemented is all the more surprising if one considers that the territorial borders of the regions have remained largely unchanged since the 17th century.
- County mergers were first offered on a voluntary basis but only two counties merged; subsequently the government mandated additional mergers.
- As a result of the mergers, the county governors—who are appointed by the central government and are usually well-renowned former politicians—have also been reduced to eleven.
- The merger of counties has faced significant pushback. For instance, 80 percent of

	<p>Finnmark residents voted against the idea of merging with the neighboring Troms region in a referendum. Some counties, such as Viken, have threatened to split up again. Given the uncertainty of its merged status, Viken has actually halted the construction of a new government building, interfering with effective organizational planning.</p> <ul style="list-style-type: none"> - As the mergers have only recently been implemented, the impact of the reform and the performance of the counties remain to be seen. Given that the counties did not receive significantly greater funding despite the increased size, it is unclear how well they will work. The counties could play the role of coordinating the different national agencies at the regional level, but they have not yet received any formal competencies or tools to carry out this function.
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Peru

Regional model

Structure	Centralized, two-tier government system with 25 regions and 1,866 municipalities (made up of 195 provincial municipalities and 1,671 district municipalities).
Division of responsibilities	<u>Regions</u> : planning regional development, executing public investment projects, promoting economic development, protecting environmental resources, and managing public property
Political representation	Each region has a President and Council, elected to four-year terms.
Fiscal policy	<ul style="list-style-type: none"> - Regions are responsible for a large share of education and health services but they have little discretion over the use of these funds; the use of funds is determined by the central government. - Regional governments cannot create new taxes or modify existing ones without approval from the central government; also, their borrowing capacity is tightly regulated at the central level.
Intergovernmental collaboration	Special bodies, made up of local and regional governments, ('mancomunidades') collaborate on big projects that cross borders. Mancomunidades exist for both municipal and regional governments. They have their own budgets and autonomy and typically work on issues such as infrastructure (roads, water) and tourism.



Creation of directly elected regional governments

Timeline	2001 – 2006
Rationale	After the authoritarian, top-down rule of President Fujimori, there was a desire for decentralization and Alejandro Toledo ran for President promising decentralization.
Outcomes	The reform led to the creation of 24 directly-elected regional governments and the devolution of some central government responsibilities and funding to regional and municipal governments.

Political context	<ul style="list-style-type: none"> - President Toledo, of the center-left Possible Peru party, campaigned on regional reform and established regional governments within his first year in office. - The National Council of Decentralization (NCD) was the central government entity responsible for implementing the decentralization process. - The National Assembly of Regional Governments, a coordinating institution independent of the central government made up of regional presidents, was in favor of the reform. - Central ministries and some politicians in Congress were concerned that the regional governments did not have the capacity or institutions in place to carry out new responsibilities. In particular, the Finance Ministry, which was a powerful force within the central government, delayed and weakened the decentralization process. - Given the central ministries' opposition to decentralization, the process for decentralization was a gradual, controlled process that took place in stages. - Today, Peru's regions have larger budgets but not true fiscal decentralization. The lack of fiscal autonomy for regions remains a significant barrier to reform.
Planning and negotiation	<ul style="list-style-type: none"> - Once elected, President Toledo established a tight timeframe for creating and holding elections for regional governments and then stepped away from policymaking process. The implementation of the reform was criticized for its lack of leadership and clear guidance. - Given the short-time frame between when President Toledo announced regional elections and when they were held, there was not much time to build the capacity of regional governments. In fact, the framework for regional government was passed just days before the regional elections.
Implementation	<ul style="list-style-type: none"> - The central government created the National Council of Decentralization to oversee the transfer of responsibility and resources from the central government to the regional governments. Subnational governments must be accredited by the NCD and demonstrate capacity to assume new responsibilities. They demonstrate capacity in terms of human resources, technical capacities, and equipment/physical infrastructure. Once accredited, all transfers must be accompanied by necessary financial, technical, and human resources to ensure continued provision of services. - Despite playing a leading role in decentralization, the NCD was relatively weak compared to ministries and could not force decentralization on them. The process for transferring responsibilities was left to the ministries. - There was no formal mechanism for regional government to push for the transfer of responsibilities and resources. The NCD could have been such a mechanism but its board favored central government over subnational officials (5 to 4). The NCD also had limited financial resources. - In 2007, the NCD was abolished largely because of criticism that it was bureaucratic and ineffective. It was replaced by the Decentralization Secretariat (Secretaría de Descentralización). - The Fiscal Decentralization Law established a two-stage process for transferring revenues to regional governments. <ul style="list-style-type: none"> o First, regional governments were funded through transfers from central government and funds were earmarked for certain social programs and infrastructure projects. o Then, regional governments that voluntarily merged qualified to receive 50% of sales and income taxes collected in the jurisdictions. Regions qualified for a bonus equal to the increase in tax collections above their

	<p>potential level resulting from efforts to improve tax administration and reduce tax evasion.</p> <ul style="list-style-type: none"> ○ FDL also established reporting provisions for subnational governments. For example, regional and local governments must submit fiscal projections to the central government, which must be consistent with the framework set out by the Ministry of Economy and Finance, and must report on their quarterly fiscal performance.
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Sweden

Regional model

Structure	Decentralized, two-tier government: 21 counties (regional) and 290 municipalities
Division of responsibilities	<p><u>Municipalities</u>: social services, education and training, health care prevention, environmental protection, waste and water management, local roads, public transport, leisure and culture, housing, fire</p> <p><u>Counties</u>: regional public transport, regional development, health care (primary care, hospitals, ambulatory care, dental care)</p>
Political representation	<p>Three types of county governments:</p> <ul style="list-style-type: none"> - County Council: a directly elected regional body managing regional development - County Cooperation Bodies/Regional Development Council: indirectly-elected regional development councils - County Administrative Board: led by County Governors appointed by the central government and responsible for regional development
Fiscal policy	<ul style="list-style-type: none"> - 90-95% of county budgets are dedicated to healthcare spending. - The main funding source for subnational government is income tax (represents 54% of SNG revenue). Municipalities and counties set income tax rate but central government sets the tax base. Within counties, income taxes account for about 75% of county revenue.



Regional Pilot Project

Timeline	1996 – early 2010s
Rationale	Strengthened democracy and efficiency were the main reasons for decentralization. Decentralization would transfer authority from state bureaucrats to directly- or indirectly-elected politicians. In terms of efficiency, regional development policy could adapt to conditions on the ground to make regions more economically competitive, maximize Sweden's growth, and improve infrastructure policy and regional planning.

Outcomes	In 2010, the regional pilot was made permanent and Parliament allowed counties to apply to become regions like Skane and Vstra Gotland with directly elected assembly. By 2015, 10 counties had become regions of this kind.
Political context	<ul style="list-style-type: none"> - Local politicians were outspoken advocates for regional reform. The Minister of the Interior (Jorgen Andersson) who was central to the introduction of the Regional Pilot Project, was formerly a local elected official. - The reform efforts have not been driven by the central government but rather have been a bottom-up approach, which has relied on local and regional actors, including municipalities. - Some politicians argued that regional democracy would limit the local level and confuse voters. Rather than directly-elected regional government, they supported a governance body made up of local government representatives. - Others were skeptical of assigning issues of regional development to mega-regions; they argue that collaboration is possible without a formal merger. - Municipalities in the peripheral areas of the country were concerned that they would be overpowered by larger municipalities in the region.
Planning and negotiation	<ul style="list-style-type: none"> - Until the 1990s, regional development was the responsibility of County Administrative Boards, which were appointed by the central government. In addition, there were self-governing county councils that mainly handled healthcare. This reform effort decentralized responsibilities for regional development and planning from the County Administrative Boards (a central government entities) to regional bodies directly or indirectly elected by local and county governments. - There were two factors that influenced the regionalization reform: (1) Sweden's entry into the EU in 1995 (the EU pressured countries to involve regional actors and provided direct funding for regional governments) and (2) Sweden's financial crisis in the 1990s required funding and service cuts. Decentralization allowed the central government to share the burden of these unpopular decisions with regional governments.
Implementation	<ul style="list-style-type: none"> - In 1997, the government opted to pilot new regional models in a few areas of the country to inform subsequent regional-level reform across the country. There were a few different regional governance models that were enacted: <ul style="list-style-type: none"> o Regional Development Council: an indirectly-elected regional body—its representatives were chosen by the political leaders of municipalities and counties (Kalmar County). The new regional council did not replace the county council, which continued responsibility for healthcare policy in Kalmar County. o Directly-elected regional bodies (Vstra Gotaland and Skane) to merge and replace former county councils (which were responsible for healthcare) and take regional development competencies from county administrative boards. o Assign regional responsibilities to an existing municipality (Gotland). - There are still some counties (large county of Stockholm and far-northern county of Norrbotten) that retain older model with county administrative board responsible for regional development. - The central government favored the Kalmar regional model over that of Skane and Vstra Gotaland. The Parliamentary Act of 2002 made it possible for counties, if all local municipalities agreed, to form regional development councils similar to the Kalmar model. By 2004, six counties established similar municipal cooperation councils. And several more counties followed. By 2010, this model

	<p>was operating in 13 counties.</p> <ul style="list-style-type: none"> - Regions coordinate regional development but have few of their own resources and many of their decisions must be approved by the state. Given their dependency on the state, regions align their strategies with central plans for regional development. At the same time, national plans for regional development are created by incorporating priorities from regional plans.
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