Governance of Metropolitan Regions

European and Global Experiences

Workshop on the
"Governance of Metropolitan Regions in Federal Systems"

Brussels, 20-21 June 2011

FOREWORD

For many years now the Committee of the Regions has been building a reputation of being "the EU's Assembly of Regional and Local Representatives". There is no better subject of debate that simultaneously captures the 'regional' and 'local', the 'urban' and 'rural', and the 'domestic' and 'transnational' dimensions of European policy making, than "metropolitan governance". The latter has been prominent topic gradually rising on the political agenda of the European Commission and the European Parliament, not least through the persistent and focused work of the colleagues from DG REGIO and the Urban Intergroup within the EP. All these efforts have been supported in parallel by the activities of a number of important regional and urban associations and networks such as Eurocities, URBACT, METREX, PURPLE and many others.

The Committee of the Regions has also decided to contribute to the debate on metropolitan governance by pulling resources together with a long-standing international partner like the Forum of

Federations (FoF). The going together with such a renowned global academic network on federalism in this project, provided us with an unprecedented mix of analytical and policy expertise on urban and metropolitan issues to be able to offer to our members and the rest of the EU institutions.

The atelier on the "Governance of Metropolitan Regions in Federal Systems" took place in June 2011, which was an important moment for the preparation of the European Commission proposal on the Structural Funds regulation for the next programming period (2014-2020). The lively discussions that took place during the two days of the conference between academics, local and regional actors and representatives of the EU institutions confirmed the vision that the "urban dimension" in EU policy making needs further consolidation, not only in financial, but also in institutional terms. At the same time, the social and political processes unravelling in metropolitan areas across Europe need greater attention as a growing part of the population is concentrated there and a disproportionate share of the expectations and potential problems citizens have are associated with urban agglomerations and their surrounding regions.

Related to this and focusing particularly on sustainability, quality of life and societal diversity and integration, the Committee of the

Regions is set to organise its next external meeting – the 5th Summit of Europe's Regions and Cities on 22 and 23 March 2012 – in Copenhagen and under a Danish Presidency of the European Union. I am convinced that many of the original ideas and concepts developed during the 2011 ateliers on metropolitan and urban governance issues will be used in our political documents and debated during this summit.

Let me once again sincerely thank all participants in the atelier on "Governance of Metropolitan Regions" and especially our partners from the Forum of Federations for their rich and stimulating contributions.

Gerhard Stahl

Secretary-general (Committee of the Regions)

Brussels

FOREWORD

It is a great pleasure to present this publication as a fruit of joint programming between the Committee of the Regions and the Forum of Federations. When Secretary-General Stahl and I met in June 2010 to formalize our relationship, we also experienced a meeting of minds about the need to shape our programming around issues which were mutually relevant and topical.

It was known then that the Committee of the Regions was on track to organizing the 5th Summit of Europe's Regions and Cities on 22 and 23 March 2012 in Copenhagen, which would bring together mayors of cities, presidents of regions and other representatives of local and regional authorities from across Europe to consider the issues around the quality of life in metropolitan regions. This provided us an opportunity to marry the Forum's considerable international expertise in the area of metropolitan governance with the Committee of the Region's policy agenda. We therefore co-

organized an international workshop in Brussels on 20-21 June 2011, the purpose of which was to bring together leading international experts to identify and inform the discussions of the upcoming Copenhagen summit.

Metropolitan Regions matter because in many countries they are the engines of innovation and economic growth. As such, particularly (but not exclusively) in the developed world they are also magnets for immigration and have developed a high level of diversity. However, their governance structure is often fragmented and spread over more than one jurisdiction. This is particularly the case with federations that typically add another layer of jurisdiction – so next to (cross-border) vertical and horizontal partnerships between the key stakeholders also territorially based and integrated approaches need to be prioritized. In considering the key issues of the 'livability' of metropolitan regions the experts panel identified three areas for discussion. These areas included an exchange of knowledge on comparative governance models for metropolitan areas, differing financing models and experiences around social inclusivity.

I would like to take the opportunity to thank Secretary General Stahl and members of the Committee of the Region's Forward Studies unit for their excellent cooperation in organizing a very informative and

useful workshop and for their stewardship of this publication. I would also like to recognize Felix Kneupling, Head of Programs, and Rhonda Dumas, Project Officer at the Forum of Federations for their contribution to the success of the project.

Rupak Chattopadhyay

President and CEO (Forum of Federations)

Ottawa, Canada

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Brussels, 20- 21 June 2011

Room JDE 53- Jacques Delors Building, 99-101, Rue Belliard - 1040 Brussels

Monday, 20 June 2011

11.00-11.30   Welcome address

- **Béatrice Taulègne,** Deputy Director, Horizontal Policies and Networks, Committee of the Regions
- **Rupak Chattopadhyay**, President & CEO of the Forum of Federations

11.30-12.45   Session 1: Governance of Metropolitan Regions

What is the governance structure for the metropolitan area? How well does the governance structure work? Does it help or impede service delivery?

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Moderator: **Enid Slack**, Munk School of Global Affairs, University of Toronto (Canada)

- Comparative Overview/Introduction:
  Rupak Chattopadhyay, President & CEO of the Forum of Federations
- Case Study Switzerland:
  Daniel Kübler, University of Zürich on the "Tripartite Agglomeration Conference"
- Case Study Italy:
  Tania Groppi, University of Siena on "Metropolitan Regions in Italy: Implementing Constitutional Reform"

13.45-15.15   Session 2: Infrastructure Planning and Financing

Does the existing governance structure promote good planning for the metropolitan area? How is infrastructure being financed? How are revenues being raised to finance infrastructure planning?

Moderator: **Nico Steytler**, Community Law Centre, Cape Town (South Africa)

- Comparative Overview/Introduction:
  Enid Slack, Munk School of Global Affairs, University of Toronto (Canada)
- Case Study Belgium:
  Magali Verdonck, Facultés Universitaires Saint-Louis on "Infrastructure Planning and its financing -the Belgian Capital"
- Case Study India:

V.N.Alok, Indian Institute of Public Administration, on "Infrastructure Planning in Mega Cities"

15.30-17.00   <u>Session 3:</u> Metropolitan Regions and the Management of Diversity

How is diversity being accommodated? How is the inclusiveness of the cities being guaranteed? How do the various jurisdictions cooperate?

Moderator: **Rupak Chattopadhyay**, President & CEO of the Forum of Federations

- Comparative Overview/Introduction:
  Nico Steytler, Community Law Centre, Cape Town (South Africa)
- Case Study Germany:
  Dirk Gebhardt, EUROCITIES, Brussels, on "Immigration and Cities in Germany"
- Case Study Spain:
  Mario Kölling, Gimenez Abad Foundation, Saragossa, on "Immigration as a (relatively) new challenge for Spanish metropolitan regions"

Tuesday, 21 June 2011

09.30-12.45 <u>Session 4:</u> **Integrated urban governance in metropolitan areas – the EU vision**

What are the specific challenges facing metropolitan governance in Europe? What key issues need to be addressed to bring about effective governance to integrated urban policies developed by European metropolitan areas? What is the role of the EU in this process?

Opening: **Béatrice Taulègne**, Deputy Director, Horizontal Policies and Networks, Committee of the Regions

Integrated metropolitan governance

- **Wladyslaw Piskorz**, Head of Unit, Urban development and territorial cohesion, DG REGIO, European Commission
- **Christian Lefèvre,** Institut Français d'Urbanisme, FR
- **Evert Meijers,** Delft University of Technology, NL

   Discussion

Metropolitan areas and urban networking

- Introduction: "Metropolitan areas in Europe", **Jürgen Göddecke-Stellmann**, Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), Federal Office for Building and Regional Planning (BBR), Bonn

   Best practices

- **Thierry Baert**, Chair of the Working Group on Metropolitan Areas, EUROCITIES

- **Hilary Lowson,** Secretary General, Peri-Urban regions Platform Europe (PURPLE)
- **Ronald Van Spaendonck**, Brussels City, Secretariat Union of Capitals of the European Union (UCEU)

Discussion

12.30-12.45   Concluding Remarks

- **Rupak Chattopadhyay**, President & CEO of the Forum of Federations
- **Gerhard Stahl**, Secretary-General of the Committee of the Regions

WHY METROPOLITAN REGIONS MATTER?

RUPAK CHATTOPADHYAY[1]

The growth and expansion of metropolitan regions is an increasing phenomenon of the 21st century. It is projected that the majority of the world's 8 billion people will live in cities and that by 2025, 85% of the urban population will be in developing countries (ICF volume). This entails migration on a scale previously seen only during the industrial revolution and that based on a much smaller population base. The 13 mega-cities of today (that is with a population of over 10 million) will increase in the next 15 years to 26 and of these 22 will be in developing countries, 18 of them in Asia (ICF volume).

Metropolitan regions are important from a policy perspective, and not just because in the coming decades more people will live there. Cities smatter because they are usually the engines of national economies and of the global economy. For example the City of

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[1] President & CEO of the Forum of Federations

Toronto with 7% of Canada's population produces about 11% of national output ; Mumbai with 1.1 % of India's population produces about 5% national output. A recently published McKinsey (2011) report looked at 600 cities and found that in 2007, these cities housed 22% of the world's population but produced 52% of global output. In 2025 these same cities are expected to house 25% of world's population and contribute 60% of global output. In the new global "knowledge-based economy," innovation is the key to prosperity and most innovation occurs in large cities and metropolitan areas: prosperity comes from the ability of large cities to produce new thinking. (Slack, Bourne, & Gertler, 2003) They also act as a magnets for economic migrants, both internal migration as well as trans-border immigration. Within the context of federal systems, metropolitan regions often have larger, more diversified economies than many constituent units (provinces/states).

Metropolitan regions are also important from a policy perspective because of the negative externalities that they give rise to. Cities in the developed and developing world are major contributors to environmental damage - from global warming to pollution. (Styetler 2008) Metropolitan areas demonstrate the growing extent of urban poverty, social polarization, and social exclusion. Shanty towns in

the developing world, immigrant ghettos in developed world are examples of this polarization. Within metropolitan areas, the central city usually serves as a regional hub for people from adjacent communities who come to work and use public services that are not available in their own communities, with resulting impacts on the quality of life in a city (e.g. water pollution, traffic, crowding of hospitals and public schools, and crime rates) (Slack 2001).

Appropriate governance structures and financing systems are required to redress two major challenges that impact the 'livability' and therefore the productivity of metropolitan areas for the future. The first issue has to do with maintaining a good quality of life, which in large measure had to do with investment in infrastructure both human and physical. The second challenge is that of building 'inclusive' cities in a socio-economic sense such that cities remain centers of innovation rather than becoming centers of conflict.

Despite their growing significance metropolitan regions face significant hurdles in realizing their full potential due to constraints imposed by the legal and constitutional architecture in most federal as well as no-federal multi-level systems. More precisely, in most countries no distinction is made between how urban and rural local governments are treated with respect to powers and responsibilities.

This flies in the face of the reality that confronts us. In socio-economic terms, metros have a higher concentration of population and a population that is more heterogeneous in terms of social and economic circumstances. (Sterna and Cameron 2005) In fiscal policy terms, large cities and metropolitan areas could have greater fiscal autonomy than other urban or rural areas, both in terms of greater responsibility for local services and greater ability to levy their own taxes and collect their own revenues (Bird, 1984).

The major structural constraints confronting metropolitan areas include the lack of necessary governing structures and fiscal powers. Since the political boundaries of local authorities are usually not coterminous with the functional and economic structure of a metropolitan area, integrated planning and coordination of services is often a challenge. For example the Rio de Janeiro metropolitan region comprises of 17 municipalities; whereas metropolitan Sydney comprises 66 local governments. Insufficient powers, particularly taxing powers, hamstrung metropolitan governments for the tasks at hand expected to them. In recent years there has been a trend for higher order governments add to unfunded mandates.

Federalism adds a further layer of complexity to the governance of metropolitan regions, since they are often seen as competitors by

states or provinces. For example, the city of Toronto alone has more people than 9 of 13 provinces and territories in Canada; with the metropolitan area included only the provinces of Quebec and Ontario are home to more people than Toronto. Quite apart from demographic and economic disparities between metropolitan areas and constituent units in federations, metropolitan areas often economically and culturally dominate their home provinces. For example, Rio de Janeiro generates 85% of the state and is home to 76% of the population; the Greater Toronto Area accounts for 50% of the province's economy and has 40% of the population; metropolitan Sydney accounts for 65% of NSW's economy, etc. This is well illustrated by recent Olympics sites: the world knew about Barcelona, but not that it was in Catalonia; of Atlanta, but not of Georgia, of Sydney, but not of New South Wales. (Styetler 2002) Finally, metropolitan regions often cross constituent unit boundaries in federations making the process of regional planning more complex. In India, the National Capital Region crosses four state boundaries, while the Chicago Metropolitan Statistical Area is now defined as the Chicago-Naperville-Joliet, sprawled across Illinois, Wisconsin and Indiana.

In the face of continued growth and to remain globally competitive, metropolitan regions are faced with an ever expanding demand for services, pressures on existing infrastructure and pressures resulting from migration. Dealing with these challenges is partially a function funds, but also turns on the issue of governance reforms. In many countries both developing and developed, neither municipal nor state/provincial governments have the capacity to invest in urban renewal or investment in infrastructure. Therefore municipal-federal linkages become necessary, but are unconstitutional in most countries. While this has been the case in countries like Australia, India, South Africa and United States, direct national allocation to municipalities is rare in Canada. Federations where constituent units are fiscally strong resist this.

The emerging role for metropolitan regions is at odds with constitutional and legal space in which they are expected to operate. There exists therefore the need for revised constitutional architecture which achieves the following objectives. First, it maintains the functional integrity of a metropolitan region, with unified approach to coordination and planning. Second, there is constitutional recognition of metropolitan agglomerations and careful delineation of functions between provinces and metros. Italy is a good example

of moves in this direction. Thirdly, metropolitan regions are provided an appropriate place in the system of intergovernmental relations such that they are consulted on national issues including immigration, trade, environment etc., and are provided funded mandates to deal with such issues as required. In the era where metropolitan cities matter in the life nations as engines of economic growth and development, they need to be accommodated in state structures and be enabled for the task at hand. Countries with federal dispensations, it may be argued, may be well placed to effect this new configuration.

This collection papers by experts from different parts of the world speak to the two issues which contribute to livability in metropolitan areas – namely, financing infrastructure and building inclusive cities.

INFRASTRUCTURE PLANNING AND FINANCING: AN OVERVIEW

ENID SLACK[2]

Infrastructure is essential to the economic, social, and environmental health of metropolitan areas everywhere. Not only do metropolitan areas need roads, transit, water, sewers, and other "hard" services, they also need "soft" services that enhance the quality of life in their communities such as parks, libraries, social housing, and recreational facilities. Major infrastructure has to be planned and financed on a metropolitan or regional basis and yet, in few countries do we see a metropolitan or regional government structure. How do you plan and finance infrastructure over a metropolitan area when there are many different local governments each delivering and paying for their own infrastructure? This paper considers some of the models that have been used in selected federal countries to plan for infrastructure on a

[2] Institute on Municipal Finance and Governance, Munk School of Global Affairs, University of Toronto, Canada

regional basis and describes a number of traditional and non-traditional tools for financing infrastructure.

Regional Planning Models

Most metropolitan areas are characterized by a variety of small, fragmented local governments and public agencies that provide local services and infrastructure. Because the political boundaries of governments in metropolitan areas rarely coincide with the boundaries of the economic region, it becomes difficult to coordinate infrastructure development and share the costs in a fair way across the region. Such problems are often exacerbated by overlapping special purpose districts which are responsible for delivering specific services, such as water or electricity, but within boundaries that are not coterminous with either local or regional governments (for example, the parastatals in the Mumbai metropolitan area). In the absence of strong over-arching structures, it is difficult to coordinate services among the many fragmented cities and to undertake transportation and land use planning on a metropolitan-wide basis. This problem is compounded in a federal system where there are three levels of government (federal, state, and local) and where the

urban region covers cities in more than one state (for example, the Gauteng city region in South Africa).

Different models have been used to plan and pay for infrastructure in metropolitan regions around the world. As noted above, metropolitan government, a one-tier consolidated government that covers the entire economic region, is rare. There are exceptions, such as Cape Town, where the Municipal Demarcation Board set the geographic boundary of the city to coincide with the economic region. More common in federal systems, however, is a strong role for state or provincial governments in infrastructure and land use planning across the region. In the Greater Toronto Area (Canada), for example, the provincial government passed legislation to protect the greenbelt and to steer growth into particular parts of the region. It has also established a regional transportation body (Metrolinx) to coordinate transportation planning for the region.

In some federal countries, state governments have introduced regional planning commissions or committees that encompass a number of local governments. In South East Queensland (Australia), for example, the SEQ Regional Planning Committee comprises eight state ministers, five mayors (including the Mayor of Brisbane), and a federal representative. The committee is chaired by the state minister

for infrastructure and planning. Another approach to regional cooperation is somewhat more voluntary where municipalities come together for planning purposes. In Hamburg (Germany), for example, all regional cooperation is voluntary and members who are not willing to cooperate in a new initiative can opt out without losing their status in the metropolitan region.

Metropolitan areas are characterized both by strong inter-dependencies (social, economic, environmental, and political-administrative) and by externalities among local jurisdictions (Klink, 2008). Some form of regional structure is needed to address problems of a region-wide nature such as infrastructure planning, fiscal disparities among municipalities, and externalities in service provision. A regional structure is also needed to resolve transportation and environmental coordination issues as well as to ensure the economic competitiveness, social cohesion, and fiscal viability of city-regions in the global economic setting. Few problems and processes stop at municipal boundaries, and most feasible solutions require larger geographical units and access to a large pool of resources, both human and financial, than is likely to be at the disposal of small local governments (Bird & Slack, 2007).

Which regional structure works best? Lefèvre emphasizes four key elements of a metro government structure: political legitimacy through direct election, geographic boundaries that match the functional territory of the metropolitan region, independent financial resources, relevant powers and responsibilities, and adequate staffing (Lefèvre, 2008). Yet, voluntary cooperation, which has few of these characteristics, seems to be the most popular regional governance structure. What is perhaps more important than the precise model of governance chosen for a city-region is simply that some form of effective governance is in place.

Financing Infrastructure

Regardless of the form of the regional governance structure, funds will be needed to pay for infrastructure. There are a number of tools that are used to finance infrastructure. Some are more traditional – taxes, user fees, grants, and borrowing – while others are newer and their use is not as widespread – public-private partnerships (P3s), value capture, and development charges. As will be noted below, some financial tools can encourage regional cooperation even in the absence of a regional government body.

Taxes (including property, sales, income, etc.) are largely used to pay for operating expenses and are unlikely to be sufficient to fund major infrastructure. User fees can reduce the need to make investment but other sources will still be needed to provide adequate revenues (see (Slack, 2005) for a more detailed discussion of financing tools to pay for infrastructure). Borrowing is appropriate for major infrastructure projects because it permits municipalities to synchronize the costs and benefits of infrastructure over time. A project built today will result in benefits over the next, say, 25 years. If funds are borrowed, the project is paid for over the next 25 years through repayment of the principal and interest. For local governments that find it expensive to borrow, pooling of municipal debt by a state/provincial agency can lower their costs and facilitate cooperation among municipalities. In the US, for example, municipal bond banks permit municipalities to pool their borrowing requirements. In Canada, provincial finance authorities borrow on behalf of municipalities. In Western Europe, autonomous agencies run on commercial principles assist local borrowing. The main disadvantage of borrowing is it can constrain local fiscal flexibility -- potential revenues are dedicated to debt repayment and are thus not available for other uses.

Federal and state grants are appropriate to pay for infrastructure that crosses municipal boundaries. These transfers can encourage municipalities to work together on regional infrastructure planning. For example, federal transportation transfers in the U.S. require that municipalities form a metropolitan planning authority (MPO) to be eligible to receive funding. Although transfers reflect, in some instances, the ability of upper-level governments to capture taxes in more ways than municipal governments, they can distort local decision making and are often unreliable from year to year.

Public-private partnerships (known as P3s) are partnerships between government and the private sector party whereby the private sector provides infrastructure or services that have traditionally been delivered by the public sector. Under a P3, government retains ownership of the assets and sets policies and levels of service while tapping into the private sector for strategy and expertise. P3s are widely used in the U.S. and Europe, prompted by an interest in improving the efficiency and effectiveness of local public service delivery. Partnerships BC (Canada), for example, is a corporation owned by the provincial government that brings together ministries, agencies, and the private sector for projects such as water treatment plants, bridges, roads, and a rapid transit link to airport.

P3s can relieve local governments of the financial responsibility for up-front capital costs so that infrastructure can be built in times of constrained government funding (Tassonyi, 1997). P3s are one way to get facilities built without the municipality incurring debt and the private sector often has access to a wider range of borrowing tools. There are potential risks associated with public-private partnerships (Tassonyi, 1997). For the private sector, there are risks that the regulatory framework could change and cause delays in the project. For the public sector, there is the risk that the nature of the public services provided will not be what the public wants. The success of a partnership depends on how the contractual arrangements are structured and how the risks are shared.

Value capture is a financing tool that uses the increase in private land values resulting from public investments to pay for infrastructure. Tax increment financing (TIF), for example, is used in most US states (Briffault, 2010) and (Youngman, 2011). Cities designate a TIF area for capital improvement and then earmark any future growth in property taxes to pay for investments in infrastructure. TIFs may not be able to generate the predicted tax revenues, however, and the resulting lack of funds could threaten the ability to provide the infrastructure. Other taxing authorities (such as

school districts) resent that their property taxes are frozen at a time that they are experiencing growth in demand as a result of the revitalization. TIFs may merely accelerate development that would have occurred anyway. TIFs target funds to a designated area and this targeting may be at the expense of areas on the periphery of the TIF district or at the expense of overall municipal growth. Financing TIFs is expensive because the default risk is transferred to bond holders instead of the municipality.

Development charges (DCs) are a one-time levy on developers to cover the growth-related capital costs associated with new development and, sometimes redevelopment. These charges are used extensively by local governments in Canada and the U.S. DCs cover the cost of off-site infrastructure (e.g. highways, sewer lines, etc.). These charges are levied for works constructed by the municipality and the funds collected have to be used to pay for the infrastructure made necessary by the development (Slack, 2002). Development charges are appropriate to finance infrastructure in areas experiencing new growth. They are less applicable to finance new services in existing developments or maintenance and replacement of old services.

The idea behind DCs is that new growth pays for itself and is not a burden on existing taxpayers. The charge can be differentiated by type of property (e.g. houses versus apartments) and by location (close to existing services or far away). If properly implemented, development charges can lead to efficient development patterns (i.e., discourage urban sprawl). To be efficient, the charges have to be differentiated by location to reflect the different infrastructure costs. To pay for region-wide infrastructure, the charge needs to be levied on a region-wide basis.

Concluding Comments

Good infrastructure planning means planning that encompasses the entire metropolitan area, that is undertaken at a regional level, and for which funding comes from a range of financing options, both public and private. Infrastructure is often not localized and thus there is a need to plan at a level that accounts for cross-municipality spillovers. Relying on traditional means of raising revenues to support infrastructure projects will fall far short of the required funding in the upcoming decades. Diversification of funding sources is thus necessary. Wherever possible, financing options should

encourage cooperation among municipalities for regional infrastructure planning and development.

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INFRASTRUCTURE PLANNING AND ITS FINANCING – THE BELGIAN CAPITAL

MAGALI VERDONCK[3]

Brussels, as the capital of a country in political crisis and the capital of Europe, is an interesting though very specific case study to analyze the governance of metropolitan regions in federal systems.

The institutional framework

Understanding Brussels first requires a clarification of its intricate institutional structure, resulting from history and from a constantly evolving federal organization.

The word "Brussels" usually refers, as we will do in this paper, to the Brussels-Capital Region composed of 19 municipalities, including the official capital City of Brussels. The Brussels-Capital Region is one of the three Belgian Regions. It is bilingual, narrow

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[3] Facultés Universitaires Saint-Louis, Brussels

(161 km^2) and lies in the center of the country, enclosed in the Flemish Region but separated from the Walloon Region by only 5 km.

The Regions have authority in fields linked to the territory, like economy, employment, water policy, housing, public works… They also supervise the municipalities located on their territory.

Brussels is also the seat of the French-speaking Community and the Flemish Community that have competences mainly oriented towards individuals, like education, culture, and sport respectively provided in French or Flemish.

The federal government is competent for culture in Brussels when no language can be associated with the service (for instance the National Orchestra). The Communities are jointly responsible for non cultural matters that are oriented towards individuals but not language specific (social policy, health, etc).

The division of powers is finally quite complex, with many overlaps, as shows Table 1.

Table 1. The division of powers between levels of governments in Brussels-Capital Region

	Social aid	Church	Culture	Defence	Economy	Employment	Energy	Education	Environment	Registry office	Immigration	Justice	Housing	Scientific research	Health	Interior & security	Social security	Sport	Tourism	Transportation	Civil engineering	City planning
Federal	X		X	X	X	X	X	X	X	X	X	X		X	X	X	X			X		
Regions		X			X	X	X		X	X			X	X						X	X	X
Communities	X		X					X						X	X			X	X			
Communities jointly	X													X	X							
Local	X	X	X					X	X	X			X			X		X			X	X

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Finally, Brussels serves as capital of the European Union and hosts many international organizations like the NATO or Eurocontrol.

Brussels' specific needs of public goods and services

As a narrow international multi-capital bilingual city-region, Brussels has to offer specific public goods and services.

First of all, it must meet the needs of its 1,05 million inhabitants. These are particularly young (37,8 on average in 2010)[4] and often migrant (more than 30% were born abroad[5]). The population is growing rapidly and by 2050 it should increase by 20%[6]. Brussels is also characterized by an urban flight of the upper middle-class since a couple of decades and, as a consequence, a decreasing average income of its inhabitants. As a result of this evolution of the population, the need for child care centers, schools, housing or social aid is increasing rapidly.

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[4] http://economie.fgov.be/fr/statistiques/chiffres/population/structure/agesexe/indicateurs/
[5] DEBOOSERE et al. (2009)
[6] idem

Second, Brussels hosts many companies, administrations, schools, shops, hospitals etc and has to provide public goods and services (public transportation, roads, garbage collection) to 371,000 commuters daily[7]. The commuters mostly come from the suburbs that do not belong to the Brussels-Capital Region (BCR). BCR is the core of a large morphological agglomeration (continued built space) of 36 municipalities with a total population of more than one and a half million inhabitants[8], and of a metropolitan region of 2,3 million inhabitants[9].

Finally, Brussels is the capital of Belgium, of the two main Communities and of the European Union. It therefore counts 215 embassies [10] on its territory and attracts a large number of demonstrations and international meetings like European summits, all of them requiring special police services. The capital also welcomes tourists (5 million overnight stays in 2009, +24 % over the last 10 years)[11] with a large share of business tourists (54%).

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[7] STATBEL (2011)
[8] DEBOOSERE et al. (2009)
[9] CORIJN and VLOERBERGHS (2009)
[10] http://www.orbus.be/office/ambassades.htm (we take into account embassies, consulates and permanent representations)
[11] Brussels Tourism Observatory (2010)

Planning public services in Brussels

In such a narrow and populated region, the externalities linked to public services are necessarily important. However, in Brussels' metropolitan region, the process for planning public services that are delivered across municipal and regional boundaries is not well defined. It adapts according to the situation.

<u>Services delivered across municipal boundaries</u>

When the benefits of public services cross the municipal boundaries, planning can take the form of:

- bilateral discussions, for the renovation of local roads for instance;
- multilateral discussions through the Brussels' Mayors' conference, but this is not very effective;
- multi-municipalities organizations, like the police zones (gathering 2 to 5 municipalities);
- intermunicipal organization (gathering the 19 municipalities), for water distribution for instance;
- or a take-over at the regional level.

Competences taken over at the regional level are former federal competences (urban planning, environment, public transportation…) or former municipal competences (fire services, garbage collection, major roads maintenance…).

<u>Services delivered across regional boundaries</u>

When the benefits of public services cross the regional boundaries, the planning can take the form of:

- bilateral discussions, mainly through mail correspondence, for the enlargement of the ring road around Brussels for instance; or
- a cooperation agreement involving the federal government.

The cooperation agreement between Brussels-Capital Region and the federal government, called Beliris[12], aims at promoting the role of capital. It is involved in the design and financing of projects related to roads, public transportation, renovation of cultural heritage and, more recently, housing and culture.

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[12] www.beliris.be

This method of planning public goods and services is not satisfying. Today, some reforms are examined. For reasons of efficiency, the regional level could see its competences be completed with the whole net of roads and parkings or with police services. For reasons of equity, municipal social aid and public hospitals could also be regionalized.

Financing public services in Brussels

For the services delivered by Brussels-Capital Region, the main financing sources[13] are 13 regional taxes (53% of regional budget) on property transfers, real estate, inheritance etc, as well as federal grants (40% of regional budget, including 10% from federal equalization transfer).

The main financing sources of the municipalities are local taxes (42% of local budgets), mainly on personal income and real estate, as well as regional and Communities' grants (47% of local budgets, including 19% from regional equalization transfer).

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[13] Service d'études et de documentation (2010).

These financial means are completed with the cooperation agreement Beliris for 125 millions euros/year as well as by the Communities' expenditures in their own sphere of competencies.

Note that the European Union does not participate at all in the financing of its capital.

The underfinancing of Brussels

The financing described above is insufficient for the Capital Region to provide its citizens with broadly similar levels of public services at a similar tax burden compared to the other Belgian Regions. Three main explanations can be given.

First, regional tax revenues are nearly completely unrelated to the economic activity taking place in Brussels (19% of national GDP). This is because on the one hand the income tax is paid at the place of residence and half of the people working in Brussels live in another Region, and because on the other hand the VAT as well as the corporate income tax are federal taxes.

Second, the Capital Region faces higher costs per capita (public transportation, schools and hospitals for non-taxpayers, police,

rubbish collection, social aid, bilingualism…) than do the other Regions because a large part of the users of the city, like the daily 350 000 commuters, do not contribute to the financing of these public services from which they fully benefit.

Third, Brussels is confronted to loss of revenues due, firstly, to tax exemptions at the benefit of international institutions and international civil servants and, secondly, to the lack of financial solidarity from Brussels' hinterland. In Belgium, financial equalization between municipalities is organized at the regional level and the usual transfers from rural and suburban areas to urban municipalities does not take place in Brussels as it is composed solely of urban municipalities.

Verdonck et al. (2010) have shown that the need of financing amounts to 720 millions euros and proposed different forms of compensations.

Conclusions

Too many actors are involved in Brussels' public services planning, and cooperation is very weak. This is a concern when one knows the challenges that Brussels will have to face in the coming years.

Furthermore, the underfinancing of Brussels is little recognized by the other Regions and a climate of mutual suspicion exists since many years. Brussels fears a strategy of interference by other Regions in its regional policy while the other Regions criticize the assumed inefficiency of its public decision-makers.

Sound reforms are certainly needed, but the absence of federal government since July 2010 indicates how difficult it is to make these reforms a reality, the transfer of competences and the financing of Brussels being two of the three main discussion points.

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INFRASTRUCTURE FINANCING, PLANNING AND GOVERNANCE OF METROPOLITAN REGIONS IN INDIAN FEDERATIONS

V.N.ALOK[14]

India's Metropolitan Regions

Federal ensemble in India comprises a union government, twenty-eight states, two union territories (UTs) with legislatives, five other UTs, a three-rung structure of rural local governments (panchayats) and three levels of urban governments. The huge heterogeneity and disparity in the form of multiple ethnic groups with about 200 religious and 22 official languages are accommodated within the federal arrangements.

The similar heterogeneity is reflected in 50 metropolitan cities – each with population of one million and above. These cities account

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[14] Indian Institute of Public Administration, New Delhi, India

for 42.2 per cent of total urban population. According to an estimate, the number of metropolitan cities is expected to increase further to 87 by 2031. The large part of the increase in population share of metropolitan cities has come about as a result of the scaling up of cities from the lower size category to higher size as cities grow through a process of peripheral expansion, with small municipalities and villages surrounding the core city become part of the large metropolitan region.

Rapid economic growth and employment in metropolitan region prove a magnet for population that migrate from rural areas and small towns. The pace of urbanization poses many policy challenges. Yet, policy makers in India are still debating whether the growth be urban oriented or rural, negating the continuum and interdependence of villages and cities.

With the expansion of India's urbanization and metropolitan region, the pattern of economic growth changes. In 1995, India's national income had an equal share of its urban and rural economies. In 2008, urban national income accounted for 58 per cent of overall national income. The same was less than 40 per cent in 1970-71.

In a global context, the scale of India's urbanization will be immense. India will have 68 cities with population of more than 1 million, 13 cities with more than 4 million people and 6 metro regions with populations of 10 million or more. [Metropolitan regions of a. Mumbai (33 million), b. National Capital Territory of Delhi (25.9 million), c. Kolkata (22.9 million), d. Chennai (11 million), e. Bangalore (10.1 million), f. Pune (10 million)]. Out of which Mumbai and Delhi will be among the five largest metropolitan regions in the world by 2030. In terms of the national income, some of these regions will become larger than many countries. For example, Mumbai and Delhi Metropolitan Regions' income are projected to reach US$ 265 billion and US$ 296 billion respectively by 2030 [MGI 2010].

These fast growing metropolitan regions drive substantial increase in the national income of the country. MGI (2010,) estimates that the number of middle class households (earning between US$ 4000 to US$ 20,000 a year) will increase more than four fold from 32 million to 147 million. Most of the population of this group live in the metropolitan regions.

Infrastructure

This trend gives rise to many growth sectors including physical, social and institutional infrastructure. Physical infrastructure includes urban transport and roads, electricity, drinking water service delivery, sewerage and sanitation, banking, real estate, construction etc. Social infrastructure includes health care, education, recreation etc whereas institutional infrastructure covers institutions of governance and regulation as well as agencies which facilitate the flow of information and investible resources. The significance of administrative systems, legal mechanisms and public safety has long been recognized as key to facilitate growth and development.

Thus, there is a demand that India needs to review its strategy on its largest eight metropolitan regions (Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, Bangalore, Hyderabad, and Pune – each with a population exceeding 5 million). These cities have historically under performed compared with their international counterparts [e.g. large cities in China] due to indifference and underinvestment in spite of the fact that large part of the revenue of various governments come from these metropolitan regions.

HPEC (2011) has given a few evidences that indicate the plight of urban service delivery in India. Some of them are as follows:

Urban Transport and Roads

- Public transport accounts for only 22 per cent of urban transport in India compared with 49 per cent in lower middle income countries (e.g. South Africa South Korea, Brazil.
- Share of the public transport fleet in India has decreased sharply from 11 per cent in 1951 to 1.1 per cent in 2001.
- Road density (km per sq. km) is 9.2 in Singapore, 9.7 in Curitiba, 21.8 in Seoul, 10 in Johannesburg, 3.8 in Chennai, and 19.2 in New Delhi.

Waste Management

- Waste collection coverage ranges from 70 per cent to 90 per cent in largest metropolitan regions.
- Less than 30 per cent of the solid waste is segregated.
- Scientific disposal of waste is almost never practised.
- Proportion of organic waste to total is much higher in India compared with other countries:
  - New Delhi (India): 80 per cent
  - Bangalore (India): 72 per cent

- Belo Horizonte (Brazil): 66 per cent
- Kunming (China): 58 per cent
- Quezon City (the Philippines): 50 per cent.

- Almost 50 per cent of households in cities like Bangalore and Hyderabad do not have sewerage connections.
- Less than 20 per cent of the road network is covered by storm water drains.
- Only 21 per cent of the waste water generated is treated, compared with 57 per cent in South Africa.
- Of the 79 sewage treatment plants under state ownership reviewed in 2007, 46 were operating under very poor conditions.

Financing

In India's federal set up the sub national governments require to devolve the power and responsibilities to local governments in line with the matters enumerated in the 12th schedule inserted in the constitution as part of the 74th constitution amendment 1993. However, States remain reluctant to devolve powers to local governments including metro regions. So far, funding to the

metropolitan regions from various sources has been below average. Some of the reasons are as follows:

- Most metropolitan regions have not developed the capacity to monetize land assets to finance urban infrastructure barring an exception of the Mumbai Metropolitan Region Development Authority(MMRDA) which had auctioned its land assets and funded more than US$4.5 billion of expenditure on projects, pertaining to roads, affordable housing for low income groups, mass transit etc. over the last five years. The authority is expected to spend more than US$22 billion largely from this source in the next five years.

- Due to populist reasons municipal bodies in metropolitan regions are unable to mobilize resources from local taxes and user charges. Property tax is the most important source of revenue. However, its realisation is estimated 0.04 to 0.08 per cent of property values. Poor assessment method and inefficient tax administration are other reasons for poor resource mobilization. Some metro regions including Bangalore and Delhi have reformed their property tax collection methods. Moreover, about half of the operation and maintenance cost and almost zero capital cost are met by user charges on water supply.

- Inter government fiscal transfers from Union and State governments have not been consistant and predictable and failed to enhance the fiscal capacity at the local level. So far, the National finance commissions have been recommending the lump-sum grants to municipalities. For the first time, the last national finance commission has recommended a percentage share of the municipalities in the Union revenue divisible pool, thus integrating the local government with the Union and state governments in the fiscal architecture. However, the state finance commission across states have yet to evolve as technical and autonomous institutions for the devolution of resources to municipal bodies.
- Inadequacy of basic administrative infrastructures of municipalities do not allow them to raise the debt and prepare proper accounts for all the vertical schemes. Due to which utilization certificate are not prepared in time. As a result, they are unable to secure next instalments from the governments.

Recommendations

Strengthening Planning

- Metropolitan Planning Committees (MPC) needs to be strengthened with representation of each municipal bodies in the region, as governance of metropolitan regions can not be designed around municipalities alone. While some solutions are purely local, many issues such as mass transit systems and housing for low income groups need to be addressed at the policy level in the MPC. At present state government deals with them.
- The present development authority needs to be the secretariat of the MPC.
- Transport Planning be assigned to a technical transport authority headed by a professional
- States needs to handhold local units for consolidation of local plans to prepare Metropolitan Development Plan for covering integration of socio economic, investment, environmental and spatial plan for the metro region

Financing Metropolitan Regions

- Local Finance List needs to be introduced to make it mandatory for states to devolve tax powers in the Constitution

- National Urban Renewal Mission by the Union Government needs to be enhanced to (US $ 6.7 billion) till Goods and Service Tax (GST) is implemented with sharing mechanism
- Legislation for sharing GST or Union taxes with Municipal Government
- State needs to empower local government with exclusive taxes
- Amendment to Article 266, defining consolidated fund of a state on lines similar to the consolidated fund of India, i.e. net of the transfers to state's consolidated fund.
- State Government to reform property taxes, stamp duty , user charges and legislation related to private sector participation and metropolitan governance
- Metropolitan authorities and municipalities need to explore new sources of funding for urban infrastructure and services

Institutional Capacity Building

- Five Indian Institutes of Urban Management need to be set up through partnership between the Government of India, state governments and the private sector, either anchored in existing Indian Institutes for Management(IIMs) or as stand alone institutions of excellence

- Funds and new talent need to be infused into existing Schools of Urban Planning
- Think tank initiatives require to be promoted in urban policy through Centres of Excellence/ Innovation in existing institutions
- A Reform and Performance Management Cell (RPMC) needs to be created in the Government of India (and at state level and in large metro regions) with a multidisciplinary team undertaking activities such as:
  - providing technical assistance to state governments, regulators, and municipal bodies in planning, finance, operations, and monitoring of urban programmes
  - encouraging projects under PPPs through model concession agreements, database, knowledge sharing, etc.
  - providing assistance to State Finance Commissions
  - developing a Performance Management System for evaluating cities and towns

Reforms for Service Delivery

- State needs to include policing, traffic management, education etc in the local list
- Service delivery institutions are required to be corporatized.

- State government needs to amend their Municipal Acts or enact overarching Acts to facilitate Public private partnerships and Metropolitan governance.
- Use of e-governance and e-enabled smart technologies

Indian's metropolitan regions lack empowered leaders with explicit mandates. While mayors are there in many places, their tenures are short with inadequate powers to hire and fire key personnel, reorganize departments or fund projects. The roles of several agencies with cross purposes are not clear and co-ordination among the multiple agencies is a big challenge. No department within the government is accountable for annual outcome. There is an urgent need to develop professionalism and reform the system by adopting suggestions made by commissions/committees and experts over the last few years.

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THE MANAGEMENT OF DIVERSITY IN METROPOLITAN REGIONS

NICO STEYTLER[15]

Introduction

Diversity is a particular and significant feature of metropolitan regions. It may also manifest itself as fault lines of a metropolitan region, undermining its stability and hence functionality. The governance mode of metropolitan regions may, however, impact on these fault lines by either exacerbating or ameliorating them. For the latter result there are a number of governance strategies that could be used.

Diversity as a feature of metropolitan regions

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It is not surprising that metropolitan regions by their mere population size have the most diverse populations. But what is meant by diversity? It is not merely gender or youth diversity, which will inevitably be present in all human settlements, both urban and rural. Diversity relates also to dividing lines along socio-economic markers - the rich and the poor – as well as identity markers mostly notably race, religion, ethnicity, language and nationality.

What, then, is the particular link between metropolitan regions and diversity? Metropolitan regions, because they are the engines of economic activity and wealth creation attract not only the entrepreneurs but also those without work. They are the site of both in-migration within a country as well as immigration from abroad. Due to the size of the diverse population groups, they form communities by congregating in particular areas, and manifest identities which are either ascribed to them or are projected by them.

Diversity may provide fault lines of metropolitan regions

The very diversity that is pronounced in urban areas may also constitute fault lines which may undermine the social solidarity and stability of metropolitan regions. The most pronounced fault line is

the poverty/wealth divide in metropolitan regions. In as much as metropolitan regions are the engines of development and innovation, they become the magnet for those who are poor and unemployed. The result is that metropolitan regions usually have a Janus face: the one side is that of wealth and opulence, while the other one is poverty. Poverty is, however, a relative concept. It is more than a mere lack of income. It is the inability of an individual, or most often the household, to provide in the basic needs and services as seen and measured relative to those who have full access thereto.

The second type of divide runs along identity politics – race, language, ethnicity, nationality and religion – which may also overlap and be mutually reinforcing. The sheer numbers of people who are perceived to be different present themselves as a threat to established interests. This may, and has, resulted in xenophobia.

When poverty coincides with identity, and perceptions of discrimination underpin notions of relative deprivation, a lethal combination of social forces is at play. New comers to the metropolitan region are likely to be poorly skilled. Moreover, due to ethnicity, language, nationality or religion, jobs are unlikely to be readily forthcoming in the formal sector. The resultant exclusion of

the glamorous benefits of the metropolitan region leads to alienation and disaffection. An attractive option becomes crime.

A triple disadvantage is constructed when identity and poverty coincide with youth. In most developing countries, youth in the impoverished areas, on leaving school (where they received poor education, not fit to skill them for a decent work in the formal economy), join the ranks of the unemployed, with little prospects of a turn for the better.

Particular to metropolitan regions, then, is that diversity is more pronounced, more concentrated, more vocal, and sometimes lead to conflict.

Managing diversity in metropolitan regions

In general the challenge of the governance of metropolitan areas lies in the fact that the growth of metropolitan areas does not respect political boundaries. Governance structures struggle to keep pace with rapid urbanisation. Residents of the metropolitan areas see themselves as citizens of the area, putting claims to the city as a whole. For example, they are not residents of a borough of London,

but citizens of the city of London. Where there is a sense of alienated from the benefits of the metropolitan city as a whole, they may turn on the glamorous symbols of that success – trashing the opulent CBD.

In as much as cities and cities governments are key to wealth creation, so are they to poverty reduction. Metro government will have to manage the magnetic impact of metro regions: in particular when the magnet of the better life for all does not live up to its expectations. As the UN Habitat's 2008 report on African cities aptly conclude: the aim of metropolitan governance is "to overcome the inability of market-driven urbanisation processes to translate short-term interests into long-term social, political and environmental sustainability."

Given the reality that diversity may constitute fault line under the urban edifice of prosperity, the obvious response has been to ensure the inclusivity of cities – lessening the depth of the cracks that may open along the fault lines. However, there are equally negative lessons to be learnt from the governance of metropolitan areas - where the form and style of governance of metropolitan regions exacerbate the fault lines rather than ameliorate them.

Where boundaries become barriers

The political organisation of the metropolitan area may by and of itself exacerbate diversity fault lines. The most prominent is where the governance structures of metropolitan areas coincide with, and thereby entrench, the fault lines. Instead of viewing a metropolitan region (or even a city) as a functional unit and an organic whole, it is fractured in a number of local governments, the boundaries of which coincide with poverty and other fault lines. The obvious example comes from the USA where local government boundaries within metropolitan areas often separate poor inner city areas - housing African American and new immigrant populations - from the wealthy outer suburbs. Attempts to consolidate the cities, and thereby effect greater economic integration, have mostly been unsuccessful.

The result is that municipal boundaries become barriers. Thus, ironically, where local government should ensure inclusion, it entrenches exclusion. Where the inner city (or outlying areas in developing countries) carries a larger social burden with regard to the poor, it has fewer resources to ameliorate the position of the poor, precisely because it houses the poor. The resources that a

metro region generates are thus not equitably distributed across the entire region.

In search of the inclusive city

Given the significant degree of diversity that is particular to metropolitan regions, the dominant discourse, if not practice, is the language of inclusivity – how to construct an inclusive city or region. Various strategies are available including the following:

First, the consolidation of metropolitan areas into single political units is one response to the fractured governance model. Boundaries should not be barriers, but bind people with a common destiny together. Examples are, however, few and far between of large consolidated municipalities governing metro areas. Toronto in Canada is an example, but is limited in its scope as it does not contain a major portion of the greater Toronto metropolitan area.

Inclusive cooperation across boundaries

The consolidated metro city is the exception rather than the rule. Metropolitan regions more often than not comprise multiple authorities. The large infrastructure tasks such as transport, land use planning, bulk water supply and solid waste, pose major challenges to be managed effectively across local boundaries. There is consensus in principle and often also in practice that cooperation, effected through various mechanisms, is necessary to deal with these issues. It is noticeably, however, that the management of diversity in its many forms is seldom seen as a common, metropolitan-wide, problem, calling for joint action. In particular, metropolitan-wide cooperation is not seen as a redistributive mechanism of resources. However, it is needless to say that the failure to address diversity fault lines on a metropolitan scale across political boundaries, will be matched by marginalised groups' disregard for those boundaries.

Inclusive political system – building a political community

Given the fact that most metropolitan residents are likely to reside in a fractured local authority system, the strengths of small size political units should then be exploited to build an inclusive political community. A political community refers to a shared interest in the

well-functioning city that provides the better life for all across divides. A number of strategies and techniques are used across the world.

First, the inclusivity of the political system starts with the electoral system. A strong proportional representation element enhances the possibility of more inclusive representation of minorities, a result majoritarian systems seldom achieve.

Second, an inclusive executive system is a further string to the inclusive city bow. The notion that an effective executive system depends on a strong executive mayor, does not meet the objective of seeking accommodative politics. Where a city is deeply divided, the government of local unity may foster the notion of a political community.

Third, it has also become axiomatic that participatory democracy is an essential ingredient of effective and responsive government. One of the biggest challenges in the governance of any large city is the elusive ideal of citizens' participation.

Fourth, as much of citizens' participation focused on the large issues affecting the city, participation at the neighbourhood level can take place where planning and service delivery are based on the

neighbourhood. The challenge of metropolitan cities is that governance must achieve two contradictory objectives. The first is to plan on the grand scale – to achieve the infrastructure and major systems for water, sanitation, transport. The second is to localise planning and to translate the value of large scale planning to the neighbourhood.

Tools to build the inclusive political community

The governance of metropolitan regions will be able to deal with the challenges of diversity if the local government have the necessary powers, functions and resources to do so. Typically, metropolitan governance deals with the big issues of major infrastructural projects and the build environment - housing, sanitation, energy and transport. But are these sufficient to deal with the challenges posed by diversity and its fault lines? Experience suggests that local governments must become more involved in the social side of urban life – education, health and social services. A key function that should be performed by metro governments, if it is to be done effectively, is immigrant integration. It is in the locality that the

immigrant must settle and become part of the new political community.

Policies on cultural, linguistic and religious diversity

The final aspect to mention is the appropriate policy on the recognition of cultural, linguistic and religious diversity. Although this is couched as a national issue, its application is effected at the local level and in the metropolitan regions in particular. Recognising diversity walks a tightrope between benefitting from the richness that diversity brings and the exclusion it may foster. It is widely recognised that unless there are measures of integration, new comers will remain outsiders. Integration measures must blunt the sharp edge of differences. Language and schooling become major instruments of creating a new metropolitan citizen. How the balance is struck between integration and recognition of diversity will differ from country to country.

Conclusion

Metropolitan regions are rightly celebrated as the engines of innovation and economic development. The same cannot yet be said about governance innovation or dealing with diversity. In as much as metropolitan regions are to remain the engines that power national economies, their governance structures, processes and policies must take seriously the diversity and the fault lines that come in its wake.

IMMIGRATION AS A (RELATIVELY) NEW CHALLENGE FOR SPANISH METROPOLITAN REGIONS

MARIO KÖLLING[16]

Because of its geographic location, the territory of modern Spain has always been at the crossroads of human migration. Nevertheless Spain has only recently experienced large-scale external immigration and after centuries of net emigration, above all in the 1960s and 1970s, over the last few years, the historical characterization of Spain as a country of emigration changed. This tendency came along with a complex and profound decentralization process in which the Autonomous Communities (ACs) took on responsibilities for the provision of a wide range of public services, including most health and education services.

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The Spanish metropolitan regions were in specific periods and with different intensity the principal areas for the settlement of migration. While we can detect an intensive internal migration from rural to urban areas from the 1960s to the 1970s, since the beginning of the 1990s the immigration from foreign countries increased. Although the first period's growth was mainly homogeneous, during the second mentioned period, urban areas have developed a high level of diversity. As in other parts of the world, the central cities play the role of entrance doors in metropolitan areas; nevertheless decentralization trends of the settlement towards the metropolitan periphery can also be detected during recent years.

The aim of this paper is to describe the "state of the art" of the management of diversity in Spain with especial attention to the metropolitan areas. In that sense, the objective is to define the current status of immigration in the Spanish urban context, and to describe the development and role of metropolitan areas within the different tiers of government in Spain.

My main arguments are, firstly because of the number of foreign residents in Spain increased only during the last decades, especially in metropolitan areas, and because of the profound decentralization process of the last years, the management of diversity is a relatively

new challenge and the effectiveness of the current legal framework has yet to be proved.

And secondly within the global national wide framework, the Autonomous Communities developed heterogeneous models, which allow them to proactively design and implement immigration policies, but the local level has no specific competences in this field. The role that metropolitan areas could play in the management of public services, like the management of diversity, has not yet been explored.

<u>Part I</u> – **The Spanish decentralized territorial structure with special attention to Metropolitan areas**

Although the Spanish constitution of 1978 clearly avoided the label of a Federation, Spain has come to exhibit the basic structures and processes typical of federations and could be defined as a federation in practice if not in name. (Watts 2009) Political power in Spain is organized between a central government, 17 Autonomous Communities plus two autonomous cities, 57 Provinces and 8.112 local councils. The central government accounts for just 20%; the

regional governments for 40% and the local councils for 13% of public spending.

There are three central dimensions which explain the evolution and the functioning of the Spanish state and which could also be applied in order to clarify the management of immigration. The first is a vertical one between the ACs and the central government. Where the ACs seek more powers and resources from the central government, and the central government tries to maintain its role in coordinating state-wide policy making. The second dimension is horizontal and characterized by the lack of structured relations among the ACs, which have different powers (Arbós, 2006). And the third dimension makes reference to the highly homogeneous competences at the local level, administered by the municipalities.

The law of local corporations asserts that metropolitan areas are local entities composed of municipalities of large urban agglomerations with social and economic linkages where the joint coordination and planning is necessary.[17] Although the first attempts aimed at identifying metropolitan areas started in the late sixties and the Spanish Constitution provides only a generic self government

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[17] Art. 43, Ley reguladora de las Bases de Régimen Local, BOE nr. 80; 3/4/1985.

principle; the decentralization process focused on the transfer of competence from the central government to the Autonomous Communities. Over the time the ACs have taken on responsibilities for the provision of a wide range of public services related to the well being of people who live in their territories, including most health and education services.

Even though the Spanish Constitution confers to the ACs the possibility to associate neighbouring municipalities in territorial entities[18], the administrative structures of Spanish metropolitan areas are still fragile, fragmented and characterized by complexity.

The normal structure of Metropolitan areas in Spain is that of a big city, in which expansion encroaches upon small cities, and in exchange they experience notable demographic growth. The central city usually serves as a regional hub for people from nearby communities who come to work and use public services that are not available in their own communities. The largest metropolitan areas in Spain by population are the following ones: Madrid; Barcelona; Valencia; Bilbao and Seville.

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[18] Art 141.3 and Art. 152.3 Spanish Constitution, www.senado.es/constitu_i/indices/consti_ing.pdf

Table I: Metropolitan areas in Spain[19]

	CAPITAL CITY		METROPOLITAN AREA (including capital city)		
	Population (2008)	Area (km2)	Population (2008)	Area (km2)	Municip No.
BARCELONA	1.615.908	98	3.186.461	633	36
MADRID	3.213.271	606	5.285.242	1.936	28
VALENCIA	807.200	135		628	51/45
BILBAO	353.340	108		398	19
SEVILLA	699.759	141		712	11

The **Madrid** Metropolitan Area comprises of the city of Madrid and forty surrounding municipalities. Madrid is situated in the centre of Spain, but also its metropolitan structure is featured for being monocentric, therefore the central city has a dominant role over the metropolitan system. In the case of **Barcelona,** the metropolitan area is comprised of 36 municipalities including the city of Barcelona. The metropolitan area has a structure which is more similar to the model of "city of cities", because the central city doesn't have a

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[19] Source: (Bosch; Solé-Vilanova, 2011)

dominant position and the metropolitan cities also play an important role. The new Barcelona Metropolitan Area was set up in 2011 assuming the responsibilities of urban planning, economic promotion and social cohesion. (Bosch; Solé-Vilanova: 2011) **Valencia** is the third metropolis in population terms, located in centre of the Mediterranean coast; its structure is featured by a dominance of the central city and its surroundings. The economic activity of **Bilbao** lies above the Spanish average. Located in the north, its structure is characterized by less importance of the central city and a relevant dominance of the periphery. Although the economic activity of **Seville** is one of the smallest, located in the south, its structure is characterized by a relative dominance of the central city.

Speaking in administrative terms the principal examples for Metropolitan areas in Spain are Barcelona and Madrid although there are remarkable differences in their administrative structure (Velasco Caballero: 2009). Within both metropolitan areas special attention has been made regarding the management of public services, like transport, delivered jointly by the autonomous community and local authorities. But only in the case of the

Barcelona Metropolitan Area we can speak of a metropolitan government. (Bosch; Solé Vilanov: 2011)

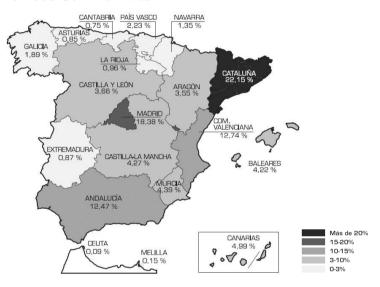## <u>Part II</u> – Immigration patterns in Spain

In the second half of the 1980s Spain was transformed from a country of emigration to a country of immigration. This tendency was reinforced by the decrease of the number of native workers after 1992 and the economic growth from 1995 to 2005 which led to an increased demand for labour.

In 1996 there were almost 630,000 foreign residents (1.6 percent of the total population), but that increased to 5.7 million (12 percent) by 2010. The economic and historical connections with Northern Africa and South America have been responsible for the larger immigration flows, but Europeans and Chinese also represent a large group of Spain's foreign residents.

According to the research carried out by Arkaitz Fullaondo it is not possible to define a general settlement model on immigration patterns for the Spanish urban context. Nevertheless, an increasing predominance of the peripheries as emergent settlement areas can be

detected, above all in the metropolitan areas of Madrid and Barcelona. (Fullaondo: 2009)

Graph I: Percentages of Third-Country Nationals registered by Autonomous Communities[20]

CANTABRIA 0,75 %
PAÍS VASCO 2,23 %
NAVARRA 1,35 %
ASTURIAS 0,85 %
GALICIA 1,89 %
LA RIOJA 0,96 %
CATALUÑA 22,15 %
CASTILLA Y LEÓN 3,68 %
ARAGÓN 3,55 %
MADRID 18,38 %
COM. VALENCIANA 12,74 %
EXTREMADURA 0,87 %
CASTILLA-LA MANCHA 4,27 %
BALEARES 4,22 %
MURCIA 4,39 %
ANDALUCÍA 12,47 %
CEUTA 0,09 %
MELILLA 0,15 %
CANARIAS 4,99 %

Más de 20%
15-20%
10-15%
3-10%
0-3%

The institutional framework in which immigration policy is discussed, controlled and managed has changed substantially over a decade. Immigration only emerged as an administrative and

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[20] Source: Secretaria de Estado de Inmigración y Emigración. Ministerio de Trabajo e Inmigración. Instituto Nacional de Estadística, elaboration: CIDOB.

technical issue in the 1990s and as a political and social issue at the beginning of this century.

Although human and material resources dedicated to the management of immigration has been increasing steadily, since the beginning of the economic and financial crisis, resources oriented to immigration policies and programs have been decreased significantly. (Zapata Barrero: 2011)

Generally speaking: The central government manages admission and naturalization but also the ACs and the local governments have the main responsibilities of managing integration processes, since policies like reception, housing, education or work are either the exclusive responsibility of the AC or shared between the central government and the ACs.

The National Strategic Plan on Citizenship and Integration [21] provides specific guidance for equal treatment for all sub-units and enables the definition of a framework for cooperation between the Spanish government, the ACs and local entities. In order to address the needs related of the immigration management, the Fund to

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[21] Plan Estratégico de Ciudadanía e Integración, 2007-2010

Support the Reception and Integration of Immigrants (FAAII)[22] was created in 2005. The Fund has proved to be an effective tool and has served as a model in terms of establishing improved cooperation among the three different levels of government.

The governance of integration policies was for the first time administratively and politically decentralized in 2009 [23] (Zapata Barrero: 2009), increasing the responsibilities of the ACs. Within these new responsibilities the ACs developed their programs independently and following their own criteria manage many of the basic public services related to the reception, health provisions and education of immigrants. Especially in education, the ACs have expanded the national standards and regulated elements of the education system in their own territory. The ACs of Catalonia and Andalusia assumed also new competences to grant temporary work permits since 2006.

Within this new framework initial tensions have been detected: firstly, several regions claimed an increase of the financial resources

[22] Fondo de Apoyo a la Acogida e Integración de inmigrantes
[23] Ley Orgánica 2/2009, de 11 de diciembre, de reforma de la Ley Orgánica 4/2000, de 11 de enero, sobre derechos y libertades de los extranjeros en España y su integración social.

of the FAAII since they feel more effected by immigration, both with regard to illegal immigration and large scale immigration. Furthermore the existence of 17 administrative and statistical registers whose coordination is not guaranteed, produces important information gaps in the field of immigration, affecting the decision making process.

Confronted with increasing immigration, the local administrations also developed their programs independently, following their own needs and related to the basic public services provided by the municipalities, which include housing and social services. In this sense several intercultural policies and plans have been developed by city councils, notably in Madrid and Barcelona. Nevertheless the councils formally still don't have specific responsibilities on immigration, but they collaborate with / or finance immigrant associations in order to establish mechanisms of dialogue. These social integration strategies are based on a strong support from civil society, especially in Barcelona.

Conclusions

Spain went through a profound decentralization process without a clearly defined end. The number of foreign residents in Spain increased during the last decades because of economic growth. The question which remains is how will the new legal framework address the integration of immigrants and how will the economic and financial crisis affect the management of diversity in Spain. These questions will also be an important topic in the current debate on the benefits and costs of the Spanish decentralized territorial structure. The experience of metropolitan areas from other countries in the design and effective management of public services could be an interesting input in this debate.

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INTEGRATING THE FRAGMENTED METROPOLIS

EVERT MEIJERS[24]

Introduction: the Rise of the Polycentric City-Region

From the 19th century onwards, the classic monocentric model of cities started to change slowly, as cities grew massively due to industrialization processes. The spread of car mobility in the 20th century meant that this process gained even more momentum. People were now able to live and work at a comfortable distance from the hectic central city: suburban satellite towns were

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[24] Dr. Evert Meijers (Delft University of Technology, Netherlands & European Metropolitan network Institute EMI); Koen Hollander (European Metropolitan network Institute EMI); and Marloes Hoogerbrugge (European Metropolitan network Institute EMI).
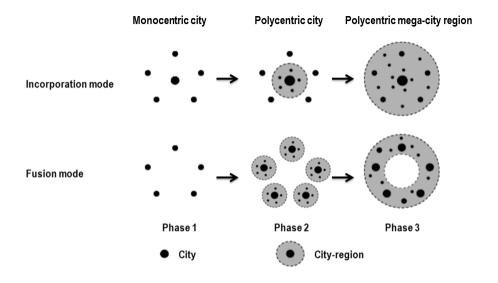
developed, as did new business centres. Hence, the polycentric city emerged, with a more spatially specialised metropolitan layout incorporating many different types of centres.

Yet, the process of spatial expansion continued further. The geographical scope of social and economic processes (such as commuting, leisure and social trips, inter-firm relations, and business to consumer relations) has increased ever more, which leads not just to ever more complex urban-rural relations, but also to new functional linkages at higher spatial scales between historically distinct and once relatively independent cities. Hence, traditional interpretations of the 'city' as being a single urban core surrounded by a rural hinterland are rapidly giving way to more regionalized interpretations of urbanity. What is urban nowadays spreads out over a vast territory encompassing many urban and suburban communities that once were relatively distinct entities but that are now increasingly linked together by infrastructures and flows extending over an increasingly wide metropolitan territory. This apparent coalescing of cities into regional urbanized entities is linked to the transition from an industrial to a post-industrial era and as such, can be considered the spatial manifestation of changes in economic, political-institutional and technological processes, most

notably globalization, in our society (Scott, 2001; Phelps and Ozawa, 2003; Kloosterman and Lambregts, 2007).

This process towards polycentric city regions is particularly evident in Europe. Such polycentric city regions come into being either through an 'incorporation mode', when dominant cities extend their sphere of influence over ever larger territories, thereby incorporating once independent smaller cities – the incorporation mode – or several such polycentric cities fuse into a (at least morphologically) more balanced settlement system – the fusion mode. London, a clear example of the incorporation mode, exerts its influence over the Greater South East of England, thereby incorporating smaller, distinct cities such as Reading or Cambridge. Classic examples of 'fusion mode polycentric mega-city regions' are the Randstad in the Netherlands, Northern Switzerland or Central Belgium, where once rather independent cities have coalesced to form larger (mega-)city regions. In terms of both spatial organization and performance there may be important differences between both types of regions (Hall and Pain, 2006; Meijers and Burger, 2010).

Figure 1: Evolution towards the Polycentric-Mega-City Region.

Source: redrawn by authors based on Champion, 2001.

The Polycentric City-Region: a European Challenge

The rise of polycentric city-regions is widely recognized in the national and European debates on regional development. Polycentricity was a key concept in the European Spatial Development Perspective, adopted by the European Ministers responsible for spatial planning in 1999. Next to promoting a

balanced polycentric pattern of global economic integration zones across Europe, it also states that polycentric development needs to occur within the various economic core zones too. These can be networks of cities of different sizes and characteristics: cross-border and transnational regions, smaller city regions or functional relationships between cities and their rural hinterlands. The concept of economic complementarity was used to underpin the need for balanced development: cities should build on each other's advantages in order to be economically competitive. Outside the economic core zones, networks between towns and cities in more rural areas should make sure that viable markets and important (social) services are maintained.

With the inclusion of a third, territorial dimension of cohesion policy in the Lisbon Treaty (2007), polycentricity became even more anchored in the European debate. The Green Paper on Territorial Cohesion (2008) and the latest version of the Territorial Agenda (2011) focus more on the spatial scale of cities and city regions, plus their relationships with the surrounding intermediate and rural areas. Both documents acknowledge the crucial position of large cities as centres for economic activity and stress that a more balanced territorial development is necessary. Core of the Green Paper is the

analysis that economic activities are disproportionately concentrated in urban regions when related to the scattered settlement pattern of the EU. Although the areas in which this activity is concentrated benefit from this, it also leads to diseconomies like pollution, crime, deprivation and congestion. On the other hand, the typical EU settlement pattern also poses various opportunities: it avoids the diseconomies of large cities and is seen as more resource-efficient than the urban sprawl that characterizes large cities. This is exactly the appeal of the polycentricity concept: networks between cities can provide a substitute for proximity, and hence allow to organise the benefits of a large city also in a network of smaller and medium-sized cities, whereas agglomeration disadvantages remain limited to the scale of the smaller and medium-sized cities as these do not spread easily through networks. Evidence for this effect is presented in Meijers and Burger (2010). The Territorial Agenda stresses that, whenever possible, cities should look beyond their administrative borders and focus on their functional region. Integrated management of potentials such as cultural heritage, city networks and labour markets can be better utilized to promote the economic competitiveness of the whole region. The 2010 report on economic, social and territorial cohesion emphasises that new programmes with a particular focus on "the role of cities, functional geographies,

specific geographical or demographic problems and macro-regional strategies" are necessary for reaching the goal of territorial cohesion. Besides, it mentions the possibilities to prepare operational programmes also at the level of groups of towns and to reinforce a focus on strengthening local and regional partnerships.

Developing Polycentric City-Regions in Practice

Clearly, much is expected from polycentricity-regions. But how do such regions in practice exploit their alleged potentials? Here, we briefly present two cases of European polycentric metropolitan regions, both of the 'fusion mode': Linköping-Norrköping in Sweden and the Metropolitan Area of Rotterdam-The Hague in the Netherlands. The cities in these city-regions have recently taken up the challenge to join forces with neighbouring cities to exploit their joint critical mass better in order to become more competitive in Europe.

Linköping-Norrköping

Linköping and Norrköping lie in the heart of Sweden, in theÖstergötlandCounty some 200 kilometresSouthwest of Stockholm. Both cities have around 130.000 inhabitants, and it takes less than half an hour to travel between them. Norrköping was traditionally the larger city and the industrial and cultural core of the region, but the role of the city has declined in the post-industrial era. Linköping has always been the administrative capital and has been better able to attract jobs in the services and governmental sectors over the last decades. For several years now, the Regional Council of the County has developed a regional development strategy to promote the functional integration of both cities, in order to position both cities together as the fourth city region of Sweden after the metropolitan areas of Stockholm, Gothenburg and Malmö. The cities in the city-region face largely similar problems. Albeit the region is well developed, it shows signs of lower growth than the three larger Swedish metropolitan areas. In Sweden, there is a strong trend of migration from the countryside to the metropolitan areas. The Linköping-Norrköping city-region appears to be at a crossroads in this respect: either it will become a metropolitan magnet itself, or it will start to loose population and firms to the three larger Swedish regions.

Of particular importance in this respect is that the labour markets of both cities become more integrated, and the cities need to join forces in order to jointly offer more specialised and more top-level urban amenities, which would make living in the region more attractive. At present it certainly has an appeal to families, as the region offers good quality housing for considerably less money than in Stockholm, and the surrounding nature is attractive. In other words: agglomeration disadvantages are limited, but agglomeration advantages too. An indication for the latter is that salaries are about 15% less, and headquarters of larger firms tend to relocate to Stockholm.

The Regional Council aims to create an integrated functional city-region with economic growth and competitiveness. In order to meet this challenge the Regional Council is focusing on a wide variety of activities, ranging from spatial development planning (for example, both cities drew up a joint municipal spatial plan), to enhancing the regional matching of labour skills needed by firms and the skills educated in schools (the 'Growlink' programme, which would be very inefficient if carried out at the local scale), to policies aiming at achieving scale economies in terms of jointly organizing the fire brigade, merging the municipal salary administration, etc.

Next to these important activities by these regional authorities, there are a number of private or semi-public strategies that have perhaps not been explicitly aiming for regional integration, but that turned out to be of great significance for actual integration. The single most important action that has linked both cities more strongly has been the opening of a campus by the Linköping University in the neighbouring city of Norrköping in the mid 1990's. Room for the much needed spatial expansion of the out-of-town Linköping University campus was lacking, and at that time Norrköping was able to offer ample vacant land in the heart of the city along the river, in the former industrial zone comprised of many scenic buildings. Ever since, student numbers of the campus in Norrköping have been rising, and it may be doubted whether this would have occurred if only the Linköping campus had expanded. What is more, the number of students at the academic level from the Norrköping region tended to lag behind national averages, but has been increasing since the campus in Norrköping was opened. There are a number of reasons for this success: Linköping University concentrated part of their top-research in Norrköping, making it a full-grown campus rather than a subsidiary. The other is the more diverse urban environments in which students can study. Some prefer the out-of-town campus-style of Linköping while others

prefer the truly urban setting of Norrköping campus. In other words, both campuses are complementary. Students are increasingly required to take courses in the neighbouring city as well, and free shuttle buses provide for quick and convenient transport. Hence, a new generation grows up that is used to using the urban functions of both cities and hence to travel easily between them. In this way the opening of a second campus in Nörrkoping fostered the further integration between the two cities.

Rotterdam – The Hague

Dutch planners have for decades wavered between the option of either positioning the Randstad Holland as the right scale for metropolitan development, or focus on its North Wing (Amsterdam, Utrecht) and South Wing (Rotterdam – The Hague). At this moment, opinions are strongly in favour of a focus on the Wings of the Randstad as these Wings would reflect daily urban systems better. Recently, Rotterdam and The Hague have joined forces to further develop their metropolitan area, not to develop into a new metropolis, but, as they see it, to exploit the potentialities of an existing metropolis. The distance between the two cities is just 25

km, and the city of Delft, which hosts many knowledge-generating institutions, lies right in between. In total, the Rotterdam-The Hague area, extending from the city of Leiden in the Northwest to the city of Dordrecht in the Southeast of the metro area, counts 2.2 million inhabitants. In December 2011, the political leaders of the cities agreed on a regional development plan that is to lead to strong integration in the region, thereby providing inhabitants and firms in the region with more opportunities.

The plan is not merely a vision, but rather a strongly implementation oriented strategy, in which concrete actions are listed. The plan distinguishes three strategies:

1. A better exploitation of the opportunities of the daily urban system;

2. Invest in, and exploit the large regional competencies in innovation and knowledge-generation;

3. Fully exploit the wide diversity in amenities, services and landscape assets of the metropolitan area.

Being implementation oriented, the development plan specifies concrete actions for each strategy. We give some examples. Strategy

1 builds on improving infrastructure and transit systems to shorten time-distances, amongst others by means of a single transport authority for the metropolitan area. The renaming of Rotterdam airport into Rotterdam – The Hague airport is part of the second strategy. This may appear as a symbolic action at the first sight, but is at the same time a powerful message to the public at large that both cities belong together. Other actions include the joint programming of new office parks, retail and business areas, a joint marketing of the metropolitan area to international visitors and firms, a stronger co-operation between the universities of Leiden, Delft and Rotterdam, and enhancing the match between the demand for skills on the labour market and the skills trained by educational institutes. Strategy 3 is to materialize through the development of top-level residential areas, matching demand and supply on the housing market better, improving urban parks, recreational areas and safeguarding the landscape between the cities and their accessibility, joint marketing of cultural events and the development of a sports infrastructure that suits the scale of a large metropolis and enables the organization of international sports championships.

It is not the aim of the cities involved in the strategy to form a new metropolitan layer of government. Searching for such a solution has

proven difficult in the last decades, since the three tier system (state, province, municipality) is very robust to changes. Instead, they feel that bottom-up co-operation is the way forward. For each action, two politicians from the region have been made responsible, in order to make sure that there are 'problem-owners' and to prevent that issues remain unaddressed.

Conclusion

These examples from Sweden and the Netherlands demonstrate that there is a widespread conviction in both regions that regional co-ordination is needed in the fields of transport, economy, spatial development, the housing market, green areas, the labour market and the environment in order to improve the international competitive position of the metropolitan area as a whole and to make it a more attractive city-region to live and work. An inventory learned that such pro-active approaches are not common in Europe: typical factors that hinder the development of such regional co-ordination include the lack of political leadership, the absence of laws and other institutions that enable regional co-ordination, the presence of strong

rivalry and cultural cleavages between cities in polycentric city-regions and the unwillingness of regional actors to look beyond local borders and to identify the greater regional good. Hence, regional development in a polycentric city-region would also benefit from new tools and instruments that make clear what this regional good is and that allow to make trade-offs between cities in the interest of the region.

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METROPOLITAN AREAS IN EUROPE

JÜRGEN GÖDDECKE-STELLMANN [25]

Introduction

The BBSR is a departmental research institution in the portfolio of the German Federal Ministry of Transport, Building and Urban Development (BMVBS). It supports the Federal Government by giving sectoral scientific advice in the political areas of spatial planning, urban development, housing and building. The research activities of the BBSR are an integral part of political discussions and processes. This also applies to research on metropolitan areas in Germany and Europe.

In Germany, a lively discussion about the role of globally oriented cities and city regions started in the 90s. One motive for this

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intensive discussion is the specific, polycentrically structured urban system. Compared to other European countries, high-ranking functions in Germany are spread to several centres. Due to its polycentric urban system, Germany is far from concentrating (almost) all essential functions to only one city region, which leads to the question in how far this peculiarity can be considered as a locational advantage or disadvantage. Another important question is the impact of globalisation in regard to the competiveness of German metropolitan areas. In different decisions and policy papers, the German Standing Conference of Ministers Responsible for Spatial Planning (MKRO) underlined the importance of metropolitan regions in Germany. The understanding of the concept of "European Metropolitan Regions" was pointed out as follows: "As generators of societal, economic, social and cultural development they are to maintain the efficiency and the competitiveness of Germany and Europe". Against this background, the BBSR has developed large research activities. In addition to the seven original regions, mentioned in the MKRO decision of 1997 (Berlin/Brandenburg, Hamburg, Munich, Stuttgart, Rhine-Main, Rhine-Ruhr as well the Halle/Leipzig Saxon Triangle as a potential metropolitan region), the MKRO recognised four further European Metropolitan Regions in

Germany in 2005 (Bremen-Oldenburg, Hanover-Braunschweig-Göttingen, Rhine-Neckar and Nuremberg).

Parallel discussions could also be found on the European level and in other European countries. Remarkable milestones in this context were the French study "Les Villes européennes" or research in the context of the European Spatial Development Perspective (ESDP) or the ESPON programme. But all of these impressive European studies revealed one structural weakness: the variety of research approaches and the (very) different understanding and definition of urban systems in Europe. Another methodological aspect is the regional focus (predetermined set of locations) or the lack in the regional coverage.

Metropolitan Areas in Europe – the New BBSR Approach

Against this background, it can be said that there is still a need for research in the field of metropolitan areas both concerning theoretical and empirical bases, spatial references, regionalisation as well as the classification of metropolitan functions. This is why the BBSR has produced a new study on metropolitan functions and

metropolitan areas in Europe (*). The approach of the new study includes the following components:

- analysing the whole European territory including current EU member states as well as non-member states,

- restructuring the metropolitan functions investigated and integrating them into a theoretical background,

- a new analytical and European standard approach of regionalisation which is not bound to existing administrative structures.

The principle of the functional differentiation of social systems and the findings from regional economic theories enable to derive metropolitan functions by means of the functional systems to be investigated. The world society is differentiated into various social systems such as politics or economy. They are again subdivided into subsystems which partly exist temporarily as interaction systems or permanently through established organisations. Against this background, the functional systems to be investigated are to be selected according to whether

- they have borne organisations or structures facing worldwide or Europe-wide competition,

- they produce events of global or European importance,

- they have created infrastructures promoting global or at least transnational networking.

Politics, economy, science, transport and culture will certainly meet with these criteria. A variety of other functional systems could be mentioned, e.g. law, education, religion or health care, which for the subject of this study do not or hardly fulfil the above-mentioned three criteria.

The theoretical framework cannot be completely transferred into a measurement concept. Data are limited, the data quality does not always meet with the minimum requirements and the data cannot always be exactly assigned to functional areas. Operationalisation therefore requires pragmatic decisions and forces normative specifications which will be shortly presented in the following:

- Spatial coverage: Only data will be used which will be available for the whole study area – from Iceland to the Ural and the Asian part of Turkey to the Azores.

- Congruence of contents: The indicators must for all countries been defined according to consistent criteria to ensure comparability.

- Qualitative standard: The information comes from non-official statistics. Selecting data is based on objectivity issues, i.e. whether the institution collecting the data is independent, and on validity issues, i.e. whether the data refer to the right issues.

- Exact geocoding of data: In order to avoid different and incomparable spatial references, all data are at least based on local administrative units, sometimes even on exact local coordinates, which allows a strong spatial differentiation and a very good international comparability.

- High-quality character: The best possible character of a fact is to be illustrated.

Against this background, a comprehensive research for data was done to obtain adequate empirical data, which are available throughout Europe, in order to create indicators. The output of the data collection was represented by 38 indicators. Some of these indicators are a collection of more detailed information. For example: The locations of 26 firms of the advanced producer sector in Europe are registered in detail. A large number of cultural and sport events were also compiled.

These functions could be found in more than 8.400 locations. The local level forms the geographical basis in this first step. The Local Administrative Units (LAU) are adopted from EUROSTAT. A modified second LAU level (which is the former NUTS 5 level) builds the geographical basis (urban LAU 2 units). The result of the modification are more comparable regional units for our whole observation area.

The 38 indicators collected from all five functional areas can be depicted by 8.480 locations. Among the 120,000 LAU 2 units, 7% have metropolitan functions. The above-mentioned flexible territorial basis - as assumed - results in the fact that in many places only single functions with low values can be measured. They might be caused by solitary locations of single functions like the subsidiary of a service company in a location far away from metropolitan regions, sometimes they are based on less significant locations of functions like a subsidiary in the catchment area of metropolitan cores. It is therefore not astonishing that only 480 LAU 2 units achieve an index value of at least one point. The most important locations include all large European capitals: first of all London with the maximal value of 100, closely followed by Paris. They are by a wide margin followed by Brussels, Moscow, Berlin, Rome, Madrid, Vienna, Amsterdam and Stockholm. This leading group furthermore

includes some important financial and business locations such as Frankfurt am Main, Munich, Barcelona, Milan or Hamburg (cf. Table 1).

But the study shows that the regional level is more appropriate for further examinations. A lot of regions like the Randstad or the Rhine-Ruhr area seem to be underestimated in these analyses. The functional division of the city and the surrounding areas also is not sufficiently represented. Both spatial constellations should be adequately taken into account. A regionalised analysis is therefore required.

The regionalisation method takes all 8,480 locations with metropolitan functions as a basis to define geographical concentrations of metropolitan functions and the cores of metropolitan areas, on the one hand, and to define areas by means of the BBSR Accessibility Model, on the other hand. A first step of the regionalisation method is to convert point into raster data, for which a gravitation approach including calculating distance-weighted density values is used. A result of the gravitation approach, which is based on a quadratic kernel function, is that the density value calculated for each point within the study area is influenced by the index values of all locations in its surrounding area. In this context,

distance-weighting means that index values of nearby locations influence the density value of a point more intensively.

Following detailed comparative calculations, a radius of 50km is fixed, which distinguishes the regional from the supraregional level in the best way. In order to define the metropolitan areas by means of the Accessibility Model, it is necessary before to define their cores. The metropolitan cores represent significant locations of metropolitan functions. 184 significant locations, spread over nearly all countries within the study area, can thus be defined.

The number of important locations of functions per analytical region varies and indicates monocentric or polycentric structures of the metropolitan areas to be defined. In the case of Randstad, seven important locations of metropolitan functions form a polycentric metropolitan area. They are followed by Brussels, London, Paris and Rhine-Ruhr with five important locations each. 94 analytical spatial segments (metropolitan areas) include only one dominating location.

In a next step, the metropolitan areas in Europe will be geographically defined based on the BBSR Accessibility Model. Due to the polycentric spatial segments, the number of metropolitan areas drops to 125. A car travel time of one hour is fixed around all cores defining the external border of a metropolitan area. The

method produces metropolitan areas of about the same size which, in terms of their surface area and accessibility, are comparable. It is important to know that these areas are spatial units defined on an analytical basis which should not be confused with units defined on a political basis. However, areas have to be defined in order to create a consistent territorial basis for regional analyses.

In general, London achieves the maximum value on the level of the metropolitan areas, closely followed by Paris. The above-mentioned great differences in significance between the metropolitan areas still exist. Although London and Paris still have much higher values than the other European metropolitan areas, the gap has become smaller on the level of the locations. This regionalised analysis results in a changed ranking. Randstad and Rhine-Ruhe move up and reduce the gap to London and Paris (cf. Table 1). All in all it can be said that the significance of polycentric metropolitan areas is only highlighted by regionalisation, which underlines the necessity of a regionalised analysis.

Conclusions

350 million inhabitants live and work in the above-mentioned 125 metropolitan areas, which is about 50% of the population of the total study area. The populations in each metropolitan area are very different. With approx. 15 million inhabitants each, London and Moscow have the largest population followed by Rhine-Ruhr with more than 13 million and Istanbul and Paris with approx. 12 million inhabitants each. The economic potential of the whole European study area is also concentrated in the 125 metropolitan areas mentioned. Measured by the sum of the absolute gross domestic product (GDP) in 2005 - based on LAU 2 units - these areas with around 8,500 billion euros hold approx. 65% of the GDP of the study area. The economically most important metropolitan areas are London (609 billion euros), Paris (500 billion euros), Rhine-Ruhr (369 billion euros), Randstad (317 billion euros) and Milan (265 billion euros). Together they already represent 25% of the GDP of all 125 metropolitan areas.

Table 1: Top 15 locations and metropolitan areas in Europe

Rank	Location (City level)	Score	Metropolitan area	Score
1	London	100,0	London	100,0
2	Paris	93,6	Paris	97,9
3	Brussels	53,9	Randstad	74,5
4	Moskva	52,0	Brussels	66,8
5	Frankfurt a. M.	47,2	Rhein-Ruhr	51,1
6	Berlin	46,8	Moskva	47,2
7	Roma	45,8	Vienna-Bratislava	45,1
8	Madrid	45,6	Rhein-Main	41,2
9	Wien	42,8	Roma	40,8
10	Munich	40,4	Berlin	38,7
11	Amsterdam	33,3	Madrid	34,6
12	Barcelona	29,5	Munich	32,9
13	Stockholm	28,3	Milano	28,1
14	Milano	27,3	Barcelona	25,8
15	Hamburg	26,8	Stockholm	25,3

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(*) The complete study "Metropolitan areas in Europe" is available on the website of the BBSR:

http://www.bbsr.bund.de/cln_032/nn_23582/BBSR/EN/Publications/OnlinePublications/2011/DL__ON012011,templateId=raw,property=publicationFile.pdf/DL_ON012011.pdf

CITIES COOPERATING BEYOND THEIR BOUNDARIES: THE GOVERNANCE OF METROPOLITAN AREAS

THIERRY BAERT[26]

The present paper reflects the outcomes of a work carried out within Eurocities, the network of major European cities, under the leadership of Lille Métropole and Oslo. Between December 2010 and September 2011, a group of officers regularly exchanged their experiences and developed common conclusions. More than35 cities were involved, very different in size, role and geographic background; some of the main European capital cities (e.g. Bratislava, Brussels, Budapest, Helsinki, Warsaw or Vienna) worked together with major regional hubs (e.g. Manchester, Barcelona, Katowice, Ghent or Munich), local city partnerships (Brabantstad), and even smaller cities, which may represent wider areas (eg. Linkoping, or Rennes) or be secondary centres in large rurban regions (e.g. Terrassa or Preston).

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[26] Agence de développement et d'urbanisme de Lille Métropole

Cities are at the forefront of most of the European challenges, and all the cities involved recognise the necessity to think beyond their boundaries when they are dealing with key challenges and opportunities. Most of them have over recent years or even decades, developed various forms of successful cooperation processes with their neighbouring authorities. Many cities were actually applying principles such as integration, later supported by the Leipzig charter (2007), or territorial cohesion before it was recognised as a European objective in the Lisbon treaty.

Members strongly believe that such positive experiences should become better known and recognised at the European level, for their invaluable role in achieving results in each of their respective areas. They should be taken into account in European policy making, and particularly in the design and implementation of future cohesion policy.

The need for a new perception of urban territories

There exists an increasing mismatch between cities as administrative entities and the reality of urban life, due to a general process of "metropolisation" that has happened for years all over Europe and is far to concern only metropolitan cities. Today, the administrative boundaries of cities rarely cover the built up area in its all, and even less the full job markets, business flows, private and public services or the city's 'ecosystem'. Moreover these different aspects of urban reality are moving very fast, faster than any attempt to redraw administrative boundaries. As a result, social and functional differences between life in cities, suburbs and more distant surrounding communities overlap in many ways and it becomes increasingly difficult to draw a clear limit between urban and rural areas. Large functional urban areas have thus developed more generally around cities and towns across Europe.

Because of this, cooperation between cities and their surrounding areas, within these functional urban areas, is necessary and should be based on a shared vision. The need for access to a wide range of resources, such as local food chains and food production, natural heritage, sports, leisure and recreational facilities, means that cooperation is essential to increase the sustainability and overall quality of life for everyone. Availability of land and lower real estate

prices outside the city are important assets for locating functions that serve the whole metropolitan area and that require a lot of space. On the other hand, hub cities are often the main attraction for visitors, who also make use of surrounding areas. Due to their size, metropolitan areas can provide services to benefit both those who live in the city and those living in more rural surrounding areas e.g. hospitals, education, culture, waste and water management and treatment as well as connections to major transport systems. This situation challenges the traditional perception of two clearly different types of regions: urban and rural.

The relevance of city-regions/metropolitan areas

To be fully effective policies must be designed and implemented at the relevant geographical scale, which, for many issue, is corresponding to the functional area. The case for pooling resources of local authorities in a functional urban area (FUA) is stronger than ever. Functional area cooperation helps both to establish a critical mass that is needed, and to avoid the negative effects of competition between local authorities and of duplicating facilities. Decisions on

land use, major public facilities, inward investments, waste management, transport, clusters or research and development can all become more effective and more economical when made in cooperation between actors within the wider metropolitan area.

By cooperating at metropolitan level on a wide range of issues, cities are fundamental for responding to major European challenges and for building:

- Smart cities: local economic development, knowledge society, territorial marketing, spatial planning, green growth, democracy and participation
- Sustainable cities: resource management (energy, water, land use, urban agriculture and food industry); waste management (sewage, industrial and household waste, noise and air pollution), public transport
- Inclusive cities: social affairs, housing, health services, culture, tourism, education, public safety, mobility

The geographical scope for regional cooperation usually varies from theme to theme. For example, public transport is related to travel patterns, whereas water supply is related to topography and even pipelines to distant reservoirs. Since different themes do not

necessarily cover the same areas, they do not need to be managed and coordinated by the same authorities or groups of authorities. Nonetheless, the functional urban area should provide an overall framework for resolving challenges relating to many issues that affect the metropolitan area as a whole.

Functional urban areas can thereby deliver effective and integrated approaches to sustainable development, through cooperation built on the relative strengths and inherent value of its different constituent parts. They provide a level, bigger than a city, but usually smaller than a region, for integrated planning, joint strategies and provision of services that work best across a large area. They thus provide a partnership framework for hub cities to cooperate with partners and surrounding municipalities.

Different approaches to the governance of metropolitan areas

Metropolitan areas differ across Europe in terms of function and size and clearly there is no 'one size fits all' definition. There are several examples across the EU – coming from very different member states

- of how territorial governance in urban areas can be strengthened through recognising and adapting to functional geographies. In some places formal institutions have been created, some with a political structure. This can be developed on the initiative of the local level (if allowed by law) or can be imposed top-down through administrative reforms. This is for example the case if the Stockholm region, or that of French "Communities" (Communautés urbaines, communautés d'agglomérations).

Functional area cooperation can also succeed without heavy formal structures. Indeed voluntary arrangements are often more likely to succeed, as they are usually based on shared trust and joint recognition of the needs of a particular area. In these cases, some form of loose organisational structures can help to bring together groups of actors. This voluntary approach is important to emphasise at a time when budgets are tight and there is no desire to create new institutions and structures. Examples can be found in association of cities in Poland, Dutch voluntary regional associations, etc.

In some cases strategic planning alone can serve as a catalyst for metropolitan cooperation as shows the Romanian example.

This shows that existing administrative regions and local government structures do not necessarily need to be changed, but they have to adapt to this functional reality.

What support could be provided by the EU and national level?

In order to link the functional and formal/administrative levels to each other, both national and European initiatives are needed to ensure a legitimate framework. On the one hand, national governments are in a key position to develop strategies to create the double hierarchy of administrative and functional levels in their country (taking the specific historical, economic and geographical contexts into account). On the other hand, metropolitan area cooperation processes would benefit from being supported at the European level.

Metropolitan area cooperation is of crucial importance specifically for the post-2013 cohesion policy discussion and in a broader sense for the future of European urban areas. The task at EU level should be to stimulate and promote the focus of member states towards a

model where cities cooperate with their surrounding areas, to support development of the basic principles and requirements regarding the different levels of a functional system, and create financial incentives towards the introduction of appropriate models.

It would be helpful to develop EU instruments and financial incentives, e.g. a Commission Communication and a set of Council recommendations, which could facilitate better recognition of and support for metropolitan areas. Also, the role of metropolitan areas should be fully recognised in EU funding programmes in general and EU incentives – e.g. pilot projects – that stimulate regions to strengthen metropolitan cooperation in the different member states would be welcome. Finally, knowledge and awareness about metropolitan areas should be developed through the relevant research and exchange programmes.

Conclusions

The accomplishments of functional metropolitan areas are increasingly important across most EU member states. In order to

develop common vision and strategies at this new scale, Cities all over Europe have created various forms of cooperation with their neighbouring authorities, as functional realities have outgrown administrative traditions, better and more effective solutions to new challenges are required. Highly performing functional urban areas are crucial not just for the local, regional and national levels, but also for Europe as a whole. They are essential drivers of national and European economic development. Strengthening the hubs does not come at the expense of their hinterland: it is a win-win process and not a zero sum game, so that stronger metropolitan areas should contribute to strengthening their component sub-regions and Europe as a whole. Acknowledging and harnessing the positive force of key urban areas, in close partnership with surrounding areas, can be to the benefit of all and help us achieve smarter governance, more sustainable policies and more inclusive impacts.

METROPOLITAN AREAS AND URBAN NETWORKING – PERI-URBAN EXPERIENCE AND BEST PRACTICE EXAMPLES

HILARY LOWSON [27]

Introduction

Our network, the Peri-Urban Regions Platform Europe is working for recognition of the potential of Europe's peri-urban zones in policy and programmes of the EU and is also a network for exchange of good practice.

What is peri-urban? 'Urban' does not stop - and 'rural' start - at the edge of cities, and peri-urban areas, which are usually located close to or between large cities, and which can be extensive, consist of a complex mix of urban and rural characteristics. Such areas are

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[27] PURPLE network

growing across Europe and display a range of development, infrastructure and land use features which reflect this mix of rural and urban characteristics. They host a wide range of activities and services. They are multi-functional, complex and crowded.

PURPLE members have a range of governance systems, some have strong regional level bodies, others are less important. Governance arrangements not only vary, they can be constantly in a state of flux. Competencies are spread among different bodies at municipal, local, provincial and regional levels and though each must play a part, communication and coordination is not always to the fore.

And peri-urban areas also need a relationship with their neighbouring or 'core' cities (which in the case of PURPLE members includes capital cities).

For such complex areas with important potential but also some very big challenges, it is very important to get a long term vision alongside some policy integration. Thinking beyond short political cycles is a governance challenge, but how else can we develop policies to meet long term challenges – food security, energy, climate change? In the crowed peri-urban zones we also need to be smarter about use of space and smarter about building and managing relationships.

Examples from peri-urban regions

These examples will indicate the sort of work being done within PURPLE regions to work towards long term sustainability and improve quality of life for all citizens. **I**t only gives a flavour of what is going on and perhaps will prompt more enquiries. PURPLE would welcome further dialogue and we are happy to put contacts in touch with relevant projects/initiatives and welcome new members to our network.

Frankfurt

The Regionalpark Rhein Main – now in its 20th year - is an example of open space management close to cities and large populations which is:

- **peri-urban** (implemented within some 25 km from Frankfurt and originally excluding Frankfurt),

- **multi-functional** (using existing publicly accessible field paths and integrating leisure use and agriculture, nature protection, arts and culture),

- **a planning instrument** (an advanced version of the Green Belts idea),

- **place making** (making open space accessible, mentally and physically),

- part of a long term strategy (and open for further development),

- **a multi stakeholder partnership** (public bodies from various tiers of government from Land to local, farmers, enterprises including the Frankfurt airport company as a main sponsor),

- **a good example of regional governance** (managed by a two-tier quango system, the "umbrella" company for strategic projects and co-financing, plus a set of sub-regional companies with between 3 and 12 shareholders, all of them public bodies).

www.regionalpark-rheinmain.de

There are similar examples from the Netherlands and Flanders where smarter open space management in the peri-urban areas can provide multiple benefits, strengthening the ties between cities and urban

populations and the surrounding green areas but also supporting agriculture, landscape conservation and nature.

Surrey Hills AONB – a nationally important landscape south of London.

Next a slightly different take on managing landscape and open space – this is in the UK. We are not talking about a park but a nationally designated '*area of outstanding natural beauty*'(AONB). Many people live and work here and many roads run to and across this area. There are large settlements – towns, commuter villages as well as farms, and of course it is very close to London. Managing access for everyone while maintaining the essential attractiveness of the area is a balancing act. Ensuring a consistent and comprehensive approach which satisfies the needs of a wide body of stakeholders is just one of the governance challenges.

Those involved in governance include:

- Public authorities with legal responsibility for road safety and signage

- Public planning authorities - including those which work across the London/Surrey borders

- Regional development bodies with an interest in promoting local economies and environmental sustainability

- Municipalities who want to preserve local quality of life

- Environmental protection agencies

They in turn all need to take account of the needs and wishes of:

- Local residents

- Visitors

- Interest groups concerned with particular leisure or sporting activities

- Local cultural preservation groups

http://www.surreyhills.org/Home.aspx

Île de France regional programme for peri-urban agriculture

This is a farming example. Between 10 and 30 kilometers around Paris, in its peri-urban 'green belt', 40% of the land is agricultural.

This area is under increasing pressure from urbanisation. Yet the agricultural land and open space encircling the city is a vital resource, sustaining both important food production and providing essential environmental and other services too.

Regional interventions to support this peri-urban agriculture began in the 90s. These have now grown and evolved into a specific strategy by the regional government with tools to protect agricultural space and forests, encourage farmers to stay on the land, to introduce new young farmers, encourage regional produce, development of short food chains and all this in the context of better environmental management overall and the promotion of organic farming. The Regional Council plays a vital role in initiating actions but also in involving other actors – natural parks, chambers of agriculture and including civil society.

Again this is a policy with multiple benefits - economic, environmental and social - for the urban and peri-urban populations in Île de France.

South Moravia **– a long term strategy for integrated public transport**

This is a transport example from the Czech Republic which shows how different governance levels need to work together from top to bottom. At the EU level, we have the system of trans-European routes which is gradually being completed. This is an ambitious EU-funded, Europe-wide vision to foster internal cohesion and improve accessibility.

The South Moravia region is playing its part in this vision and at regional and local government level, a new integrated public transport system is in place and is being grown and improved. This connects all the existing transport modes in the whole South Moravian Region as well as in its capital City of Brno and border towns with neighbouring regions of the Czech Republic and in Austria and Slovakia. An important aim is to improve quality of life and environmental sustainability from the city of Brno across the peri-urban zone and beyond. Obviously such initiatives put a charge on regional budgets and of course the full potential cannot be realised until the EU projects – transport corridors and nodes – are operational.

Ecological management of peri-urban natural areas and biodiversity in *Flanders/Nord Pas de Calais*

For the PURPLE network biodiversity is a key issue in our crowded regions where land fragmentation and urban sprawl put growing pressure on fragile natural systems. This example involves a project (BIPS) funded by the European Commission's Interreg IVA – cross border programme, and it involves a number of French and Belgian partners.

BIPS is looking at biodiversity in peri-urban areas from the point of view of increasing understanding and improving management and intervention. It is also looking at awareness raising and engagement with local populations – a '*what is happening in your backyard'* sort of approach. It involves:

- Setting up a transnational platform for exchange, demonstration and evaluation of methods for ecological management and organisation of natural and agricultural zones in peri-urban areas

- Multi-level governance with 7 Belgian and French partners (municipality, city, province, region, a development agency, and a land agency)

- Bilingual actions in education and awareness raising with the public, involvement of nature lovers, volunteers and

policymakers from Northern-France, Province of Hainaut and South-West-Flanders

- Thematic approach: the ecological garden, developing new management systems, and habitats

Conclusions

- Look for better policy integration, linked to a longer term vision

- Build relationships - urban/peri-urban/rural governance and the various stakeholders to avoid conflicts and develop mutually beneficial policies

- Use good networking to avoid re-inventing the wheel – look at existing experience in different sectors and different countries

- Fit peri-urban into your thinking!

PURPLE particularly valued the opportunity of the platform offered by this workshop. .

In trying to sort out effective governance models, new ways of working, smarter approaches and integrated policy making you could not do better than to work in peri-urban zones where everything comes together.

www.purple-eu.org

PURPLE Member Regions: Catalonia, Dublin, Flanders, Regionalverband Frankfurt Rhein-Main, Ile-de-France, Mazovia, MHAL (Maastricht/Heerlen, Hasselt, Aachen, and Liège), Nord-Pas-de-Calais, Randstad, Rhône-Alpes, South-East England, Stockholm, South Moravia, West Midlands, Wielkopolska, and Zealand Denmark.

EUROPEAN UNION

Committee of the Regions

Round Up

Workshop on the "Governance of Metropolitan Regions in Federal Systems"

Brussels, 20- 21 June 2011

Session 1: **Governance of Metropolitan Regions**

*Comparative Overview/Introduction***, Rupak Chattopadhyay**

The governance of metropolitan regions matters. The majority of the population will be living in metropolitan areas in the developing

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world by 2025. These zones gather a high concentration of people with different economic circumstances, and have the ability to bring local revenue and greater autonomy and responsibility. More than just driving national economies, metropolitan regions will account for 60% of global output by 2028. Consequently, this context produces a new way of thinking about growth, and means that innovation must be fostered in order to benefit from it. These areas act as magnets for immigration from rural areas in developing countries or from developed regions in other parts of the world.

As well as opportunities, there are negative aspects that have to be underlined. The development of metropolitan regions can lead to environmental damage, urban poverty, social exclusion and difficulties stemming from public services that are unable to cope with the increase in inhabitants.

Which layer of governance is most appropriate to tackle these issues? The metropolitan urban level appears to be best placed but has to face challenges. It often lacks power and is not sufficient due to the fragmentation between the numerous layers of governance. This dimension is characteristic of federalist systems, where complexity is combined with competition between the diverse entities.

Metropolitan regions offer value in terms of identity. When talking about Olympic sites, for example, people do not always realise they are located in a state – such as with Barcelona, Atlanta and Sydney. Who knows that Barcelona is in Catalonia? Metropolitan areas have a higher profile than regions.

Those cities go beyond borders. Metropolitan regions can span multiple jurisdictions – local, regional and State levels. There is an ever increasing demand for services in relation to migration and governance. The metropolitan regions' capacity to raise funds is often poor because their architecture is unconstitutional and they are located between the federal and municipal levels. It is difficult for them to operate where they do, and the architecture of governance should be revised and a unified approach to planning achieved. Italy and Switzerland are on the right track. There is also a question concerning the roles of metropolitan regions versus provinces: what is the appropriate place to integrate immigrants for example? The metropolitan regions need to be accommodated within State structures and equipped for the task in hand. The metropolitan regions have an important role to play in the economic wellbeing of the people.

Case study: Switzerland, **Daniel Kübler**

The metropolitan regions are a new level of governance that needs constitutional recognition. There are different approaches to metropolitan regions, but what is common is that urban areas are spreading, the amount of people living in metropolitan areas is growing and metropolitan areas are spreading to the various municipalities surrounding the core city. People are living in different municipalities to those in which they work.

In the case of Switzerland, metropolitan areas cross both national and canton boundaries. It causes particular problems. Institutional fragmentation of these areas is extreme. The core city has only little weight as only 30% of the inhabitants of the metropolitan region live in the central city and the remaining 70% live in the surrounding suburbs. The number of municipalities per 10 000 inhabitants is very high in Switzerland and the fragmentation index is the highest in the world. For example Zürich area covers 132 municipalities across three cantons. Institutional fragmentation raises questions in term of what local government covers.

There are three approaches for addressing the issues of metropolitan areas. One is institutional consolidation, which means amalgamating municipalities with the core city. This was common in Switzerland

until the Second World War but has not been prominent since. Nowadays there is no will for such amalgamation, because the core city has a poor financial situation while the suburbs are richer and reluctant to give up their autonomy.

Another type of solution is the elimination of financial disparities in order to offset centrality charges.

Intergovernmental negotiations can also help cooperation both horizontally and vertically. The federal government has accepted metropolitan areas as an area of concern and developed a strategy with three main instruments: the tripartite agglomeration conference and two funds, the innovation fund and the development programmes.

The tripartite agglomeration conference was established in 2001 to improve vertical coordination and cooperation on three levels: municipal, cantonal and federal. It should improve vertical trialogue to enhance policy coherence across territorial levels, providing strategic leadership on issues of metropolitan policymaking. The tripartite agglomeration conference has 24 participants – eight each from federal, cantonal and municipal levels. The municipal and cantonal representatives are politicians, whereas the federal

representatives are civil servants. The plenary meetings are held twice a year and decisions are made unanimously. The tripartite committee meets more often. The resources of the tripartite agglomeration conference are limited: there are only funds for logistics and ad hoc projects. The cantons receive 40% of the funds whereas the federation and municipalities receive 30% each.

Since 2001, the agglomeration conference has led to mutual adjustments. Researchers have contributed to the conference by pushing diverse reports adopted by the tripartite agglomeration conference on social policy, cooperation, immigration, territorial development, the relationship between urban and rural areas, international competitiveness, governance and public finance. The outputs of the conference have resulted in a valid tool aimed at easing relations without changing competencies and providing strategic leadership (on transport for instance) and mutual adaptation. These dimensions are the keystones for acceptance and implementation by stakeholders.

The weaknesses of the agglomeration conference include the democratic deficit of the intergovernmental approach with regard to its link to parliaments and implications for the general public. Unanimity can lead to paralysis through distributional conflicts such

as urban versus rural areas, and larger metropolitan areas versus smaller ones. Overall, the tripartite conference creates a climate of dialogue and a platform to deal with issues at the different levels of governance.

Case study: Italy, **Tania Groppi**

Ms Groppi focused the debate on the legal dimension of the metropolitan regions and how to implement constitutional reform in Italy. After the constitutional reform in 2001, Italy was divided into 21 regions, and is *de facto* a federal state. There is an asymmetric regionalism, where five regions have special powers and special competences are given to metropolitan cities. Above this, the central State guarantees the unity of the nation. Since the reform, the regions hold some residual legislative power in addition to the central State. Metropolitan regions are included in the reform, enabling more cooperation between municipalities, provinces, metropolitan cities, regions and autonomous entities. The local governments (provinces and municipalities) have uniform powers and functions, similar to the French tradition. The regions do not have powers over local government concerning the institutional framework, a competence

reserved for the national level. After 2001, they have the possibility to specify the allocation of functions.

The urban situation in Italy is particular. 65% of the Italian population lives in cities with 50 000 inhabitants. Out of 8094 municipalities, only 12 have more than 250 000inhabitants. 12 municipalities are involved in the process of setting up metropolitan regions. One case is Milan, which has a population of 1 million and produces 10% of the national output. The situation is nevertheless very different in different metropolitan areas.

The regional law of 1990 provided for a top-down process of distributing functions and gave a definition of metropolitan regions, while the 1999 law brought a different approach, with the national level changing the approach to a bottom-up one. The delimitation of metropolitan regions remained subject to the agreement of the municipal level, with the aim of establishing coordination with the municipalities and regions involved – a weak form of regulation in order to avoid resistance.

Since the new constitution of 2001, the implementation of both previous laws has been erratic. The 2009 law delegates fiscal federalism to the government, including a provisional scheme for

metropolitan cities. It establishes metropolitan areas' identification and establishment processes and metropolitan city statutes, functions and financing. So far it has not yet been implemented. The bill of 2009 identifies the metropolitan areas in which it is to be implemented. Establishment can happen in three different ways: a) main city together with the province, b) at least 20% of the province presenting at least 60% of the population or c) the province with 20% of the municipalities. Therefore a metropolitan area can be established without the main city's cooperation. Establishment should include the perimeter of the metropolitan city, etc. Metropolitan regions have the same functions as provinces.

There has been a lack of implementation of the metropolitan city law for the last 20 years because of conservation, lack of political will and conflictual relationships. Indeed, the reform requires the creation of a new inter-institutional power leading to competition between stakeholders.

There are two possible perspectives: either the likely scenario of non-implementation or that of implementation with the help of two factors (new fiscal autonomy in order to attract more funds or an incentive from the European Union requiring the Italian authorities to implement the reform).

Session 2: Infrastructure Planning and Financing

Comparative Overview/Introduction, **Enid Slack**

The main question of Ms Slack's presentation was how to plan and finance infrastructures when there are many different local governments in a metropolitan area. Good infrastructure planning requires a regional structure addressing cross-boundary issues and a wide range of fiscal tools. There are the following kinds of regional planning models: metropolitan government, strong role of provincial or State government, regional planning authorities or voluntary models. Financing can be secured by traditional tools such as taxes, user fees, grants and borrowing and non-traditional tools such as public private partnerships, value capture and development charges.

Taxes, such as property, income and sale tax, are mainly used for operating expenditure benefiting those who pay current taxes. They are a significant source of revenue for municipalities around the world although property taxes are not major in Europe.

User fees are best used when beneficiaries of infrastructure can be identified and non-users can be excluded. User fees are appropriate for water, sewage, garbage collection, highway improvement, public transport, etc.

Borrowing is appropriate for major infrastructure projects that have long-term benefits. Pooling of municipal debt can lower borrowing costs and facilitate cooperation among municipalities. Nevertheless borrowing costs may crowd out current expenditures.

Federal and State grants can be unconditional or conditional and encourage municipalities to work together on regional planning, reflect upper-level government ability to capture taxes in more ways than municipal governments but also distort local decision making processes. They are also often unreliable from year to year.

In parallel, non-traditional financing exists as public-private partnership (PPP), value capture and development charges. In public-private partnerships, the role of the private sector can vary from development to control and running of the project. It can tap into private sector strategy, expertise and experience and the competition can lower municipal costs and bring higher quality. There is a potential loss of control for the public sector and private

borrowing costs may be greater than public. Indeed, the private sector often brings more expertise than the public. There is a need for realistic allocation of risk between public and private sectors.

Value capture means that the increase in land value resulting from public investment is recouped by public sector and used for public sector purposes. Tax increment financing (TIF) is used widely in US jurisdictions. The increase in property tax increment can be put back into paying back the loans. The borrowing costs may be higher and there is an impact on other taxing authorities. The increment might not be as large as anticipated and there is a lack of transparency in some cases.

Development charges mean one-time levies on developers to cover the growth-related capital costs with new development. They can cover the cost of off-site infrastructure. The idea is that new growth pays for itself and does not burden existing taxpayers. Development charges can differentiate by type of property and by location, but they should be levied on a region-wide basis for region-wide infrastructure.

Good infrastructure planning therefore means planning that encompasses the entire metropolitan area and is undertaken on a

regional level. The funding comes from a large range of financing options from public to private sector and from diverse sources. Good infrastructure planning also encourages municipalities to cooperate.

Case Study: Belgium, Magali Verdonck

The institutional framework of Belgium consists of regions, communities and 19 municipalities. In Brussels there are about one million inhabitants and 371 000 daily commuters from outside the capital. The population is young and growing rapidly with a high birth rate and immigration. Therefore the population is also very diverse. There is both rich and poor immigration, but also urban flight where high-income inhabitants move out of Brussels. The context appeals for strong planning public services.

There is also a morphological agglomeration and a metropolitan agglomeration. The Conference of Mayors provides the framework for the multilateral capital region. Competences are linked to the territory, at regional level, such as urban planning, environment, public transport, fire service and garbage collection. Services are delivered across regional boundaries through bilateral discussions

and the Beliris cooperation agreement between the Brussels Capital Region and the federal government to promote the role of the capital.

53% of the public service budget is financed by regional taxes and 40% by federal grants. At municipal level, 42% of the budget comes from the local taxes levied while regional and community grants provide 47%. Brussels is underfinanced. Regional taxes are unrelated to economic activity, and the presence of many non-tax payers from international organisations increases the costs per capita of public transport, schools and hospitals for non-taxpayers, police, social aid and bilingualism. The situation is related to the national political crisis, other regions are unwilling to assist the Brussels Capital Region. The lack of solidarity for the hinterland leads to tax competition between the regions.

Case Study: India, V. N. Alok

Mr Alok started his presentation by discussing what is considered a metropolitan region and what is a mega-city: in the case of India, a mega-city is one with at least 6 million inhabitants. There are seven mega-cities in India. India is governed through union government

and 28 states plus seven union territories including Delhi. There are also about 250 000 rural local governments with 4 million elected representatives and three types of urban local governments. These data reveal the specific nature of the Indian administrative architecture that illustrates the variety of ethnic groups, languages and religions present in India.

Urban areas account for about 60% of the GDP of India, far behind China in the performance of the mega-cities. Thus, big cities are the engines of growth, and this will be a growing trend in the future as urban India will drive a near fourfold increase in average national income. Public transport accounts for only 22% of urban transport and only 20 cities have a city bus service. 70% of water leakages are from consumers and non-revenue water accounts for 50% of capacity. This reveals how ineffective the current planning system is.

Indian local authorities use different types of resources: property tax and other taxes, user charges for water, sewage, etc, borrowing from the market, vertical schemes from the central government, and devolution and aid grants from national and State finance commission for financing their activities.

The metropolitan planning committees need more resources to finance highly needed urban expenditure. Mr Alok suggested promoting the clarification of priorities among stakeholders, to establish planning policies and authorities. He also encouraged the linking of local plans in order to improve coherence. Capacity management should be enhanced through the expertise of think-tanks and institutions for urban planning.

Session 3: Metropolitan Regions and the Management of Diversity

Comparative Overview/Introduction, Nico Steytler

Diversity is a feature in every metropolitan region, but it can also be a fault line, where the government's reactions can impact positively or negatively. A large population size means diverse populations on different socioeconomic markers such as race, religion, ethnicity, language and nationality. While metropolitan regions are engines of economic activity and wealth, they are also hubs of migration within and without the country. Different kinds of communities form inside the metropolitan areas to manifest the identities assigned to them or

from themselves. Some countries have accepted diversity as a matter of principle, such as Canada, where in Toronto only 20% of the population is Canadian-born. South Africa receives a lot of immigrants from the rest of Africa, as a lot of people see it as a second choice after Europe.

This diversity can produce fault lines – undermining solidarity. One of the most prominent fault lines is the poverty-wealth divide. Metropolitan regions attract the poor and unemployed and they have a double face of both wealth and poverty. This can contribute to imbalance and the growing greed of the new elites and hopelessness of the poor.

There are mutually overlapping identities linked to the phenomenon of rapid urbanisation which lead to the assertion of the different communities that ultimately establish a competition of interests and xenophobia in metropolitan areas. A lot of people suffer from a triple disadvantage of poverty, identity and youth that makes diversity more pronounced, vocal and violent. These people have little to loose and are Molotov cocktails in the making.

How can governance manage diversity when growth does not respect rules? The citizens of the metropolitan area feel themselves

to be citizens of the city rather than of the particular municipality they live in (for example, the London boroughs and the 19 municipalities of Brussels). The key is to manage the magnetic impact of metropolitan governance by finding a balance between short- and long-term interests.

Ensuring inclusive cities is very important, but political boundaries can become barriers and diversity can become exclusion when the inner city remains poor and the suburbs get richer. The poor groups are excluded because they do not see ways to express themselves yet protest is part of engagement in politic system. The executive system is not inclusive as the larger the town, the less the participation of the masses.

Planning should happen at a local, neighbourhood level, where all communities can participate. There should be a transfer of powers between regional governments and city governments and appropriate policies for the recognition of ethnic, religious and racial diversity. There is too much focus on grants, infrastructure and not enough on the social dimension. Unfortunately, these policies have to walk a tightrope between enhancing the wealth of the city and the exclusion they might foster. Although metropolitan regions are economic hubs,

current observations indicate that their involvement in managing diversity seems weak.

Case Study: Germany, **Dirk Gebhardt**

The European Union set common basic principles on migration and integration in the 2004 regulation. In parallel, EUROCITIES built a charter based on similar agreements. However, policy debate on migration was often hijacked by populism and short-term political benefits, in contradiction to the need for a long-term integration policy which would take time to deliver. A conflicting strong claim on migration and integration between the federal and local level also affected the debate.

However, 2005 marked a turning point, and the reform allowed the federal State to intervene in integration policy. The national arena provided incentives, guidelines and objectives to the local level which was in charge of implementing and monitoring policies. Then, the federal State took the conclusions of the local level into account by adapting measures on an ongoing basis. Before the reform, Germany debated the question of immigration: was Germany an immigration destination? The answer determined the following

strategies on integration. In the middle of the decade, the federal State devised its first own integration plan which was the source of many inconsistencies. The federal level set up consultative bodies, as a substitute for citizenship. Then, the federal State created integration courses that competed with the local offering, allowing access to rights for migrants without legal permits and improving the system of skill recognition. These actions bypassed the local levels and created an irrelevant multi-level governance system for integration policies. It was also the result of delayed acknowledgement of immigration and of strong conflicts between political parties and levels.

Instead of competition, multi-level governance should be based on cooperation and shared responsibilities. Local and regional levels should be allowed scope for adaptation should. The degree of responsibility should also match funding, including EU aid. Broad political alliances based on common objectives could tackle political conflicts. EU policies such as the Europe 2020 strategy could also be used as a framework for integration policies.

Case Study: Spain, **Mario Kölling**

Spain is divided into 17 autonomous communities, 57 provinces and 8 116 municipalities. Spain also has 11 metropolitan areas, with the main ones being Barcelona and Madrid. Spain is a country with significant immigration – almost 6 million immigrants are currently present. The migrants come mainly from North Africa and South America.

The first immigration law was implemented in 1985, emerging as an administrative issue in the 1990s and as a political issue in the following decade. The reform brought a new administrative responsibility to the different levels of governance. Power is shared among the different levels. The central State devises a common framework and then transfers guidelines to the autonomous communities, provinces and municipalities. The lower layers of governance are the responsible authorities. The main challenge is coordination between the autonomous communities. Indeed tensions exist between autonomous communities and local authorities when they each develop their own plans independently. The fields concerned are education, health, housing, social benefits and expanded national standards. Most communities have developed intercultural programs with no comprehensive policy. City councils have no responsibility for financing immigrant groups and language

training. Many other obstacles prevent the success of immigration policy in Spain: weak regulation, lack of flexibility in management, insufficient human and material resources. The financial crisis heightened difficulties by drastically reducing funds.

Immigration policies should take into account an integrated approach, and a multidimensional approach to immigration, promoting equal treatment and awareness. 30% of resources should go to the local level. The management of diversity is a question which has only recently arisen, and has been processed without any clearly defined policy.

Session 4: **Integrated urban governance in metropolitan areas – the EU vision**

Wladyslaw Piskorz - *Integrated metropolitan governance*

- Territorial cohesion ensures harmonious, sustainable and polycentric development enabling citizens and businesses to make the most of the inherent features of different territories, to benefit from and contribute to European integration and the functioning of the Single Market wherever they happen to live or operate.

- There is a need to reconcile competitiveness, cohesion and sustainable development at all governance levels, across sectors and administrative borders.

- The important challenge is the way territorial cohesion is implemented: work started with the European Spatial Development Perspective (1999) that defines principles of development in the EU area. Milestones were also reached with the Leipzig Charter on Sustainable European Cities (2007), underlining the concept of "Acquis urbain".

Territorial Agenda 2020 - six territorial priorities:

1. Promoting polycentric and balanced territorial development

2. Encouraging integrated development in cities, and rural and specific regions

3. Territorial integration in cross-border and transnational functional regions

4. Ensuring the global competitiveness of regions based on strong local economies

5. Improving territorial connectivity for individuals, communities and enterprises

6. Managing and connecting the ecological, landscape and cultural values of regions

◦ Shared European vision of urban development: explicit agreement on values and overall objectives concerning the character of the future European cities, the principles on which an ideal European city should be based and the principles of urban development in the European territory.

　◦ Europe-wide consensus on: specific urban objectives and values, how these objectives should be attained, the

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instrumental role cities can play in implementing Europe 2020.

○ Places of advanced social progress, platforms for democracy, cultural dialogue and diversity, places of green, ecological or environmental regeneration, places of attraction and engines of economic growth

Shared European vision of territorial development:

- Balanced economic growth, balanced territorial organisation, polycentric urban structure, good accessibility to services of general economic interest, compact settlement structure with limited urban sprawl and high level of protection and quality of the environment.

- Integrated approach to challenges: cannot be addressed individually, interrelations and contradictions need to be properly understood.

- Do not respect administrative borders – need to be formulated to concur with our overall objective of sustainable territorial development with liveable cities all across Europe.

- Governance is a key challenge.

- Administrative city needs to be replaced by flexible functional geography, urbanised space.

Implications for Cohesion Policy:

- Reinforced territorial dimension of programming, better consistency between policies with territorial impact, more strategic and flexible territorial cooperation, improved territorial knowledge-base.

Strengthening the territorial dimension of programming

- Common strategic framework including a territorial chapter, priorities for urban dimension, local development, functional geographies.
- Development and investment partnership contracts including a territorial chapter, set up, list of cities where integrated actions are planned, urban-rural functional interdependencies.
- Operational programmes, including a territorial chapter: describing urban system of the region, cities concerned by urban actions, functional geographies: urban rural linkages, areas with specific geographical or demographic features.

- Greater flexibility, reinforcing partnerships, experimental approach for integrated local development in diverse contexts, more sub-delegation, global grants, support for local partnerships.

- Better coherence between policies with territorial impacts – common strategic framework, development and investment partnership contracts.

- Reporting aligned with the EU 2020 governance cycle, regular debate in relevant council formations including territorial and urban monitoring.

- Inter-service groups for territorial cohesion and urban development.

- Better use of existing EC impact assessment guidelines, to take territorial dimension into account.

- Territorial impact assessments in the EC.

- Enhanced interaction between different levels – metro regions, cities, municipalities – more use of a spatial planning perspective, incentives for metro governance.

- Encouraging experimental approaches, flexible approach in pilot areas.

- Visibility for cities in cohesion policy – recognition of role of urban administration.

- European networking support – integration of URBACT.

Christian Lefevre -
Three major considerations:

1. All metropolitan areas are fragmented.
2. Metropolitan fragmentation is not an issue but a constraint to be addressed, the issue is the existence of conflicts among players, which are not regulated.
3. Globalisation and decentralisation are two major processes which contribute to the development of conflicts between players in metropolitan areas.

To govern a metropolitan area means to produce policies aiming at tackling metropolitan problems and to orient economic and social development through strategic action.

- There are contradictory needs concerning infrastructure in metropolitan regions. For example, the same tracks might be needed for an express train to the airport and a local train that stops at each station: decisions have to be made and not everybody can be pleased.

The main challenges regarding metropolitan governance include:

- Producing and legitimising a vision of the future of the metropolis and strategies to support this vision.
- Managing and making the most of the diversifying metropolitan population.
- Making the metropolitan area a legitimate political level → all are sources of conflicts!
- Political level not politically contested
- Conflicts because of challenge to original powers
- Including among players those with the necessary resources to draw up the vision and resulting strategies.
- The diversity of the metropolitan population is a resource for metropolitan areas. Therefore, the governance system should encourage the economic and political integration of this population.
- Scale of policies should change and become metropolitan.
- Governance system should allow for the development of instruments and arrangements to reduce conflicts and achieve cooperation between players.
- Important to get the support of the State → legitimacy, legal, political, financial resources.

The role of the EU is to legitimise the metropolitan level through metropolitan-oriented initiatives and by favouring metropolitan-wide policies in its financial support, placing pressure on the Member States to legitimise metro areas in their policies.

Evert Meijers – *Integrating the 'fragmented' metropolis:*
- There are multiple urban cores and a lot of small and medium-sized cities in the world that are important in the global scale.
- Multicentric or polycentric areas such as the Flemish diamond, Randstad in the Netherlands or the Rhein-Ruhr area in Germany have characteristics such as local government fragmentation, strong functional relationships and a daily urban system.
- The biggest polycentric area is the Pearl River Delta in China, and there are 10 emerging areas in the US.
- Developing synergies – exploiting joint critical mass to achieve advantages of scale.
- Involves governance/planning on a new spatial scale, with new starting points, new strategic objectives – local

government fragmentation, absence of formal institutional frameworks, discordant multiple identities and cultural differences, functional rationality often not uncontested.

- Polycentric metropolitan regions are also beneficial! Potential includes: capturing resources from higher government, addressing issues on the scale at which they can best be addressed, which is often the regional rather than local scale, pooling resources to share facilities and services, develop and exploit complementarity, develop and maintain higher-level urban functions, position and market the region better (inter)nationally.

- If cities are functionally specialised, it can lead to complementarity; while sectoral specialisations generally diminish, functional specialisations increase.

- Spatial structure affects performance – the more polycentric, the less specialised amenities are present.

- As polycentricity increases, so does labour productivity, while agglomeration economies decrease.

- Apparently, the lack of agglomeration economies is more than offset by the lack of agglomeration diseconomies.

Three dimensions that may act as inhibitors or facilitators:

1. Functional dimension – there must be strong functional interdependencies and a clear benefit from doing things together.
2. Political-institutional dimension: common and shared interests, attitude and vision of politicians and administrators, leadership.
3. Cultural dimension: common culture, cultural divides, regional identity – a feeling of belonging together.

<u>Metropolitan areas and urban networking</u> – *case studies and good practices*

Jürgen Göddecke-Stellmann – *introductory remarks*

- The BBSR in Bonn has devised an empirical research programme to study metropolitan functions and distribution in Europe. They have a new approach.
- There is a Europe-wide observation without any regional constraints with regard to the location of metropolitan functions.
- They have also reformulated the concept of metropolitan functions, and have specified five functions: politics,

economy, science, transport and culture.

- There are more than 8400 locations with metropolitan functions in Europe: it is widespread, although there is a concentration from south-west England along the river Rhine to northern Italy.

- Metropolitan functions can also be found outside urban areas.

- There are 184 peaks in metropolitan density in Europe.

- The accessibility model shows how long it takes to travel to the core of the metropolitan area from its surroundings.

- Consistent and comparable Europe-wide approach, evidence-based understanding of the concept of metropolitan regions in Europe, more realistic view of the European urban system, identification of different types of metro regions, input for further discussion with regard to the concept of European metro regions in Germany and also in the European context.

Thierry Baert – *Lille métropole*

- Mr Baert represents Eurocities, a group of 130 cities all over Europe.

- There is a metropolitan working group that brings together 35 cities.

- Cities are at the forefront of European challenges and there is a "metropolisation" process, where metropolitan areas do not only concern metropolitan cities, but smaller cities as well.

- There is an increasing mismatch between the real city and political definitions, fast-moving urban reality, new relationship between urban and rural areas, relative failure of top-down attempts to redraw boundaries.

- Policies should be developed on the most effective scale: no one-size-fits-all definition

- There are different possible interpretations of metropolitan areas: morphological urban areas, functional urban areas, broader economic areas, wider rural-urban regions – metropolitan areas are hubs for their regions.

- Resources of local authorities should be pooled as size matters and metropolitan scale is better.

- Negative effects of competition between local authorities and mismatches in the taxing system should be avoided and citizens and businesses should be provided with relevant services.

- Different approaches to metropolitan governance include: structured, pre-defined fixed boundary metropolitan area organisation, flexible and/or bottom-up models of territorial

governance and innovation in metro areas through strategic planning.

- Linking metropolitan areas to formal administrative structures – not a matter of unravelling existing regions – there should be governance arrangements rather than new government units.

- There is a need for innovation and adaptation to local/national contexts, ensuring coordination at metropolitan level, shared responsibility.

- Support from the EU and national/regional levels should take into account the following: barriers to effective metropolitan area cooperation should be identified and removed, funds, development and partnership contracts, new regulations should foster and support integrated planning

Hilary Lowson – *the case of peri-urban regions in Europe*
- Peri-urban refers to the fast changing area between rural and urban areas. Both urban and rural features co-exist in peri-urban areas that are functional, crowded and economically successful with a high quality of life and regional identity.

- What the peri-urban areas need is: a relationship with their cities, a long-term vision, to be smarter about building, etc.

and open space management.

- Good examples of peri-urban management are the Rein-Main Regional Park around Frankfurt am Main in Germany, the Surrey Hills near London and the Ile-de-France green belt around Paris.

Good practices:

- Look for better policy integration, linked to a longer term vision.
- Build relationships – urban/peri-urban/rural governance and the various stakeholders to avoid conflicts and develop mutually beneficial policies.
- Use good networking to avoid re-inventing the wheel – look at existing experience in different sectors and different countries.

Ronald van Spaendonck - *Union of Capitals of the European Union (UCEU)*

- The UCEU (Union of Capitals of the European Union) was created in 1961 to preserve continuous links between the European capitals and to encourage communication between inhabitants in order to develop the feeling of European solidarity.

- The UCEU conducts studies, organises meetings and promotes the economic, social and cultural progress of the citizens of the capitals of the European Union.
- There are also exchanges of experience and documentation.