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# New Perspectives on Intergovernmental Relations

Crisis and Reform

Sabine Kuhlmann  
Martin Laffin  
Ellen Wayenberg  
Tomas Bergström

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Sabine Kuhlmann • Martin Laffin  
Ellen Wayenberg • Tomas Bergström

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## Praise for *New Perspectives on Intergovernmental Relations*

“Intergovernmental relations is a constant focus of academic attention, for the reasons explored in this excellent new book from the EGPA Study Group. Whether we refer to it as intergovernmental relations or multi-level government, it is an important element of understanding governance (especially good governance) and the role of different levels and their relationship to each other. Most of all it is about people and institutions. In European democracies it is the arena for discussions and negotiations around policy making and service delivery between governments and their rapidly changing societies. The leading academics who have delivered this important new book provide a greater understanding of these issues and deserve to be widely read.”

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“Complex and convergent crises are placing unprecedented pressure on policy-makers and the institutional systems in which they operate. This book is an engaging resource for those seeking to better understand the function and management of intergovernmental relations amidst such crises. From migration and pandemics to climate change and technological advancement, readers will be able to connect the book’s methodologically and geographically diverse insights to the imminent and politically salient policy challenges that characterize this turbulent moment of history.”

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—Gabriela Lotta, *São Paulo Business School der Getulio Vargas Stiftung, FGV-EAESP, São Paulo, Brazil*

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## CHAPTER 1

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# Introduction: A Policy-Focused Approach

*Martin Laffin, Ellen Wayenberg, Sabine Kuhlmann,  
and Tomas Bergström*

## INTRODUCTION

This book aims to contribute to our theoretical and empirical understanding of comparative intergovernmental studies and public administration during a period of increasing political, social, and economic crises. These

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crises have meant that, over recent years, those involved with intergovernmental relationships (IGR) have had to cope with new challenges and manage often unprecedented tensions between levels of government. In particular, new and emergent issues have arrived on the political agenda. These issues create present or looming crises in government and wider society—such as over disease control (such as Covid-19), mass migration, and climate change. They pose new and complex governance challenges, and place strains on the political responsiveness, policymaking capacities, and operational capacities of existing European substate political-administrative institutions. These unprecedented challenges necessitate a critical examination of the prevailing assumptions that underpin contemporary studies on European substate government and intergovernmental relations (IGR). This book provides such an examination through applying a policy-focused approach (Hacker & Pierson, 2014). This approach departs from the conventional institutional-focused approach, prevalent in past comparative European intergovernmental relations studies, which seeks to explain contemporary IGR arrangements predominantly in terms of the persistent and dominant influence of political-institutional, structural legacies (e.g. Loughlin et al., 2011). In contrast, the policy-focused approach contends that the structures and processes of IGR are best understood by analysing how specific policy issues are navigated by actors.

The policy-focused approach begins from the assumption that how policy actors strive to wield ‘power for a particular substantive purpose’ shapes IGR (Hacker & Pierson, 2014, 643). Thus the actions of policy actors and changing IGR structures should be analysed in terms of how and why particular types of policy issue attract or involve the suppression of actors’ participation within a particular political arena. This approach builds upon Schattschneider’s (1960/1975) fundamental insights into the relationships between conflict dynamics and the organisation of territorial politics. It stresses how local government and IGR across Europe have to adapt to successive crises as new issues have surfaced on the political agenda. These issues pose new challenges in terms of the responsiveness and effectiveness of existing political-administrative institutions, necessitating an examination of the dominant assumptions underlying contemporary studies of European local government and IGR. Consequently, our policy-focused approach leads us to examine the contrasting ways in which particular policy issues shape, and are shaped by, IGR structures and processes.

Our Schattschneiderian starting-point is the assumption that powerful actors maintain their positions of power through their management of conflict: ‘All forms of political organization have a bias in favour of the exploitation of some kinds of conflict and the suppression of others because *organization is the mobilisation of bias*. Some issues are organized into politics while others are organized out’ (Schattschneider, 1975, 69; italics in original). Schattschneider’s key insight is that when new actors enter the political arena, their involvement changes the scope of conflict and, consequently, policy outcomes. Thus policy outcomes depend on the extent to which the powerful are able to manage participants and even exclude new participants, who are seeking divergent policy change, and include just their own actual or potential allies.

In this book we identify some recent issues which pose serious, and often unprecedented, policy challenges for actors at different territorial levels. In particular, the book asks whether, and to what extent, these issues create new political dynamics which affect the power balance embodied within countries’ vertical and horizontal dimensions of inter-governmental coordination. As the starting-point for comparison, we identify three types of IGR policy process—centralised, conflicted, and multi-layered policy processes—a taxonomy we originally identified in an earlier comparative study of IGR and Covid-19 across European countries (Bergström et al., 2022).

### CENTRALISED POLICY PROCESS

A centralised policy process is characterised by central government dominance and the exclusion of substate governments from effective participation at the central level. It is widely acknowledged, in the IGR literature, that substate governments are seriously weakened if they lack (a) proper constitutional recognition and protection of their discretionary powers. But there is less recognition of the significance for the balance of powers in IGR systems of (b) the rights of substate governments to territorial representation within the legislative and/or the executive branches of their national governments (note that Goldsmith and Page stress the significance of ‘access’ to the central government 2020, 1). (c) It is less often acknowledged that local governments’ capacity to mobilise politically to resist the centre depends on the political system. In particular, a two-party political system, based on social classes in a parliamentary democracy (such as in England), does have many strengths as a decisive governing

mechanism (Rosenbluth & Shapiro, 2018). But such entrenched party systems tend to strengthen central institutions and marginalise substate actors. Indeed the post-war growth of the two-party system in England has largely eliminated independent, non-partisan councillors within local government. Moreover, (d) local governments face greater collective action problems in organising against central governments, the greater the number of local governments and the more diverse their interests (Cigler, 2012; de Widt & Laffin, 2018).

The often acclaimed strengths of a centralised and two-party system—faster policy responses and coordinated, coherent policy responses across functional divisions—are attenuated to the extent that the subnational levels are denied effective access to the central political and bureaucratic elites, thus reducing the feedback information flows to these elites. Overly centralised policy processes, too, tend to lower incentives for central elites to consult locally and to seek local knowledge. The English central-local government relationship is a prime example of such a centralised policy process.

### CONFLICTED POLICY PROCESS

A conflicted policy process is one characterised by contested and disorganised IGR in which even the rules of the game are uncertain and mutual distrust renders communication difficult between the central and devolved governments. Substate governments may have some rights of representation and consultation and some capacity to mobilise against the centre through political channels. However, if there are no agreed and effective conflict resolution mechanisms, such mobilisations tend to add to the disarray of IGR. Thus an IGR system may be devolved formally but lack vertical IGR pathways through which tensions can be resolved. As the current authors have stressed (Bergström et al., 2022), prolonged and unresolved conflicts are conducive to policy failure.

### MULTI-LAYERED POLICY PROCESS

Multi-layered policy processes are characterised by limited conflict between the layers of government. Conflicts can generally be managed mutually as long as the power balance between the central/federal and the regional/local levels remains symmetrical. The key to sustaining this balance is for the substate levels to have formal access to, and rights of representation, in

the policy process at central/federal level, often through membership of a legislature, and that formalised IGR institutions exist to pre-empt or resolve conflict. The access and rights involve agreed rules of the game, particularly mutually accepted mechanisms of issue resolution, and are usually underpinned by substate governments having the capacity to lobby central policymakers. Consequently, actors at the central/federal level have to work within, and accept, a constitutional and administrative system in which interests at all governmental levels underpin a mutually accepted balance of power. Thus Bergström et al. (2022), in their review of how countries coped with Covid-19, concluded that countries whose IGR processes were predominantly multi-layered tended to take an orderly approach to coordinating crisis mitigation compared to those countries where IGR processes were centralised or conflicted. In other words, more equally balanced relationships tend to create incentives for both sides to prefer consensus to dissensus.

## POLICY-FOCUSED APPROACH: NEW ISSUES AND CHANGING IGR PROCESSES

In exploring the policy-focused approach, the contributors were asked to reflect on four policy issues of contemporary relevance—the Covid-19 pandemic, migration, climate change, and digitalisation. All these issues have recently surfaced within contemporary European polities with some urgency. They raise politically, socially, and economically disruptive questions with implications for the role of devolved governments in policy formation and service provision. In particular, they pose pressing redistributive issues relating to potentially large transfers of resources between groups of people—Covid-19 (from the healthy to potentially sick), migration (from locally established citizens to new migrant arrivals), and climate change (inter-temporally, from present to future generations).

The contributing authors have been asked to respond to these three questions. Firstly, how have emerging, and potentially disruptive, issues been managed within the existing political-administrative IGR structures? These structures represent the institutional residues of the post-war development of the modern welfare state, built around the particular service delivery priorities involved in the construction of that state. However, as new issues have arrived on the political agenda, they present policymakers with pressing questions over the continued relevance and capacity of these legacy structures. At least some of these contemporary issues demand new

policy responses and even administrative redesigns which challenge existing administrative structures. Consequently, these cases show how policy-makers seek to adapt to the tensions between new issues and the structural legacies of the post-war welfare state.

Secondly, how far has the recent emergence, or re-emergence, of territorial politics changed IGR? Much of the literature on government in Europe stresses strengthening regional identities and the demand for greater autonomy for some regions (e.g. Keating, 2013). The logics of service delivery chains can be in tension with strong territorial identities. These tensions tend to make IGR processes more conflicted, especially during public health crises and worsening economic pressures. The question becomes: how are central governments responding to the new challenges to existing territorial coordination arrangements?

Thirdly, is the delivery of public services moving towards greater reliance on informal, network governance types of coordination mechanisms rather than that of traditional, bureaucratic coordination? In other words, are declining, formal IGR institutions being replaced by new, informal network governance systems (Anselm & Torfing, 2021, Chap. 1, Bergström et al., 2021; Denters & Rose, 2005; Rhodes, 2007)? The book will contribute to this debate over whether formal governmental institutions—at central, regional, and local levels—are losing their once dominant role in direct service provision to ‘self-organising’ networks.

The next section reviews the nine case study chapters, summarising their main points and the final section reviews the lessons learned.

## ENGLISH CENTRAL-LOCAL RELATIONS AS A CENTRALISED POLICY PROCESS

The first chapter takes English local government as a single case given its value as a telling, paradigmatic case of a centralised government. England exemplifies a centralised policy process in which local governments are subject to very extensive, and also sporadic and often uncoordinated, central government supervision. The continued extension of tight central control reflects English local governments’ deficient constitutional protections, lack of significant access to and rights of representation within central government, severe collective action problems, and limited capacity to mobilise countervailing bargaining power against central policymakers. Indeed, the present right-wing Conservative government has been able to

severely cut local government spending during 13 years of austerity and intensified a re-engineering of the role of local government away from the post-war model of state service delivery, with no significant opposition.

Laffin and Diamond argue that this over-centralisation is producing the conditions for an existential crisis for local government in its traditional form. Successive Westminster central governments have failed to create a sustainable policy framework for central-local relations. Since 2010 the government has cut back on local government spending to a much greater degree than central government. This fiscal crisis has been compounded by a governing crisis as local governments are re-engineered away from their original, post-war high discretion role in welfare state service delivery towards a role closer to that of being simply agents of the centre. The third element of their existential crisis is a policy role crisis. Local authorities have lost significant parts of services and entire services through reorganisations, privatisation, and service shifts to the voluntary sector. Councils are left with fragmented powers and are becoming attenuated service delivery bureaucracies with a dwindling capacity to support a policy planning role. Moreover, the major cities and conurbations now have directly elected mayors, whose main rationale is sub-regional economic development. The policy and administrative relationships between these city mayors and the councils, within their city-region, remain poorly defined. Meanwhile, the peculiarities of the English political system continue to create a political system with a unique combination, in comparative terms, of strong incentives for government ministers to compete with supposedly ‘reputation-enhancing’ innovations and to ‘hypo-innovate,’ rather than build on existing institutions (Moran, 2003).

## COVID-19 AND PUBLIC HEALTH

The Covid-19 pandemic proved to be a telling test of the state of IGR across countries and it sheds light on how IGR systems responded under pressure (Bergström et al., 2022). The speed and urgency of the public health response, which only marginal protest groups attempted to resist, over-rode institutional boundaries and administrative traditions across Europe. Baldersheim and Haug open the review of Covid-19 with their analysis of the five Nordic countries. Covid-19 placed these stable, well-established local governments under considerable strain. At least initially, the urgency of the crisis triggered a centralising response. The central or federal authorities struggled with uncertainties over the speed of

contagion, the need to make up time to compensate for their lack of preparedness and yet ensure equality of treatment across localities. Meanwhile, more ‘place-sensitive’ policies took a backseat. Significant differences emerged in the intergovernmental management of public health across the five countries. Finish and Norwegian municipalities enjoyed strong and independently exercised public health powers during the pandemic. In Denmark and Sweden the presence of regional authorities represented a further dimension, but as key providers in health delivery they already had more extensive powers than local authorities. In the initial phase, the Danish central government did centralise, taking over the powers of the regional health boards, but once the initial pandemic phase passed, central-local relations reverted to the previous, more multi-layered relationship. Notably, in Sweden central policymakers followed the unique Swedish non-interventionist approach which was strongly influenced by central government’s medical advice. Consequently, central policymakers did not fully engage with the devolved government structures until later into the pandemic. Iceland, given its small population size, necessarily ran a centralised delivery and policymaking system. Nonetheless, as Baldersheim and Haug argue, over the pandemic period, the shared Nordic traditions of political culture and public administration were re-asserted after the initial policy response. Accordingly, actors at all levels reverted to a more consultative and consensus-building style. Thus the dominant pattern was that of multi-layered governance or cooperative decentralisation.

In their account of Belgium during the COVID-19 crisis, Descamps and Smolders argue that Belgium’s history of political dissensus did not create a conflicted IGR policy process, contrary to what might have been expected. Indeed the initial response by the national political leadership was to centralise. They turned to the National Security Council, a body created to deal with national-level emergencies and, consequently, dominated by federal level ministers. However, as Descamps and Smolders stress, ministers abandoned this centralised process towards creating a multi-layered process, allowing greater local discretion. They used the NSC less and instead reinvigorated the Concertation Committee, a multi-lateral body of federal and regional ministers which previously had met largely on an ad hoc basis. At least partly through this body, the political elites from the various communities were able to reach a workable consensus to ensure a consistent and effective, national policy response that largely overcame the underlying institutional fragmentation.

Descamps and Smolders develop their argument that Belgium pursued a multi-layered process through an analysis of local government finance in Flanders. In its initial response to the pandemic, the Flanders government initially switched its funding model towards a greater reliance on conditional grants. However, during the pandemic it reverted to the previously, heavy reliance on a decentralised approach involving unconditional grants. A key reason for this reversion was regional policymakers' perception that local governments had responded effectively to the pandemic crisis so that tighter supervision of local government through conditionality had ceased to be necessary. Notably, both Belgium and the Nordic countries illustrate countries in which central policymakers initially asserted control but then loosened these controls, creating multi-layered processes, as they found they could achieve their public health objectives through maintaining a cross-governmental consensus on the policy response to Covid-19.

## MIGRATION

Mass migration in many European countries has created new IGR strains. Yet, as Oehlert and Kuhlmann point out, no systematic, comparative research is yet available on the inter-administrative coordination of migrant services in multi-level IGR systems. Rather the focus has been predominantly on the political decision-makers and their relationships. Consequently, Oehlert and Kuhlmann examine how IGR in countries, with different administrative traditions, responded to mass migration given the need to develop a cross-cutting response as migrant integration failed to match with the existing division of services within established welfare state structures. Significantly, of course, local citizens tended to see migration as imposing costs on local administration with few counterbalancing benefits. Consequently, local elected and appointed officials have had to develop a policy narrative to justify their decisions in terms of a mix of altruism, expediency, and transience, and sometimes try to allocate blame to policymakers further up the IGR ladder.

Oehlert and Kuhlmann contrast the policy responses across France, Germany, and Sweden in terms of how the inter-administrative elements of IGR have shaped those relationships and underpinned an IGR power balance. All three countries, particularly Germany and Sweden, have faced comparable political and service provision pressures from the rapidly increasing numbers of asylum seekers arriving within their borders. In their analysis of the 2015–16 migration crisis and subsequent



developments, Oehlert and Kuhlmann argue that the underlying administrative traditions, baked into inter-administrative relations (IAR), underpinned a consistent IGR response despite the new political strains imposed by migration. Even so, with similarities to Baldersheim and Haug's findings in the Nordic countries on their Covid-19 response, Oehlert and Kuhlmann find that the intergovernmental approach in their three countries was characterised by a flexible, multi-layered process that allowed local governments adequate autonomy to provide supplementary services and otherwise support migrant integration. They detect few pressures towards policy instrument convergence. Rather the long-standing administrative traditions shaped the local policy response in the three countries—in France 'the Continental European Napoleonic,' in Germany 'the Continental Europe Federal,' and in Sweden 'the Nordic' administrative traditions (Kuhlmann & Wollmann, 2019). For example, the shift in recent years towards contractualisation as a policy instrument in French central-local relations (a partial break with traditional bureaucratic links) in practice was less centralising than it initially appeared. For it did allow local initiatives comparable to those occurring locally under the particular funding regimes of the German Länder. Moreover, local actors enjoyed significantly more local freedom of action than is often allowed for in administrative traditions theory. Even in traditionally statist France, the strong central state's policy response on migration permitted significant, informal flexibilities for municipalities around migration integration. But these flexibilities largely reflected established public administration traditions and bureaucratic-technocratic actors, which constrained the influence of central political actors. Meanwhile, Swedish municipalities have continued to be key players in integration management and to retain their reputation for high levels of autonomy (Ladner et al., 2019, 346), again often acting independently of central government.

Rauhut and Kettunen review the migrant integration experience in Sweden and Finland. Again they begin from the tension, identified earlier, between services structured around the post-war welfare state and the new imperatives required by migrant integration, particularly for a new, cross-cutting response. They identify a syndrome of overlapping and ill-defined service jurisdictions creating problems of 'too many cooks spoiling the broth.' They are referring to how the particular responsibilities for aspects of a new policy problem tended to become dispersed across several service boundaries, thus producing inter-service and intergovernmental conflicted policy processes. Coordination was weakened and pre-existing conflict

resolution procedures weakened. At the same time local authorities usually had difficulties in containing the escalating costs of resettling migrants. Consequently, central governments, as did the Finnish and Swedish governments, avoided making open-ended commitments to cover costs and use strategies, such as insisting on time limited expenditure, to cap the extent of costs falling on the central government. The subsequent financial burdens falling on local government tended to create, and exacerbate, redistributive issues between settled local populations and the newcomers, and so contributed to inter-community tensions. Thus, what had been a multi-layered process became a conflicted process.

Such tensions, based in perceptions of present and prospective redistribution, have led to political change. After the 2022 riots in Sweden against migrants, the centre-right coalition entered power and abandoned the once iconic Swedish multicultural project rooted in the Swedish Social Democratic tradition. Official tolerance of migrants has fallen and immigration controls have tightened. Similarly, Finland has limited immigration, again after a centre-right coalition entered power (in 2023). As Rauhut and Kettunen point out, these rightward political shifts, compounded by new austerity programmes, have disrupted local migrant language provision. In both countries, as central support was withdrawn, local governments were left to ration out migrant services, and determine how far and where to support migrant education with no central guidance amid falling, local voter support for migrant support services. Meanwhile, in both countries the central governments have resorted to input strategies to control how migrant education was funded—regulating funding through specifying resource inputs, such as funding particular language courses, rather than outcome measures such how many migrants achieve a workable language fluency. At the same time, services were further weakened as greater privatisation meant that the new contractors tended to skim off the more promising clients. Thus the relatively powerless municipalities were left with escalating costs, unhappy local taxpayers, and an unresponsive central government.

The story of the refugee crisis in Poland has been rather different. Crises are frequently revealing as actors are compelled to break out of the usual routine negotiations and consultations. Wojtowicz argues that both central and local governments showed considerable adaptability in the face of the refugee crisis when 2.5 million Ukrainians fled to Poland, fleeing the Russian invasion of Ukraine. Moreover, events in Poland challenged the expectation that a more centralised, top-down response would necessarily

be provoked by a crisis, particularly in a unitary state like Poland. Of course, too, in Poland effective local self-government had only emerged during the 1990s with a tripartite division of Poland into regions, municipalities, and counties. At the regional level, directly elected regional authorities work with centrally appointed governors (*voivodes*) who represent the central authorities at the regional level. Meanwhile, county- and municipal-level local governments are directly elected. Although after 2015 the right-wing Law and Justice Party (PiS) strengthened central control leading Poland to show the greatest reduction in the Local Autonomy Index score per country between 2015 and 2020 (Ladner et al., 2019).

Despite this growing centralisation, local governments did take the initiative, especially during the early months of the refugee crisis. The speed and the seriousness of the Ukrainian refugee crisis threatened a humanitarian catastrophe on the Poland-Ukrainian border. Rather than wait for instructions from central government, local authorities and the local representatives of the central agencies in the border areas took the initiative to provide emergency assistance. Even once central authorities had begun to organise their own response, their slowness and attachment to bureaucratic procedures meant that local authorities had to continue to improvise through collaboration with other local authorities and drawing on the more informal resources available in local civil societies. Even so central government's declaration of key, strategic central measures were important, such as clarifying the legal status of Ukrainians, providing free transport and medical care. But the central authorities, certainly during the early period of the crisis, were essentially responding to local and regional actors.

Before these events, it might have been anticipated that, given the weak, local administrative legacy under Communism, local authorities would have waited on central government to take the initiative or at least the regional level and the regional governor. Instead, in arguably an illustration of the potential for the emergence of local civil societies within Poland, local authorities and other local actors took the initiative in response to what had threatened to become a humanitarian crisis. Thus despite the centralised form of Polish public administration and tradition, at least during the early period of mass migration, IGR emerged as a multi-layered process rather than as the strongly centralised policy process which would have seemed the most likely response.

## CLIMATE POLICY

Climate change, too, is an issue which cuts across existing governmental structures but, in contrast with migration, climate change lacks comparable urgency. Climate change is a longer-term, slowly developing crisis. Indeed the impact of climate change is only slowly becoming a tangible issue in terms of the potential disruption to human activities. Consequently, the case for climate change policy has to be made in terms of future consequences rather than present realities and costs—illustrating the particular, inter-temporal redistributive issues at stake in climate policy. Moreover, that case remains fiercely contested by many right-wing politicians and some business interests. Despite these challenges, inherent in the nature of climate change as an issue, Vellani and colleagues uncover significant policy developments and new strategies for change in both Berlin and Paris. In both cities, they show how the evolution of climate strategies has followed a similar trajectory—an initially centralised process, which then encountered resistance and/or indifference, and then a switch to a more multi-layered process. In both cases regional and city level policymakers concluded that overly centralised deliberative processes were counterproductive in climate policy—an emerging and potentially contentious policy area. Instead, they recognised the need for a more grassroots-based approach, given the pressing need to build support for climate policies at all levels, by providing incentives to participate for those at district rather than just at regional or city level.

However, resource constraints and intergovernmental imbalances constrained policymakers' scope for policy development. In Berlin few staff had been recruited at city and district levels with the necessary skills both to understand climate change and to promote wider participation, given the novelty of climate policies. The Paris *arrondissements* faced similar imbalances vis-à-vis Greater Paris and the Parisian Mayor. The proliferation of actors—with rights of access and participation—can be a great strength, especially in mobilising support for climate action, but too many such actors with their own specific interests within climate action can slow down implementation. Thus Vellani et al. conclude by stressing IGR in climate policy must be understood within the context of social action, civil society and the rights of participation held by business interests as well as climate activists.

## DIGITALISATION

At first glance, digitalisation would seem to be a ‘technical’ issue, requiring expertise and a corporate planning response rather than a reworking of political-administrative IGR practices. However, in the next two chapters, Wehmeier and Torfs and Wayenberg show how digitalisation raises significant questions of power within IGR in Germany and Belgium—such as who should have access to information? and should the standardisation of work practices be limited to avoid increasing centralisation?

Wehmeier points to how the digitalisation of a country’s tax system is a political not just a technical problem. She points to how digitalisation creates pressures for increased standardisation and inter-operability across IGR intergovernmental boundaries, especially to hold down costs and reap the benefits of a nationwide digital system. Yet these pressures are often perceived, within devolved governments, as driven by a search for central control. Consequently, they threaten local discretion and identities even in a federal system, like the German one, where local discretion and identity are constitutionally protected. However, as Wehmeier emphasises, the federal-Länder relationship is more balanced than in other federal systems. Unusually, the German federal government is in a significantly resource-dependent relationship with the Länder. The larger Länder, in particular, have substantial organisational resources and a longer experience of developing digital capacities, unlike the federal government.

Even so, as Wehmeier argues, it became evident that achieving a nationwide government services digital programme required both effective national leadership and the active participation of the Länder. Consequently, as the programme developed, both sides had a strong interest in moving from, what had become, a conflicted to a multi-layered policy process. The multi-layered process was underpinned by a mechanism of ‘concentration without centralization.’ This meant that strategic and operational competencies were bundled in an institutionalised and legally regulated network for digitalisation (KONSENS) to oversee the standardisation required for a national digital infrastructure. As the name suggests, KONSENS operates on the basis of consensual decision-making, mirroring the German, federal-Länder decision-making style. Yet, as Wehmeier points out, the federal government has acquired a key residual power within this network arrangement. It can exercise the legal power, if necessary, to impose agreements on the Länder. However, to date this power has not been used.

In the Flemish context, Torfs and Wayenberg share Wehmeier's concerns over how digitalisation is best implemented in the IGR context and ask whether a Flemish version of 'concentration without centralisation' is possible. They doubt that on Flemish local governments' present trajectory they are likely to deliver on the promise of expanded digital government. The major problem, for Torfs and Wayenberg, is the small size of individual local governments in Belgium. Nevertheless, the evidence for a strong relationship between amalgamations and greater digitalisation is weak in Flanders. Even the recent wave of amalgamations in 2019 failed to create local governments large enough and resourced adequately to promote digitalisation effectively. Consequently, Torfs and Wayenberg ask whether new types of intergovernmental cooperation would be more effective in developing digital capacities than amalgamations. Even in local government systems with large organisational units, inter-municipal cooperation and central leadership remain critical in software development. Indeed most of their local government interviewees supported a more 'centralised' approach to digitalisation. They insisted that the Flemish regional government should provide stronger regional leadership in digital investment and software development if local governments' digital capacities were to be strengthened. They also stressed that the Flemish government should develop its procurement power in relation to software suppliers to hold down costs and obtain more effective software support.

## CONCLUSIONS

This book takes a distinctive, policy-focused approach to IGR in analysing specific, crisis-driven policy problems rather than taking structures and traditions as a starting-point. These conclusions return to the three questions posed earlier. Firstly, how are those working in contemporary IGR structures adapting to emerging issues? A key theme here is the tension between emerging, and potentially disruptive, issues and the established political-administrative IGR structures and traditions—which remain essentially the institutional residues of the post-war development of the modern welfare state. Our analysis of the four issues illustrates how policymakers are seeking to adapt these structures in response to new issues. Public health crises, migration and climate change all pose issues of redistribution within society which are disruptive, or potentially so, and involve conflicts. Broadly our conclusions are that these structures have displayed

considerable resilience. We conclude that the evidence points to the policy processes which work most effectively are multi-layered rather than centralised or conflicted. The key factor in multi-layered processes is that sub-state actors have formalised rights of access and representation which constitute countervailing power in relation to the powerful actors in central or federal governments. Such formal and informal, central-local countervailing power is present in most of the countries studied; the telling exception is England, where councils have almost no formal or informal countervailing power. Consequently, it is not surprising that English local government now faces a looming existential crisis.

Secondly, how far have changing territorial politics affected IGR? These cases have not raised major issues of territorial identity or a politics of place except to some extent around migration issues. Central governments tend not to fully fund local integration policies for both financial and political reasons—politically to side-step questions of national and local identity as well as awkward issues arising from any perceived redistribution of resources towards new arrivals and away from existing populations. Thus local government actors can be left to manage the costs, both financially and socially, of mass migration. In climate policy, too, central government actors remain cautious over the costs and tend to limit themselves to general rather than specific policies. Such policies allow significant scope for local initiatives but raise questions over the future of such initiatives if they are unsupported by any national leadership.

Thirdly, the formal political-administrative IGR structures still remain crucial in structuring IGR processes. These cases do not support the neopluralist contention that major shifts towards network governance are reducing the significance of established governmental structures, with informal and consensus-based coordination becoming the dominant form of IGR. Only England provides some evidence for a marked shift towards a mixed economy with extra-governmental organisations, in the voluntary and private sectors, taking a significantly greater role in service delivery. Even so this mixed economy is best understood as an alternative system for the exercise of central power and central financial discipline rather than as a new networked model of how contemporary societies are governed. Indeed, our conclusion, in relation to the four issues, is that actors in formal governmental positions continue to play the crucial roles in responding to these new issues and in adapting existing structures.

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## CHAPTER 2

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# Local Government in England: An Existential Crisis?

*Martin Laffin and Patrick Diamond*

### INTRODUCTION

UK governance is characterised by a strong central government with weak sub-state institutions. Notably, in 1999 the UK central government did transfer significant powers to the three UK ‘nations’ (Northern Ireland, Scotland and Wales). Yet the subsequent UK intergovernmental relationships (IGR) remain strongly asymmetrical with the Westminster government as the dominant partner, as it is both the UK government and the English government. Meanwhile, an undevolved England remains an exemplar of the ‘centralised policy process’ identified in the Introduction to this book. Nevertheless, since 2010, successive Conservative-led governments have, rhetorically at least, committed to the greater

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devolution of powers in England. In the major urban areas, Conservative ministers have gradually introduced new, sub-regional mayoral combined authorities (MCAs). These new authorities are layered on top of existing councils and have a predominantly economic development role, unlike the pre-existing local authorities focussed on service delivery.

Even so contemporary English central-local relations continue to be based on a highly centralised policymaking model within a largely uncodified constitution. English local government does remain ‘a very big business’ (Wilson & Game, 2011, 129). A wide range of services are delivered by over 300 LAs to over 56 million people in England. Local government spends £117.2 billion a year (2022–23) (DLUHC, 2023), roughly 10% of total public expenditure. Meanwhile, the politics and policies of these large and ostensibly powerful councils have largely remained subordinate to the two major political parties which dominate the central-local relationship. Indeed, both the Conservative and the Labour party’s electoral fortunes within England depend on these party politics of social groups rather than a politics of territory.

Our argument is that English local government is facing an existential crisis over its future purpose and capacity resulting from (1) a centrally imposed fiscal crisis created by more than a decade of continuing financial austerity imposed by the Conservative-led Coalition with the Liberal Democrats (2010–15) and present Conservative governments (2015–present), now compounded by inflation and rising service costs; (2) a governing crisis arising from the gradual re-engineering of LAs from their original, post-war high discretion role in welfare state service delivery towards a role close to being just agents of the centre and (3) a policy role crisis as, in recent years, LAs have lost significant parts of services and entire services through governance changes and have lost much of the capacity to sustain, let alone enact, a policy role. Moreover, many LAs are having to work with new Mayoral Combined Authorities (MCAs), with ill-defined and weak powers focussed on economic development, imposed on top of the existing LAs.

This chapter focusses on these three intersecting crises and their consequences for central-local relations within England. In line with the three themes identified in this book, our chapter begins with an overview of the general structural weaknesses of English central-local government relations. The second section points to the changing role of LAs in social policy provision as central government actors have sought to work around local government to impose central direction. The final section analyses

how the new MCAs and the levelling-up agenda have emerged primarily from a Conservative party electoral strategy to exploit Labour's declining electoral fortunes in its traditional social base in northern England and the Midlands.

## THE STRUCTURAL WEAKNESSES OF ENGLISH LOCAL GOVERNMENT

Central government actors occupy a powerful position and devolved governments a correspondingly weak one in Westminster systems. Constitutionally the Westminster doctrine of ministerial responsibility confers legitimacy on ministers as, at least in theory, they can be held to account in Parliament for their departmental decisions. The conventional wisdom stresses that this centralised system bequeaths structural advantages on English governance, notably the capacity for central government to act decisively and to co-ordinate policy implementation across layers of governance. The normative logic of the doctrine is that the location of power is clear, yet in practice, allocating responsibility for policy failures is much less so. Meanwhile, local government actors have no formal, constitutional rights of representation or participation at the national level. Consequently, subnational politicians in England, unlike their counterparts in many other European countries, have very limited effective access to parliamentary and central government arenas. Neither do they have any strong means of mobilising resistance to the centre through constitutional institutions, such as French local politicians enjoy through the Senate and German Länder politicians in a federal system through the Bundesrat and through their differently organised parties. This absence of strong access rights to central government for local government in England seriously limits its ability to influence central government policy. Individual local authorities (LAs), too, face considerable obstacles in mobilising effectively to resist central government policy decisions and have limited capacity to challenge central policy directions. Moreover, when policy shocks and crises do occur, ministers' natural reflex is to further centralise power, as illustrated by the policy response to the Covid-19 pandemic (Diamond & Laffin, 2022).

A crucial, structural problem confronting LAs in all politically devolved systems arises from how collective action problems limit their capacities to organise. These problems are not unique to English or UK local

government. They are characteristic of any situation in which it is difficult to organise large numbers of individuals or individual organisations even when some interests are widely shared. Individuals or organisations may potentially benefit from any collective action taken, yet they have little incentive to join in any action if that benefit is likely to be realised regardless of whether or not they participate (Olson, 1965: 45). In particular, these problems are greater for local government associations (LGAs), the greater the differences in geographical interests across their membership. These interests tend to divide LGAs and create difficulties for their leaderships in (1) achieving agreed positions and then (2) mobilising against central government. The English LGA is a good example of an LGA facing these difficulties in achieving common positions on key issues and then mobilising enough LA members to resist central government effectively (de Widt & Laffin, 2018). A telling illustration of the English LGA's weakness is how the LGA political leadership has been a spectator to the introduction of the MCAs (de Widt & Laffin, 2018: 1952).

Moreover, the English LGA is also divided by political party allegiance. Party interests constrain the LGA from taking policy positions involving dissent from the central government policies when the same party controls both central government and the LGA. Similarly, government ministers and their advisers often marginalise the LGA when it is controlled by the opposition party, or even when it is controlled by a different faction of the ruling party, as occurred during the 1997–2010 Labour government (Entwistle & Laffin, 2003).

The Westminster central government also enjoys financial domination of the central-local relationship. It controls local government's block grant allocations and increasingly uses specific grants and tied funding to shape local authority activities. Consequently, LAs have limited scope to deviate from central policy as local council tax represents only a quarter of their spending. The Conservative-led Coalition (2010–15) and Conservative government (2015–present) have imposed an austerity regime across government, with a limited exception for the National Health Service (NHS). Reflecting its subordinate position, local government has suffered from disproportionately deeper cuts compared to central government departments. Central government grants to local government have been cut by 37%, from £41 to £26 billion at 2019–20 prices between 2010–11 and 2020–21, and local government spending power fell by 26.3% in real terms (NAO, 2021a, b: 16). Meanwhile, the centre has limited the ability of local councils to raise revenue through increasing council tax. LAs must

hold a referendum if they wish to increase council tax by more than 3% (alongside an additional 2% precept for adult social care).

Austerity, too, has disproportionately affected the more deprived areas of England, including the 'left behind' places, that is the more deprived areas, outside London and the south-east (Gray & Barford, 2018). Government ministers have trumpeted the so-called levelling-up funds being injected into local government but avoided mentioning the past and continuing government cuts to the annual local government funding system. These new levelling-up funds are specific grants dispersed through competitive funding pots for which LAs have to invest time and effort to bid. The funding of these, mostly specific infrastructure, also usefully enables ministers to claim political credit for local projects as well as preventing LAs from diverting funds to support their own local priorities. Moreover, cuts to English local government, plus the increasing proportion of spending devoted to social care and children's services, have reduced LAs' policy capacity and thus made it more difficult for them to implement pro-growth policies in planning, transport and housing. Thus continued austerity is undermining Conservative ministers' own declared intentions to reshape councils as agents of wealth creation. It should be noted, too, that the long shadow of austerity will constrain the Labour party opposition if it comes to power in 2024 or 2025. For example, the feasibility of Labour's commitment to a massive house-building programme has been questioned by the Royal Town Planning Institute given the considerable loss of planners from the public sector consequent on austerity (Thomas, 2023).

Central government's incremental funding of local government through annual settlements also hampers financial planning. Austerity, this funding system and a sharp upward shift in inflation have already forced about a dozen local authorities, including the city of Birmingham, to declare themselves effectively 'insolvent' and ask for central government emergency support (IfG, 2022). The National Audit Office (NAO) (2021a, b: 5) has raised the alarm, pointing out that local government finance is likely to become unsustainable on present trends and that continuing financial uncertainty is undermining local councils' ability to plan effectively.

Despite these issues, central government cuts since 2010 have encountered surprisingly little concerted opposition from within local government. The constraints on LAs acting collectively, their limited capacity to mobilise countervailing power against an aggressive centre and the

central-local politics of blame have left LAs little scope for resistance. Moreover, the lessons of the 1980s Thatcher Conservative governments have not been forgotten. At that time some Labour-controlled LAs did resist central government, some refusing to implement cuts. However, the Thatcher government, unconstrained by any constitutional barriers, retaliated by capping local rates, surcharging some councillors, and in 1986 abolishing the then (Labour) metropolitan councils covering the major conurbations, including the then Greater London Council (O’Leary, 1987). Ministers also sought electoral advantage in stigmatising the opposition Labour party by branding protesting Labour councils as ‘loony left’ (Lansley et al., 1989). It is widely assumed that this image of Labour ‘irresponsibility’ contributed to keeping Labour out of office nationally until the late 1990s. This historical experience of the counterproductive effects of local councillors’ anti-government protests for Labour nationally has contributed to deterring Labour councillors from serious political resistance.

#### NETWORK GOVERNANCE OR A NEW CENTRALISM?

Over the post-war period English LAs played a key role in the expansion of the welfare state. They acquired a broad role in social policy provision including school and further education, social services and social care, alongside social housing, planning and environmental health. LAs had significant discretion to determine local spending priorities, as central government priorities remained indicative, although they were reflected in determining the overall block grant to local government. LAs could take significant policy initiatives involving local issues of social redistribution notably by reorganising secondary school education (Mandler, 2020, 54–5) and by increasing LAs’ subsidies to their council housing accounts. However, over the last 40 years central governments of both main parties have significantly curtailed LAs’ freedom of action (especially where social redistribution is at issue) by tightening financial controls, transferring services outside the local government sector to non-profit associations (e.g. most social housing provision and most schools are now outside LA control), and tightened, centralised regulation of those services remaining with councils, such as through Ofsted (the central government school inspectorate). Consequently, LAs are now left primarily delivering the remaining social policy fragments as effectively agents of central government.

Traditionally, English local government bureaucracies were highly professionalised with strong and influential professional-bureaucratic, vertical central-local linkages (Laffin, 1986, 29–32). Professionalisation had emerged during the late nineteenth century as a central government strategy to counter the excessive influence of local elites on, and corruption in, local governments (Laffin, 1986, Chap. 3). As reforming central governments added further services to local authorities, notably planning and social services, those new services were also organised around a professional, occupational model. Essentially this model was intended to ensure effective local administration but avoid the detailed central, bureaucratic control of councils. Consequently, dedicated corps of local government officers emerged whose primary allegiance was occupational—to their professions and careers—rather than to the localities.

This traditional, and peculiarly British, local government model of professional self-regulation has declined significantly since the mid-1980s. A new emphasis, on corporate rather than departmental management, and an enhanced role for local authority chief executives, emerged following the 1974 English local government reorganisation. More significantly, from the 1980s onwards, ministers have been increasingly critical of professional practice and advice as reflecting self-interested, public officers’ ‘producerist’ interests (Laffin & Entwistle, 2000). The slowdown in post-war growth and the emergence of Thatcherism and the search for a smaller state also triggered a new assertiveness within the political elites. Moran (2003) argues that from the 1980s the UK has become particularly susceptible to ‘hyper-politicisation’ and ‘hyper-innovation’ which is reflected in ministers asserting their control over larger areas of policy such as the school curriculum, once left to the professionals. In particular ‘politicians are forced to intervene to shape policy around the short-term imperatives of the adversarial battle, and the management of their own careers’ (Moran, 2003, 190). Thus recent generations of activist ministers, compared with their predecessors in the 1950s and 1960s, typically seek to implement, and then micro-manage, what they present as their own distinctive ‘reforms’. They can embark on major service reorganisations with minimal policy learning and can avoid consultation with frontline stakeholders (Norris & Adam, 2017; Moran, 2003). For example, over the last 30 years, English regional governance has been subject to five waves of reform—regional government offices (Conservative), (unelected) regional assemblies with Regional Development Agencies (Labour), RDAs and regional offices abolished and replaced by Local Enterprise Partnerships



(Conservative) and now the MCAs (Conservative)—with consequent uncertainties over LAs' changing relationships with central departments. Another example is the disruption created by the 2012 Conservative-led major reform of the National Health Service which had had a long-term, deleterious impact on the NHS's capacity and responsiveness during the Covid-19 pandemic (Diamond & Laffin, 2022, 214). Meanwhile, central-local relations have been affected by increasing ministerial turnover with nine cabinet ministers holding the local government portfolio between 2010 and 2023, raising obvious issues over the consistency and effectiveness of political control.

Over recent decades, successive governments have created new mechanisms to oversee the operation of local government. In 1975–76 the imperative arose from the economic and fiscal crisis that engulfed the UK, requiring the imposition of much tighter public expenditure controls, particularly on local authorities (Gamble, 1994). In the past central departments' priorities had been to manage central-local conflicts consensually. But from the 1980s ministers placed less value on maintaining good relationships and instead stressed their own initiatives often regardless of the established channels of central-local consultation. A good example was during the Covid-19 pandemic when central government initially avoided joint central-local service delivery, instead relying on private sector management consultants for advice and implementation, and outsourcing delivery functions to circumvent local government despite the well-established local strengths in local public health expertise (Diamond & Laffin, 2022, 223).

Such alternative service delivery chains, intended to work around local authorities, have become a significant central control strategy. Both Conservative and Labour governments have switched to outsourcing delivery chains, notably in social housing, school education, adult social care, alongside leisure and cultural services, mainly to extra-governmental organisations in the private and voluntary sectors, thus removing them from direct local government control (NAO, 2013; Laffin, 2013). Moreover, outsourcing has tended to displace the professional-bureaucratic linkages that previously underpinned the central-local coordination of service delivery.

This trend towards transferring service delivery functions outside local government was initially identified and celebrated as the rise of 'network governance' by some scholars. Their argument was that the formal government institutions were being displaced by self-organising networks of

extra-state actors in the provision of services, with responsiveness through networks replacing formal accountability mechanisms (e.g. Rhodes, 1997). However, in reality this change did not reflect a trend towards a new network governance system but rather central government actors' search for greater control over local services and for savings through substituting voluntary and private sector providers for local government provision (Bache, 2003; Laffin, 2013). Such outsourcing typically bypasses local authorities and downgrades traditional professional expertise (Crouch, 2014). Meanwhile, financialisation, not anticipated by the academic proponents of network governance, has eroded the capacity and finances of LAs (Pike, 2023; Horton, 2019). The National Audit Office, too, has raised serious concerns over the quasi-monopolistic position of the large service delivery companies upon which central and local government has become increasingly dependent. In addition, serious concerns have also emerged about alleged 'cronyism' in contracting-out (NAO, 2020; Conn et al., 2020).

These pressures, particularly in adult and children's social care, now contribute significantly to councils' financial difficulties. Social care is managed and locally funded by LAs on a means-tested basis rather than through the National Health Service, the cost of social care now represents over 56% of all LA spending and even so the care sector has become increasingly under-funded. As a sector with too little funding that relies on some degree of means-testing (unlike the free-at-the-point-of-use NHS), it has long been recognised as needing reform. Yet successive governments have repeatedly postponed action. Meanwhile, councils have become increasingly dependent on the private sector for care provision. In the UK 82% of the care home market is now privatised compared with 40% and 23% in France and Germany (Savills, 2022). The sector, too, has become increasingly financialised with private equity taking over chains of providers. Consequently, the sector is increasingly focussed on property investment returns rather than with health outcomes (Horton, 2019).

This situation further undermines the quality of care at the local level, intensifying the pressure on local councils as such care is the other main pressure on LA spending. Yet private provision has not had a beneficial impact on social care provision. Over the last four years English councils spent £480 million on care home provision classified as 'inadequate' (Booth & Goodier, 2023). The National Audit Office concludes that LAs are losing control of care home provision: 'in a vast and diverse social care market, the current accountability and oversight arrangements do not

work’, and ‘the lack of a long-term vision for care and short-term funding has hampered local authorities’ ability to innovate and plan for the long term, and constrained investment in accommodation and much-needed workforce development’. In children’s care, LAs are dependent for 83% of the provision on the private sector (MacAlister, 2022, 241) and are being significantly overcharged by private operators (CMA, 2022). Meanwhile, a recent policy review concluded that private providers were overcharging councils for children’s care (MacAlister, 2022).

### A NEW POLITICS OF TERRITORY OR AN OLD POLITICS OF PARTY?

A key feature of recent Conservative governments has been their rediscovery of a politics of the north and Midlands. Ministers in the Conservative-led coalition government (2010–15) and the Conservative government (2015–present) have sought to strengthen the Conservative electoral base in deindustrialised areas of northern England and the midlands and, in so doing, respond to the long-term productivity problems in those areas (Heseltine, 2012). Many of these so-called left behind areas had traditionally been strongly Labour-voting areas. Labour had already begun to lose support in these areas as a sense of discontent spread among voters, reflecting their perceptions of relative economic decline locally arising from deindustrialisation, the consequent fall in real wages and the impact of the post-2010 government austerity policies (for a detailed analysis see Sobolewska & Ford, 2020). Conservative ministers saw an opportunity to exploit the ‘geography of discontent’ to win further parliamentary seats (McCann, 2019). As mentioned, the signature Conservative policy response was the creation of the sub-regional, city-level mayoral combined authorities (MCAs) primarily focussed on economic development to fuel a politics of place. Indeed, in the 2019 general election the Conservatives made serious electoral inroads into Labour’s traditional Northern heartlands, not least winning former Labour Prime Minister Tony Blair’s former constituency seat.

A pattern of an ad hoc implementation of MCAs has unfolded in the main conurbations over the last ten years. Greater London already had a directly elected mayor established by the then Labour government in 2000, although, unlike the MCAs, the London mayor has more powers and works with a directly elected Assembly not with representatives of the

constitutive councils. The Greater Manchester Combined Authority was the first ‘deal’, with an interim mayor in 2015 and the first elected mayor in 2017. The details of each deal are formulated through informal and closed contacts between central and local politicians and bureaucrats (for a critique of the Greater Manchester process as an interaction between central and local ‘coteries’ of politicians and officials, see Moran et al., 2018). Thus the new framework for territorial relationships in England has been cobbled together rather than planned within an overall policy framework and subject to a public consultation process, unlike the major, previous local government reorganisations of 1963 (Greater London) and 1974 (the rest of England). The mayoralities and combined authorities are based on individual ‘city deals’ struck with central government. These deals are ‘contract-style agreements between central government and local authorities to pursue agreed outcomes in discrete policy areas’ (Sandford, 2017: 72). These new English city mayors have limited powers, while the powers they do have are mostly coordinating powers taken from councils in their area rather than devolved from Westminster. Nevertheless, central government has cast the new mayors in a heroic role, calling on them to serve as advocates for their cities to attract private sector investment and lobby on economic development (only the Greater Manchester MCA has responsibilities involving planning health [a nationalised service] and social care [a local government responsibility]). Yet to make any sustained impact given quite limited resources and powers, the mayors depend on their ability to deploy influencing strategies to co-ordinate with other agencies in a crowded governance landscape (Roberts, 2020).

The rhetoric of ‘levelling-up’ these ‘left behind’ places and the new MCAs has formed a key focus of the Conservative party challenge to Labour in its traditional heartlands. In the 2019 general election, the Conservatives widened their commitment to devolution and levelling-up to include a UK-wide commitment to reduce the imbalances, primarily economic, between areas and social groups (even though such a policy strictly breaches the UK devolution settlements). In practice the main policy focus has been on the ‘left behind’ areas of Northern England and the Midlands. These traditional Labour strongholds had voted for Brexit in the 2016 referendum. In the 2019 election, the Johnson Conservative government, campaigning on the ‘Get Brexit Done’ slogan, was able to gain 48 additional Westminster Parliamentary seats, mostly in these areas.

In government, the Johnson government announced new levelling-up funds to be available to all LAs within the UK. In practice, despite the

levelling-up rhetoric, party politics reigned. For example, the £4.8 billion [Levelling Up](#) and £1 billion Towns Fund, announced in 2020, disproportionately favoured Conservative-held seats rather than areas of deprivation (Bounds & Smith, 2021). Ministers seem to be resorting to ‘pork barrel politics’, using funds for high-profile projects and other commitments, and relocating ‘high level’ civil service jobs for electoral advantage, notably moving part of the UK Treasury to the Tees Valley Combined Authority with its Conservative mayor. The analysis by the BBC (2023) supports this interpretation; it found that only 24% of Labour areas received levelling-up funding compared with 52% of Conservative areas.

In the 2023 Budget, the government announced significant financial flexibilities for the Greater Manchester and the West Midlands MCAs. Both MCAs, seen as among the most successful MACAs, were promised flexible multi-year funding allocations from central government to cover local transport, housing, skills, innovation, regeneration and net zero to be agreed in the next spending review (HM Treasury, 2023). These ‘trail-blazer’ agreements ‘equip these authorities with deeper and additional policy levers to deliver on their priorities’ (HM Treasury, 2023, 71).

Ostensibly the English devolution agenda is intended to address the stark inequalities in regional economic performance resulting from the asymmetric shocks during the 1970s and 1980s which seriously depleted the economic bases of the former industrial areas of the Midlands and Northern England (McCann, 2022). Government ministers argue that devolution will enable these areas to tailor a policy response to address local factors and circumstances more effectively.

However, there are limits to the Conservative model of English devolution. Ministers still distrust local government, particularly in relation to managing public money. The MCAs do not have direct tax-raising or borrowing powers. The ten MCA mayors have together argued that taxes raised locally such as business rates and stamp duty (a central government tax on property purchases) should be hypothecated and channelled back into the MCAs (Williams, 2023). The mayors have formed their own ‘M10’ group, cutting across party differences to include both eight Labour and two Conservative mayors. The Northern Powerhouse Partnership (representing the northern cities) has also called for council tax, stamp duty and business rates to be replaced by a new land value tax, along with 1% of employer National Insurance (NI) contributions to be retained by local authorities to fund improvements in infrastructure. However, at the time of writing, these proposals, which would effectively mean the

Manchester and West Midlands MCAs could bypass the Treasury for some spending, seem unlikely to be adopted (Williams, 2023).

These proposals come with their own new requirements in the form of a new ‘outcomes-based accountability framework’. Curiously and tellingly, this accountability framework is focussed upwards towards the Westminster Parliament rather than bottom-down towards the MCAs’ local areas. It will be a central government department, alongside committees of the MCA’s local Westminster MPs, which will scrutinise MCAs’ delivery and performance (HM Treasury, 2023), thus apparently reinforcing the role of the centre. Many critics argue that English devolution, unlike UK devolution, based on this contractual model is too limited and offers only a limited and fragmented discretion for the devolved bodies. The priorities in each city-region are still determined by central government, while Ministers and Whitehall officials implicitly assume that MCAs are agents of the centre despite the rhetoric of decentralisation (Sandford, 2023).

The ‘devolution offer’ has now been extended to the whole of England (HM Government, 2022). The white paper on levelling-up proposes that ‘by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement’ (HM Government, 2022, 234). Presently nine new areas have been invited to enter negotiations for combined authority deals.

Nevertheless, the government has done little to actually correct the inequalities underlying the geography of discontent. These funds fall a long way short of compensating councils for ten years of real terms cuts in local government expenditure and the amount of funding allocated to these areas does not match the levelling-up rhetoric. Indeed, recent years have seen the gap in people’s incomes between London and the UK regions actually worsen. In 2021 the average gross disposable income in London was 43% higher than the national average, the highest since records began in 1997 when it was 22% higher than the national average, rising to 37% in 2008 (Romei, 2023).

Successive governments, of both parties, have also failed to revalue the council tax since 1991, which is based on household property, so that LAs remain partly dependent on a seriously regressive tax (Johnson, 2023, 238–9), council tax, a tax on properties that in England remains based on property values from 1991. The substantial rise in house prices, particularly in London and the south-east, since then makes the charge highly

regressive. The share of median annual gross pay spent on council tax varies from 2.2% to 10.9%, with those in the left behind north-east and south-west actually paying the most, relative to wages, while those in London pay the least despite their incomes and home values being much higher (Editorial Board, 2023; Adam et al., 2020).

### CONCLUSION: LOCAL GOVERNMENT'S EXISTENTIAL CRISIS

The existential crisis facing local government in England over its future role and purpose comprises three, intersecting crises—governance, fiscal and policy role crises. Firstly, the present governance crisis is rooted in the constitutional and governance context of local government within the Westminster system. Constitutionally local government has no enforceable rights of representation or participation at the national parliamentary or government level. Rather the recurrent feature of English government is a strong executive with few significant veto players, especially not from subnational territorial levels. Thus the current Conservative levelling-up proposals exclude any formalised territorial representation in the Westminster Parliament or the central administration, reflecting the tradition of UK central government containment of territorial interests. The adversarial system of two-party government dominance, too, tends to marginalise territorial interests in central government policy debates. The more consensual and deliberative IGR systems in many other West European countries, with sub-state territorial interests strongly represented at the centre, tend to ensure that territorial interests are taken seriously at the central/federal level. The risk for England is that an overly centralised government, with no strong countervailing territorial (or indeed other) institutions to counter party interests, will not constrain ministerial ‘hyper-innovation’ (Moran, 2003) and make policy failures more likely.

Secondly, the present fiscal crisis is deeper than the last major crisis in the late 1980s. The present crisis is a pernicious combination of long-standing central austerity policies, inflationary pressures leading to spiralling service costs (especially in providing social care for an ageing population and children’s services) and continued reliance on a regressive, unreformed local property tax with strongly adverse effects on those living in the poorer parts of the country. Yet the Conservative government’s levelling-up agenda involves a political narrative which evades responsibility for an effective reform of this system, despite its regressive

consequences, and imposes significantly greater cuts on Labour than on Conservative authorities. Meanwhile, the much-trumpeted levelling-up funds fall a long way short of the massive investment really required to level up deprived areas. Local councils are now left to manage continuing decline as best they can.

Thirdly, the governance and fiscal crises create a policy role crisis. LAs have lost entire services and significant parts of services through governance changes. They now lack significant policy capacity as they have had to direct resources towards propping up day-to-day, service delivery capacity especially in social care and children's services as de facto agents of central government. Another consequence has been the passing of the once well-established, central-local policy structures, linking LAs with central departments, and their replacement with an unstable mix of uncoordinated and improvised central initiatives.

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# Towards Place-Sensitive Crisis Management? Pandemic Policies in Five Nordic Countries

*Harald Baldersheim and Are Vegard Haug*

## INTRODUCTION

The policy issue in focus in this chapter is the local implementation of covid management policies during the pandemic 2020–2022 in the five Nordic countries. More specifically, we seek to determine the extent to which national policies were shaped and implemented in ways that took account of *variations in local contexts*, such as varying levels of contagion, different demographic structures, economic needs, and access to medical treatment. This was a difficult issue to resolve for decision-makers, imbued with dilemmas, tensions, conflicts, and dissent.

The analysis of the issue is based on data on how mayors experienced the covid policies of the Nordic countries and thus presents a *bottom-up* perspective on IGR in times of uncertainty and turbulence. Mayors could

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be heard to argue, for example, that national policies were too harsh for their own municipalities with few or no covid cases, or that covid measures that interfered with important companies in their municipality should not be applied in their case. In other words, mayors would normally prefer covid policies to be *place sensitive*, that is, taking account of or being adapted to varying local contexts.

A similar attitude was echoed in a statement from the national committee appointed to assess Norway's handling of the covid crisis,

not all the national infection control measures were equally adapted to local circumstances since the infection situation in the municipalities sometimes differed ... It is the committee's assessment that more geographical differentiation of measures can in many cases be more effective and contribute to reduce the total burden of measures. (NOU, 2023:16, p. 235)

Developing place-sensitive policies would also be consistent with the legal norm of *proportionality*, which states that restrictive policy measures shall not go beyond what is required by the immediate situation at hand (Meßerschmidt, 2020; Bassan, 2021). And, of course, "the immediate situation at hand" would often vary from one community to another, and especially so in the territorially diverse Nordic countries, thus requiring covid policies to be place sensitive. However, evidence from other countries indicates that uncertainty over the territorial spread of contagion, the (perceived) need for speedy action, and sometimes lack of preparedness often led to centralised decision-making and the adoption of measures that were applied uniformly across the national territories (Kuhlmann & Franzke, 2022; Kuhlmann et al., 2021; Jugl, 2022; Yan et al., 2021).

Nordic mayors are responsible for altogether 1117 municipalities. They cover a fairly similar range of tasks, the most exposed of which to covid contagion were pre- and primary schools, elderly care, social services, medical services, public health, and public transport. All of these services were severely disrupted by the pandemic and many operations had to be temporarily reorganised to provide a minimal service or to protect employees. Traditional local services, such as garbage collection, street maintenance, or planning, struggled to keep going under pressure of high levels of sickness absence due to covid. It fell to local leaders to cope with these problems and disruptions under national regulations that could sometimes be hard to explain to the local citizenry. Conflicts over the local application of national regulations erupted as well as over the distribution of covid vaccines between regions or urban and rural areas (Fosse et al.,

2022). In Norway, for example, the political leader of the City of Oslo became a vocal defender of local autonomy in crisis management as well as a critic of vaccine distribution which he claimed unduly favoured peripheral regions (Johansen, 2022: 65; Høie, 2022: 96).

The data on how the mayors coped with national policies at the local level stem from surveys carried out in Denmark, Finland, Iceland, Norway, and Sweden in the early summer of 2022, that is, after more than two years of pandemic experiences. The responses from the mayors allow us to address six sets of questions including the questions posed in the Introduction to this book:

1. How place sensitive were the policies adopted in each country as perceived by mayors?
2. To what extent did the covid policies represent a *mobilisation of bias* in favour of particular groups of actors and their policy framing? As policies aiming at preventing or mitigating the spread of contagion, covid measures could be expected to represent a certain bias in favour of medical/public health expertise. However, did the mayors see the policies as they applied to their own community to be defined in medical terms to the exclusion of other important societal considerations?
3. To what extent did the IGR systems in the five countries during the pandemic exhibit features of *centralism* and/or *conflicted* relations? (Looking for the pattern of *multi-layered relations* is not so relevant for the Nordic countries that are all unitary states with no chambers or formal representation for local or regional authorities at the national level of government.) Central-local relations in the Nordic countries have been characterised by the terms “cooperative decentralisation” (Baldersheim et al., 2017), that is, as fairly harmonious partnerships with high levels of local autonomy (Ladner et al., 2019). Against the background of this historical-institutional tradition, high levels of decentralisation and low levels of conflict could be expected to characterise IGRs during the implementation of covid policies. Was this actually the case, or did centralism and conflict become the (dis)order of the day under the stress of the pandemic?
4. Is the level of conflict in IGRs a function of national elites’ (lack of) receptivity to local knowledge, as proposed in the Introduction? (“an IGR system may be decentralised but without vertical IGR pathways through which tensions can be resolved and subnational

governments with the mandate to negotiate with and the capacity to mobilise against the centre, the IGR policy process will become conflicted rather than multi-layered contributing to a confused and weak IGR relationship”, p. 2). If so, the more or better access of local elites to national decision-makers, the less conflict and the more place sensitivity of covid policies could be expected.

5. Were other cleavages of the Nordic political systems activated during the pandemic? For example, cleavages between central and peripheral regions, political parties, or class-related distributional conflicts?
6. The five countries are often seen as five varieties of a common political-economic “Nordic model”. To what extent was a shared IGR “Nordic model” in evidence during the pandemic?

### THE NORDIC SETTING, AND WHAT TO EXPECT

Textbook presentations of the Nordic countries usually emphasise shared traditions in terms of political culture, welfare, and administration (Esping-Andersen, 1990; Knutsen, 2017a). The five countries regularly lead international comparisons of democracy, transparency, public health, and even individual happiness (Haug, 2023). They also lead in terms of local government autonomy (Ladner et al., 2019). Given this background, it would be reasonable to expect a pattern of shared features of covid management regimes across the Nordic countries, and also effective implementation of covid policy responses.

In fact, the covid regimes differed substantially. At the outbreak of the pandemic, covid management powers and competences were divided quite differently between the levels of government across the five countries. Finland and Norway could be termed decentralised countries with independent and discretionary powers of intervention allocated to municipalities, including powers to regulate assemblies, or close down public institutions and private businesses if deemed necessary for medical reasons. In Denmark and Sweden, similar powers were granted to regional boards of health appointed by elected regional councils. In contrast, Iceland operated a centralised system of health protection under which policy decisions were made by the central government (in practice, the national health directorate). At the outbreak of the pandemic Denmark switched to a centralised mode of covid management, suspending the powers of the regional health boards, and making the prime minister’s

office into the decision-making hub. The Swedish situation is harder to classify: the covid regime could be described as regionalised, but since the state at the outset chose a largely non-interventionist policy, the system was only mobilised at a much later stage than in the other four countries (see also national corona commissions: NOU, 2021: 6; NOU, 2023: 16; SOU, 2021:89; SOU, 2022:10; Folketinget, 2021).

The covid regimes in actual operation developed dynamic features beyond the institutionalised division of responsibilities between central and local government. The seemingly centralised Danish system, for example, was supplemented by a body of coordination organised by the Danish National Association of Local and Regional Authorities that helped municipalities interpreting national regulations and also contributed to the formulation of regulations. Similarly, Sweden's national association of municipalities and regions (SKR) played a crucial role as coordinator between national and local authorities and between municipalities in specific regions (SOU, 2021: 89, p. 44). In Norway and Finland, coordination between national and local authorities relied to a larger extent on formal lines of communication through the regional state district authorities.

The covid regimes demonstrated a certain mobilisation of bias (Schattschneider, 1960) privileging medical expertise. Legislation gave national medical authorities privileged access to decision-making as advisers to ministers. At the local level in Finland and Norway municipalities, too, were required to employ a medical officer with expertise in contagious diseases and with powers to initiate measures to prevent the spread of contagion (any decisions that involved limitations on individual rights of citizens would have to be confirmed by the elected municipal council). Some critics found the privileging of medical concerns to be too extensive and the consequent interventions too one-sided at the cost of wider societal interests (Graver & Øverenget, 2022). Was that the experience of the mayors, too?

## ANALYSIS AND FINDINGS

This section presents analyses and findings arising from the six questions posed earlier. As mentioned above, the data are based on a survey of Nordic mayors, of whom 411 out of 1117 responded to the survey. The sample is statistically representative of Nordic mayors overall (see appendix for details). The findings are based on the mayors' responses to questions



relating to their experiences of managing their local covid situations over the preceding two years or so. The mayors were asked to indicate how well their experiences corresponded with a series of statements about interactions with state agencies. The statements were derived from test interviews with mayors, case studies, and documentary evidence from commissions of inquiry.

### *Mobilisation of Bias?*

How much bias in favour of medical expertise was experienced by mayors during the implementation of covid policies? The issue was addressed by the following statement submitted to mayors: “National regulations have been overly reliant on medical advice and have had too little regard of other socio-economic consequences of pandemic measures” (the statement was presented with an introductory text that included a battery of items specifically to the situation in the respondents’ municipalities). Agreement with the statement indicates that the mayor found that public health concerns had been too influential as regards the situation in his/her own municipality.

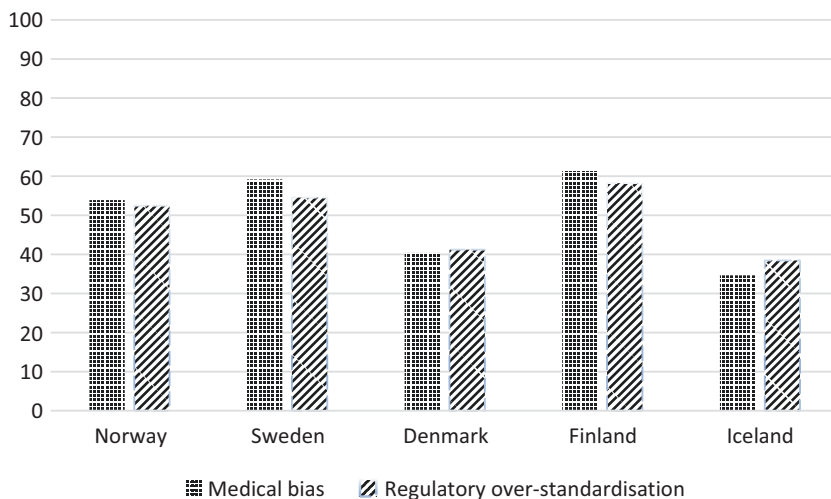
Thirty-three per cent of mayors agreed fully or partly to this statement. In other words, one third of mayors found the medical bias to be too strong with regard to the situation in their respective municipalities.

### *Centralism?*

To what extent did the IGRs that developed during the pandemic exhibit features of centralism? To measure the degree of *centralism* of decision-making, mayors were asked to take a stand on the following statement: “We felt that all too often, national regulations were imposed upon us without considerations of local variations regarding risks of contagion”. Thirty-seven per cent of mayors agreed fully or partly with this statement. In other words, around one third of mayors found IGRs to be centralised in the sense that decisions were taken unilaterally and without regard of local conditions.

### *Conflicted IGRs: Bias and Centralism by Country*

The issues of overly medicalised bias and non-adaptive decision-making (centralism) can be seen as dimensions of conflict in central-local relations.



**Fig. 3.1** Bias and centralism by country. Mean values—scale 0–100. (“Regulations were too medically biased”; “Regulations were too standardised”)

How did dimensions of conflict vary across countries? The graphs in Fig. 3.1 present mean values of mayors’ responses by country.

Denmark and Finland stand out as contrasts on both dimensions. Finnish mayors saw their national covid regimes as substantially more biased than Danish mayors did, and similarly for regulatory decisions, which the Finns also more often than the Danes found to have been too standardised and unilaterally imposed upon them. A Finnish mayor wrote in his/her explanatory remarks to the survey that “a primary challenge in local covid management has been restrictions imposed by the national government in situations without any cases of covid contagion in the municipality”. Another Finnish mayor wrote that “local crisis management was complicated by contradictory regulations issued by state agencies”. Even in Denmark, some mayors remarked that they found national regulations unnecessarily restrictive, especially concerning schools and care for the elderly in the later stages of the pandemic.

Sweden is quite close to the Finnish pattern while Iceland is closer to Denmark, with Norway somewhere in-between. Furthermore, recalling that Norway and Finland ran the most decentralised covid regimes (with regulatory powers allocated to municipalities), a contrast between the two decentralised countries and the other three countries could have been

expected. There are, however, no clear traces of such a division in the graphs of Fig. 3.1 where we examine aggregated patterns at the national levels.

Nevertheless, the patterns in Fig. 3.1 do demonstrate that IGRs in the Nordic countries, as experienced by substantial proportions of mayors, could be biased, centralised, and conflicted. In other words, the pandemic drove IGRs in directions not normally associated with the Nordic model. The figure also shows that the patterns did not follow clear-cut national lines—mayoral experiences vary substantially also inside each country. In the next section we shall investigate more closely the reasons for variations at the level of individual mayors.

### *Access: An Explanatory Variable?*

Was the level of conflict in IGRs a function of local access to national elites, as suggested in the introductory chapter? *The hypothesis is that the better the access, the less conflict there is in IGRs.* The access of local government representatives to national decision-makers may not necessarily follow the formal lines of authority and division of competences. Here, access is modelled in behavioural terms as the sum of mayors' experiences in their interactions with national authorities. Mayors were asked to describe their experiences in terms of quality of communication with national agencies, the receptivity of national authorities to local knowledge, and the usefulness of national advice as seen by the mayors.

The modelling of access draws on theories of *collaborative governance* (Ansell & Gash, 2008; Emerson et al., 2012) that emphasise the importance of the time dimension of interactions for establishing trustful and productive relations. Since the covid crisis arrived in waves over a long period and required repeated contacts many opportunities for mutual learning occurred, so that a potential for collaborative governance existed.

The extent to which this potential was actually realised was mapped through the mayors' responses to the following statements:

- (a) Guidelines and recommendations from national authorities were very helpful during the first weeks of the pandemic (61% overall say statement fits “very well” or “extremely well”)
- (b) On the whole, our communication with national authorities has been conducted smoothly and efficiently (55% ditto)
- (c) National authorities have been highly receptive to our local experiences (68% ditto).

As the figures above indicate, the majority of mayors found that access to national authorities worked fairly well, although it should also be noted that substantial proportions did not think that access was particularly satisfactory.

Items a, b, and c were combined into an additive *index of access*. The results are displayed by country in Fig. 3.2. The figure also includes the combined scores for *IGR conflicts* (the sum of the two conflict dimensions presented in Fig. 3.1). The highest access scores are obtained by Iceland and Denmark and the lowest scores by Sweden and Finland, with Norway in between. All five countries score above the midpoint mark on a scale of 0–100 but even the Danes score no more than two thirds of the full mark. Overall, the majority of mayors seemed fairly satisfied with their access to the national decision-makers but there were also quite a few who found access to be deficient, and more so in the East Scandinavian countries of Finland and Sweden than in the three West Scandinavian countries.

The inserted curve for conflicted IGRs seems to suggest a certain relationship between access and conflict. Denmark and Iceland are

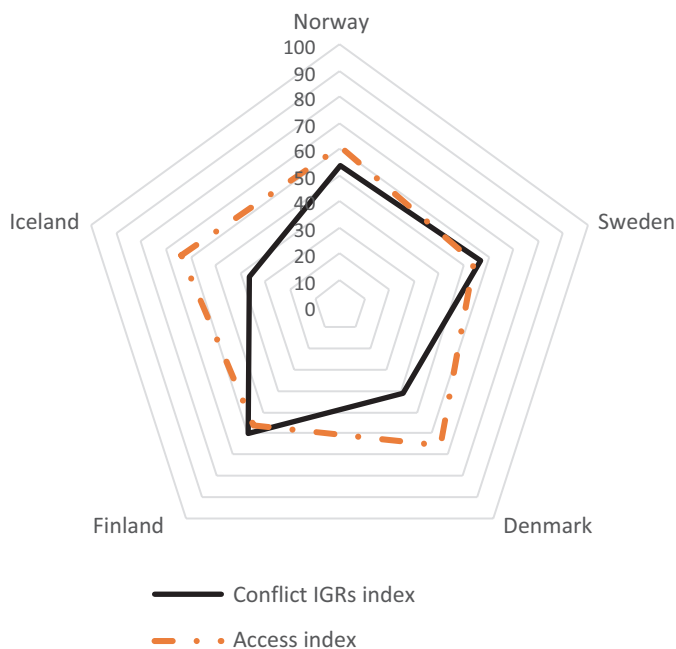


Fig. 3.2 Levels of **access** (sum of a, b, c above) and **conflict** (cf. Fig. 3.1)

characterised by high levels of access and moderate to low levels of conflict. However, in the other three countries moderate to high levels of access are accompanied by fairly high levels of conflict, at least compared to Denmark and Iceland.

In terms of institutional set-up of covid regimes, Norway and, to some extent, Finland were classified as decentralised regimes since they had allocated powers of adopting legally binding regulations to municipalities. Iceland and, after an institutional turn-around, Denmark operated highly centralised systems while Sweden relied on soft laws promulgated by the central government and to be implemented or modified at the discretion of the regional boards of health management. In other words, in the three latter countries municipalities were formally mere agents of implementation of regulations issued by authorities at higher levels—the state or regional boards. However, from Figs. 3.1 and 3.2 it is hard to see that formal institutional set-ups can account for the patterns of conflict observed at the aggregate national levels. There was not less conflict in Norway or Finland than in Iceland or Denmark.

To arrive at a broader understanding of the interplay of factors that could potentially drive patterns of conflict, regression analysis was carried out with institutional, ideological, territorial, and economic factors added to access as independent variables. The analysis is presented in the next section (note Iceland was excluded from the regression analysis because of too few cases).

### *Patterns and Drivers of IGR Conflicts*

The purpose of this section is to ascertain how important access is as an explanatory factor compared to the potential impact of other factors such as institutional, ideological, or territorial contrasts across countries or municipalities. As suggested by Niall Ferguson (2021: 8),

A disaster such as a pandemic is not a single, discrete event. It invariably leads to other forms of disaster—economic, social, and political.

The overarching argument of this chapter is that the pandemic did not hit communities to the same extent or in the same way across the national territories of the Nordic countries. The “face” of the pandemic varied from place to place. Therefore, the responses of the mayors to national policies may vary accordingly.

In pandemic terms, the most obvious variation across communities and regions was the variations as to the spread of the contagion—some communities were harder hit than others. The level of pandemic impact may naturally have coloured the responses of local leaders. Behnke and Person (2022) found in a study of German *Länder* that the more extensive the contagion, the more readily decision-makers accepted harsh covid policies. Was that so also among Nordic mayors? An economic indicator is used as an operationalisation of early covid shock: the proportion of workers furloughed during the first half of 2020 because of covid restrictions.

The Nordic countries are territorially extensive and diverse, possibly with the exception of Denmark, (our surveys did not cover the Faroe Islands and Greenland). It would not be surprising if territorial dimensions of diversity and conflict were brought into play under conditions of uncertainty such as the pandemic. Two potential drivers of territorial conflict have been explored: centre-periphery cleavages and variations of municipal size.

Differences between central and peripheral regions, in terms of distinct voting patterns, are permanent features of national politics in several of the Nordic countries (Knutsen, 2017b: 80; Stein et al., 2019), driven by differences in value preferences as well as in socio-economic lifestyles and interests. Did such tensions flare up during the pandemic? Compared to central regions, peripheries are characteristically “distant, different, and dependent” (Rokkan & Urwin, 1983). The more distant from the capital a region is located, the more different it is in cultural terms or lifestyles, or the more dependent it is in terms of economic or administrative resources, the more it has the features of a periphery.

In our analysis, these features were operationalised in the following way: distant—geographic distance of municipality from the national capital; different—degree of rurality; dependent—degree of economic modernisation (see appendix for details).

Variations according to municipal size are a further territorial dimension of the covid regimes. Here, size is seen as a proxy for resources or capacities needed to cope with the pandemic, administratively and in terms of know-how. With fewer resources of their own and thus with less capacity for developing their own crisis management strategies, small municipalities may be satisfied with instructions from above and happy to implement national regulations without any local adaptations. In contrast, larger municipalities with more diverse needs and capacities to develop their own policies may be unhappy with national standardisation and thus more likely to enter into conflict with national agencies.

As mentioned above, the appropriateness of intrusive covid regulations has been questioned on normative grounds. How acceptable from the point of views of constitutional and/or human rights are regulations that suspend normal civil liberties? Behnke and Person have suggested that such interventions may seem less acceptable to political parties on the right that have traditionally been champions of individual liberties and often sceptical to state interventions. Behnke and Person (2022) found in their study of German *Länder* mentioned above that this was indeed the case: *Länder* with a left-wing majority accepted intrusive covid regulations more readily than those with right-wing majorities. Similarly, left-wing mayors may be more ready to accept standardised national covid measures than right-wing mayors.

### *Findings: Drivers of Conflict*

The results of the regression analysis (see appendix for details) demonstrate the role of access as a driver of conflicted IGR. After simultaneously taking the above-mentioned factors into account, the most important factor of all was the quality of *access*, that is, the collaborative quality of central-local interaction. The more interaction corresponded to the collaborative model, the more mayors tended to see regulations as reasonably acceptable judged from the situation in their respective local communities. Presumably, central-local relations along the lines of collaborative governance opened opportunities for mayors to present local views and experiences and thus bring about adjustments to national policies in ways that corresponded to local circumstances as seen by local leaders.

Nevertheless, a number of other conflict drivers also appeared.

The initial pandemic shock mattered for levels of conflict. Serious economic consequences of the pandemic in the early stage (furloughed workers) tended to raise conflict levels. In other words, the more furloughs there were in the initial stage of the pandemic, the *less* mayors thought regulations had suited local circumstances. This may seem contrary to the findings of Behnke and Person, who concluded that serious covid impact led to *greater readiness* among decision-makers in the *Länder* to accept severe covid measures. The reason for these contrasting findings may be that the focus of the two studies differs somewhat: In the German study the focus is on decision-makers' readiness to *adopt* severe regional policies, whereas our study focuses on mayors' readiness to accept standardised *national* policies. Nevertheless, the common denominator is that the territorial variation of the pandemic impact mattered for adoption or acceptance of covid policies.

Furthermore, the role of party affiliation reflects underlying political tensions over covid regulations since territorial standardisation of regulations seems to have been more acceptable to left-wing mayors than to those on the right (right-wing mayors were more dissatisfied than left-wingers were). This pattern is compatible with the finding from the German study quoted above: that parties on the right were more concerned with individual liberty than those on the left and, therefore, also more critical of the actual regulatory outcomes. This could also extend to a greater concern for local liberties among right-wing mayors.

There was also a centre-periphery dimension to the patterns of conflict. Mayors in peripheral regions (i.e. those located most distant from the capitals of the respective countries) were more dissatisfied with covid regulations than mayors from central regions were. The other two dimensions of peripherality—rurality and (low) level of economic modernity—were of little consequence as far as pandemic conflicts were concerned. Variations in municipal size also turned out to be insignificant for levels of conflict.

In the regression analysis institutional features of IGR were also taken into account. As mentioned above, unlike the situation in Denmark and Sweden, municipalities in Finland and Norway were legally empowered to adopt their own local pandemic regulations, but this contrast did not lead to systematically lower levels of conflict in the latter two cases combined.

The analysis included, furthermore, biographic data as control variables—gender and mayoral experience. Only gender was statistically related to levels of conflict. It seems that female mayors were more critical of national covid regulations than male mayors were. Why this should be so must remain an open question for the moment. The reason why the impact of mayoral experience was statistically insignificant may be that almost all mayors were long-serving veterans of local politics and already knew the corridors of power even when they might be newcomers to the office of mayor.

The model explained 21% of total variation, and a substantial part of the model's explanatory power can be attributed to the quality of access or the incidence of collaborative governance. In other words, a fundamental feature of the Nordic pattern of IGR (cooperative decentralisation) was apparent also during the period of stressful pandemic policy implementation.

## DISCUSSION AND CONCLUSIONS

Six questions were outlined in the introduction to the chapter: (1) Did the Nordic countries respond to the pandemic with policies that were sufficiently place sensitive in the eyes of the mayors? (2) Were the IGRs during



the pandemic *biased* in ways that reduced or enhanced the place sensitivity of policies? (3) Was decision-making highly centralised, or was there room for local adaptation of policies? (4) How conflicted were IGRs? (5) Did the degree of *access* by local decision-makers to national policy-making matter for the levels of conflict? (6) Did different IGRs activate further socio-political cleavages?

The questions have been addressed with data from surveys of mayors in the five countries. The data provide a bottom-up view of IGRs as experienced by mayors. Our approach therefore goes beyond analysis of institutional structures to focus primarily on behavioural data.

1. The answer to the first question is that IGR in the Nordic countries during the pandemic resulted in central government policy responses that were largely to the satisfaction of mayors—in that mayors considered policy responses to be reasonably place sensitive given the problem pressures in their communities. Nevertheless, there were variations between countries and across municipalities within countries. Mayors in Sweden and Finland were markedly less satisfied than their colleagues in the other three countries.
2. Policy responses were biased in the sense that policies were heavily shaped by medical and public health concerns. This was not surprising given the nature of the problem and that the legislative arrangements for dealing with contagious diseases gave privileged decision-making access to medical expertise. Thus, a substantial proportion of mayors felt that medical concerns were assigned too much weight to the detriment of other socio-economic concerns in their communities.
3. Decision-making was, furthermore, not as uniformly *decentralised* as might be expected given the Nordic model of local governance. Formally, the covid regimes of Finland and Norway allowed greater local influence and adaptation than was the case for municipalities in the three other countries.
4. Although conflict was not pervasive, IGRs were *conflicted* to some extent. Many mayors felt that decision-making was too top-down with little concern for local circumstances, a feature they again attributed to the privileged position of medical expertise. Mayoral dissatisfaction with the place sensitivity of national covid policies was also notable even under the formally decentralised covid regimes of Finland and Norway.

5. The occurrence of conflicted IGRs could largely be explained by the degree of access which local decision-makers had to national authorities. For analytical purposes access was modelled by drawing on theories of collaborative governance. The theories portray access as a function of iterative interactions, providing opportunities for mutual learning and trust-building. The long duration of the pandemic—more than two years—and the numerous policy revisions provided many opportunities for conflict but also for learning and trust-building. The latter processes seem to have dominated IGRs, and to the extent they did, mayors reported greater satisfaction.
6. In addition to impacts of covid shock, IGRs during the pandemic also reflected a series of *standing cleavages* of the Nordic polities such as ideological orientations and centre-periphery divisions. Economic covid shock early on shaped many mayors' attitudes to national regulations—the greater the shock, the less satisfied they were with standardised policies. A conflict of values was also activated, manifested as differences between left- and right-wing mayors. The former seemed more willing to accept curtailment of local liberties in favour of national standardisation than the latter. There were also traces of a centre-periphery cleavage in the sense that mayors from distant regions were more critical of national policies than those from more central regions.

\* \* \*

Could a uniform, common Nordic model be detected in the mayors' responses and the subsequent IGRs? The answer is largely “yes” despite cross-country variations. National lead policies were different, and policy implementation regimes were different. At the national level, Denmark, Finland, Iceland, and Norway swiftly, and at times in panic, adopted severe emergency policies while Sweden chose a wait-and-see stance. Over time, however, Swedish policies moved closer to those of the other Nordics. Implementation regimes also varied, with centralised regimes in Denmark and Iceland, more decentral modes in Finland and Norway, and a somewhat detached stance in Sweden.

Some cracks appeared in the Nordic model of IGRs—that of cooperative decentralisation. The cracks mostly followed predictable cleavages: those of economic interests (“keep the wheels rolling”), conflicts of values

(right- versus left-wing political parties or pluralism versus standardisation), and conflicts of centres and peripheries.

However, the corona pandemic was “a disaster in slow motion” (Ferguson, 2021); the time that elapsed from the declaration of national emergencies in March 2020 to the middle of 2022 when things began to approach “normal” gave local and national crisis management opportunities for learning and adaptation; and, of course, the arrival of effective vaccines in early 2021 changed the game considerably—from imposing and patrolling limitation on social interaction to devising rules for distribution of scarce vaccines—and to convincing the sceptical to take the vaccines. Overall, cooperative decentralisation re-emerged as the order of the day—and, having survived the pandemic stress, will probably remain the order of the future.

## APPENDIX: REGRESSION ANALYSIS AND DATA SOURCES

**Table 3.1** Local implementation of covid policies and conflict in central-local relations. Regression analysis (OLS). Dependent variable: Level of conflict in IGRs. Details on data and sources in Table 3.2

	<i>Unstand. B</i>	<i>Std error</i>	<i>Stand. B</i>
(Constant)	51,002	16,745	
Access index (mayors' reports)	-.353	.050	-.327***
Regulatory regimes/ Decentral countries = NO, FI	-.855	2543	-.020
Municipal size (Pop21_log)	.795	2361	.022
Covid economic impact (municipal level)—furloughed empl/1000 inhab.	.093	.030	.164**
Mayor's party aff.—left—right	3225	.776	.195***
Years as mayor	-.164	.228	-.034
Gender of mayor $M = 1; F = 2$	4505	1830	.113**
Urbanisation index (municipality; urban-rural)	.347	2213	.010
Economic modernisation index (regional level)	-.007	.011	-.029
Distance index (regional location of municipality— $C = 0, P = 1$ )	5212	2327	.104*
Adj $r^2 = .213; N = 386$ (Icel. not included)			

Dependent variable: Level of conflict. Standardised and unstandardised beta coefficients  $N = 386$ . Missing = means

Sign.: \*0.05; \*\*0.01; \*\*\*.001

**Table 3.2** Data and sources of variables used in the regression analysis

<i>Variables:</i>	<i>Description of variables</i>	<i>min</i>	<i>max</i>	<i>Mean</i>	<i>Std dev</i>
Level of conflict	Mean of responses to two items <sup>1</sup> , scale 0–100. Source: Survey of mayors	0	100	54	21
Access index	Mean of responses to three items <sup>2</sup> , standardised scale 0–100. Source: Survey of mayors	0	100	59	20
Regulatory regimes/ Decentral countries	Decentral = Norway + Finland = 1; Central = Denmark + Sweden = 0	x	x	x	x
Municipal size/ population	# inhabitants 2021 (logged for analysis), Source: Nordregio	192	975,551	23,931	63,102
Covid economic impact	# furloughed employees 2020 per 1000 inhabitants. Source: Nordregio	0	264	61	36
Mayor's party aff.—left—right	National parties coded on scale left-right based on placement in European Parliament. Source: EP <sup>3</sup>	1	6	3.5	1.2
Years as mayor	# years as mayors. Source: survey	0	22	5	4.1
Gender of mayor $M = 1$ ; $F = 2$	Source: Survey $F = 33\%$	x	x	x	x
Urbanisation index (municipality; urban-rural)	1 = urban (4.4%); 2 = Intermediate; 3 = rural (69%) Source: Nordregio	1	3	2.7	.56
Economic modernisation index (regional level)	Source: Nordregio <sup>4</sup>	200	650	398	86
Distance index (regional location of municipality – peripheral = 1; central = 0)	Own calculation and coding	x	x	x	x

<sup>1</sup>Items: – National regulations have been overly reliant on medical advice and have had too little regard of other socio-economic consequences of pandemic measures. – We felt that all too often, national regulations were imposed upon us without considerations of local variations regarding risks of contagion. (Cronbach's alpha = 0.6)

<sup>2</sup>Items: – Guidelines and recommendations from national authorities were very helpful during the first weeks of the pandemic. – On the whole, our communication with national authorities has been conducted smoothly and efficiently. – National authorities have been highly receptive to our local experiences. (Cronbach's alpha = 0.7)

<sup>3</sup><https://www.europarl.europa.eu/about-parliament/en/organisation-and-rules/organisation/political-groups>

<sup>4</sup><https://nordregio.org/nordregio-magazine/issues/state-of-the-nordic-region-2020/nordregio-regional-potential-index-2019/>

*About the Surveys*

The development of the questionnaire was carried out in autumn and winter 2021/2022 through a series of literature reviews, interviews with mayors and CEOs, and testing within the framework of the Nordic research project *POLYGOV (Crisis management in a polycentric Nordic local democracy: different governance structures—different results?)*, financed by the Norwegian Research Council, project number 326136. (See the project's website: <https://www.polygov.org/>).

**Table 3.3** Response rates

		<i>Net sample of respondents (mayors) (N)</i>	<i>Universe (# municipalities) (N)</i>	<i>Proportion of respondents (%)</i>
Mayors	Norway	168	354 <sup>a</sup>	47
	Sweden	101	290	35
	Denmark	39	98	40
	Finland	89	309	29
	Iceland	14	64	22
	Total	411	1115	37

Survey of Nordic mayors 2022

<sup>a</sup>The cities of Bergen and Oslo are not part of the universe as they have a so-called parliamentary governance system, not the aldermanic system found elsewhere in Norway

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# Intergovernmental Relations in Flanders: What Can Be Learned from the Financial Support to Flemish Local Governments During COVID-19?

*Benjamin Descamps*  and *Carine Smolders* 

## INTRODUCTION

The COVID-19 crisis raised important governance issues across many countries. Dealing with the consequences for families and businesses posed serious challenges to the coping and adaptation capacities of government. These challenges were particularly serious in multi-layered government settings with overlapping competencies (Chattopadhyay et al., 2022). Such was the case in Belgium, where cooperation between the federal (national), regional, provincial, and local levels was crucial in tackling the health crisis and the consequent economic crisis (Bursens et al., 2022). This book chapter offers an analysis of the financial dimension of

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the intergovernmental relations between the regional Flemish governments and the local governments during the COVID-19 crisis. As such it focusses on financial resilience in regional-local relations and on fiscal decentralisation as an element of IGR and crisis resilience in general.

In Belgium, the local governments played a vital role in the organisation of the crisis management system but needed a significant number of public resources from the regional level to implement the crisis and health response measures they were responsible for. Up to now only limited evidence is available on how the pandemic affected financial IGR across countries (Béland et al., 2020; Wortmann & Geissler, 2021). Our aim is to fill this gap by studying the formal decisions that were taken to improve the financial resilience of the local governments. The Flemish regional government injected the crisis funding for local governments in the form of twenty-two different grant programmes. By examining the formal legal framework of the grant programmes we were able to deconstruct the underlying political choices that were made during the crisis and answer our research question, whether the pandemic has altered the financial decentralisation trend to give municipalities more budget and spending autonomy by means of unconditional grant transfers, which as such can be seen as signalling a more mature, high-trust relation between the regional and local levels.

This chapter starts with a brief history of the COVID-19 policy response in Belgium from an Intergovernmental Relations (IGR) perspective. We use the analytical taxonomy of three types of contrasting IGR processes: (1) a predominantly multi-layer process involving limited conflict, (2) a centralised policy process in which the central government attempts to suppress conflict, and (3) a conflicted policy process where such attempts are contested and contribute to questionable policy outcomes (Bergström et al., 2022; Gawłowski, 2022).

Secondly, we introduce the formal financial IGR arrangement between the municipalities and the regional level in Flanders. Local governments needed adequate funding to fulfil their operational tasks in the COVID-19 crisis governance. The Flemish government established twenty-two COVID-19 grant programmes to improve the financial resilience of municipalities to enable them to manage their crisis tasks.

Thirdly, we present a case study of the grant programmes. By examining the legal framework of the grant programmes, we can deconstruct how the grant programmes were structured. The type of funding schemes that were chosen are indicators of the political choices that had to be made

during the crisis. Finally, we assess the extent to which the COVID-19 grant programmes reflected a changing IGR-trend between the regional and local levels.

### BELGIUM'S COVID-19 RESPONSE: CONFLICTED OR UNITED?

Belgium has a very divided federal structure and political system, which suggests that the country would be poorly equipped, compared to its federal counterparts, to develop an effective policy response to COVID-19. This assumption makes sense as the division of competences on health care between the federal state, the regions, and the communities is among Belgium's most complicated IGR arrangements. At the start of the pandemic (March 2020) the National Security Council (NSC) became the key political decision-making body. The NSC includes just the federal prime minister, his vice-prime ministers, and the federal ministers for Justice, National Defense, Interior, and Foreign Affairs. This composition of the NSC was justified given the countrywide impact of the crisis and that hospitals' intensive care unit capacity was a federal competency (Vanswevelt & Dewallens, 2020).

Consequently, the federal government was the decisive actor when it came to decisions on lockdowns, closure of borders, and suspending fundamental rights. Yet, as these actions had major implications for regional competencies, such as education, culture, economic affairs, and elderly care, intergovernmental relations (IGR) came under great strain (Popelier & Bursens, 2021). From October 2020 onwards, the five regional governments became official partners in crisis management as the new federal government transferred decision-making power from the NSC to the Concertation Committee (CC). The Concertation Committee is a multi-lateral body of federal and regional ministers that seek to negotiate solutions to conflicting policies. Before the pandemic, the CC was only used on an ad hoc basis during political and constitutional crises and had no permanent existence. After several months in crisis, the political leaders of the different governments (federal and regional) decided that the CC would be the most appropriate constitutional entity to coordinate the crisis. Nevertheless, tensions between the federal and regional levels persisted. Especially in the Flemish region, political leaders openly disagreed with the actions taken by the CC, although they participated in the

decision-making process (Bursens et al., 2022). The poor coordination between the federal and regional levels, and the resulting contradictory announcements, affected the local communities that had to communicate and enforce crisis measures (Wayenberg et al., 2022).

Belgium was not the only country characterised by divergent views, contested measures, and communication problems. Bergström et al. (2022) identified similar problems in Spain, the UK, the Czech Republic, and Slovakia when examining the early phase in the governance of the crisis. Probably most countries went through a period of conflicted relationship, some of them temporarily, while others more structurally. The confusing announcements of the federal and regional governments over the crisis measures unsettled local governments in conducting their key role in communicating the measures to citizens and businesses and enforcing these measures. Accordingly, Wayenberg et al. (2022) classify the Belgian governance of the COVID-19 crisis as an example of a conflicted IGR policy process.

Other scholars have taken a different view and argued that Belgium's policy response to COVID-19 was surprisingly united for such a divided, federal country. These authors argue that, although IGR competencies were very fragmented, the policy response was largely uniform and national, given the strong consensus among the political elite that measures should be the same over the entire country (Sinardet & Pieters, 2021). This leads us to conclude that IGR in the Belgian context are complex and multiple and that IGR can be perceived differently depending on the specific decisions, policy domains, and government levels that are analysed.

Apart from the federal government, the five regional governments were engaged in the crisis management together with the local governments. Therefore, it is important to look in more detail at the underlying relations between the regional and local levels. In addition, next to diverging views, contested measures, and communication problems in general, the success of the crisis governance also depends on the effectiveness of higher governments in safeguarding the financial resilience of the lower governments. For, as well as clear crisis communications about measures from higher levels, municipalities also require adequate funding to fulfil their operational role in the governance of the crisis (de Mello & Ter-Minassian, 2022). As Saliterer et al. (2021) argue, financial resilience or the financial ability of local governments to anticipate, absorb, and react to shocks is crucial in crisis management.

## REGIONAL-LOCAL RELATIONS IN FLANDERS: THE FINANCIAL DIMENSION

### *Intergovernmental Grants Reflect Political Choices*

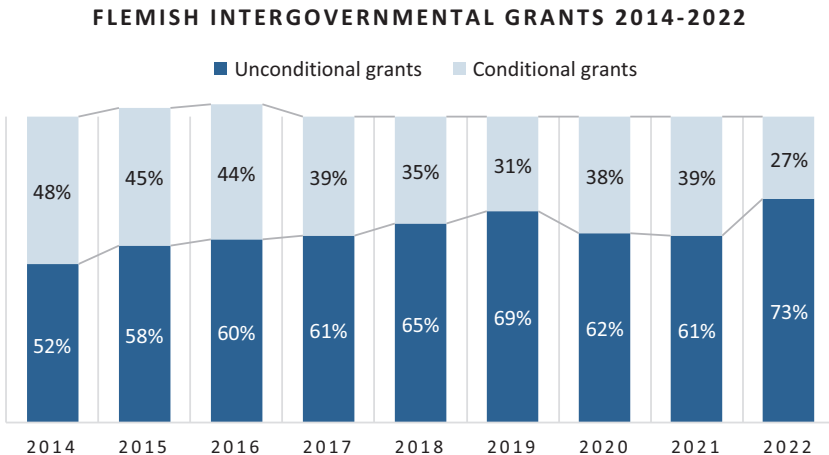
In the Flemish region, local governments have a crucial financial role in supporting investments in a wide range of infrastructure such as roads, elderly care, sports, environmental projects, local police networks, spatial development and urban planning projects, educational projects, youth development programmes, social housing policy, cultural activities, digitalisation projects, and many more (Belfius, 2022). Local governments' wide-ranging local budgetary autonomy is embedded in the Belgian Constitution that allows municipalities to raise local taxes as long as the "non bis in idem" principle is not violated, which means different tax authorities can only levy taxes on the same matter once. On average, 49% of local governmental revenues are generated through local taxes and penalty fines, of which the local property tax and the local personal income tax (both surcharge taxes) are by far the most important ones. Intergovernmental grants are the second largest local revenue source, representing 40% of local financial revenues (Smolders, 2020). From a comparative perspective the Flemish case is not exceptional considering that intergovernmental grants for municipalities in OECD countries form on average 46% on their revenues (Santos, 2020).

Intergovernmental grants can be conditional or unconditional. This feature is important as directly relevant to the spending autonomy of the receiving governments and, as such, to effective fiscal decentralisation. As such unconditional grants might signal a more mature, high-trust relation between the regional and local levels. Unlike unconditional grants, conditional grants restrict municipalities to specific forms of spending that in many cases are related to specific policy objectives of the granting government (Oates, 1972; Bird & Smart, 2010). Furthermore, in most cases, conditional grants imply an administrative justification from the receiving governments. Whether municipalities receive this type of grant depends on how higher government actors decide to offer the grant on the one hand, and on administrative and political efforts of the local governments to receive the grants on the other hand (Volden, 2007). The following section gives a financial overview of the intergovernmental grants for the period 2014–2022.

### *Overview of Intergovernmental Grants: 2014–2022*

In 2019, one year before the COVID-19 crisis, almost 70% of the intergovernmental grants to municipalities were classified as unconditional (3.4 billion euro); 78.6% of the unconditional grants derived from the Municipalities Fund, the distribution of which is based on criteria that unchanged since 2002. Since 2008 in total five other unconditional grants were added. These were created to compensate municipalities for the loss of energy dividends (2008), for costs related to specific labour statutes (2016) or to cover up extra spending needs in cities (2017).

Figure 4.1 shows that since 2014 the proportion of unconditional grants increased steadily. Next to the formerly discussed extra types of grants, this trend results from the Flemish internal state reform that was initiated in 2009, but in fact had a significant impact from 2015 onwards, given the redistribution of several larger grant programmes (Descamps & Smolders, 2022, 2023). Competencies formerly held at the provincial level were reallocated to the Flemish and the local levels. This resulted in additional grants in 2018. These were intentionally unconditional as the Flemish government wanted to reduce the bureaucratic costs of managing grants and to enhance local spending autonomy. Finally, the steady growth of unconditional grants also reflects how the main unconditional grant



**Fig. 4.1** Evolution of Flemish Intergovernmental Grants (2014–2021) (Source: Belfius, 2022, 2023)

programme (Municipality Fund) is automatically indexed at a rate of 3.5% per year. In the low-inflation environment of the former decade, this provision automatically increased the proportion of funding given unconditionally to local budgets (Flemish Internal Administration Agency, 2019).

As for the Flemish conditional grants, there is no general register of the specific grants involved. However, a recent question by a member of the Flemish parliament revealed that over the period 2019–2021 more than 600 million euros were allocated by means of conditional grants (Vlaams Parlement, 2022). Each year more than fifty initiatives were launched independently by different Flemish ministers. These conditional grants are very scattered, create a lot of administrative burden, and show sharp deadlines. As a result, they are very unevenly distributed over the three hundred local communities: 40% of the resources are allocated to thirteen cities. The small number of applications by other municipalities is related to the lack of local administrative capacity to obtain the grants and conduct the work to effectively use the funds (VVSG, 2022). This empirical observation is not uncommon in the intergovernmental playing field of grants. Other studies have demonstrated that higher administrative capacity is associated with a higher likelihood of pursuing and obtaining grants (Manna & Ryan, 2011; Lowe et al., 2016) and an effective use in terms of the programme rollout (Shybalkina, 2023).

### THE FLEMISH COVID-19 GRANTS FOR MUNICIPALITIES

As Flemish municipalities, apart from their own fiscal revenues, mainly rely on grants from the (regional) Flemish government, our focus is on how these grants were designed. We argue that the type of grants is an additional indicator of decentralisation or recentralisation and trust of higher governments in lower government levels (ACIR, 1978; Handley, 2008).

More specifically, unconditional grants imply maximum spending autonomy within the competencies of the local government and as such signal a more mature, high-trust relation between the regional and local levels. Conditional grants have a quite different nature. Typically, higher government levels designed them to ensure the implementation of their new policy initiatives. Different funding types are applied; some of these have a competitive nature, and receiving municipalities need to report on how the resources were spent. In general, when conditional grants are dominating the IGR funding schemes, these contexts are characterised by

less fiscal decentralisation (Ladner et al., 2019; and as in England, see Laffin and Diamond, in this volume).

In Flanders, the share of unconditional grants directed to municipalities increased from 52% to 69% over the period 2014–2019. This evolution was in line with the successive Flemish coalition agreements that required local governments to be given greater spending autonomy and that the administrative burden related to grants should be reduced.

### *Methodology*

During the COVID-19 crisis twenty-two grant programmes were launched channelling 319 million euros to the local governments. By analysing the formal legal framework of each supplementary subsidy, we can identify the underlying political choices made during the crisis. All grant programmes were categorised by their goal or department (e.g. childcare, contact tracing, vaccination centres, elderly care, culture, youth). As well as their conditional/unconditional nature, the following features of a grant's design were identified:

- The competitive nature: are all local governments applying for the grants awarded when they meet the criteria, or, due to budgetary restrictions, has the “first come first served” principle been adopted?
- Is the distribution of the grants criteria-based or ad nominatim? The latter is referring to grants that are (politically) chosen by the regional government and allocated to specific municipalities.
- Are the grants designed in collaboration with local governments?

The analysis is meant to give answers to the following research questions (Table 4.1):

### *Analysis of the COVID-19 Funding Schemes*

#### *Funding Schemes*

The results are summarised in Table 4.2, which gives an overview of the characteristics of the twenty-two COVID-19 grants, seventeen of which were allocated in 2020. The typology of the different grants is explained in the legend of the table.



**Table 4.1** Framework case study content analysis

<i>Unit of analysis</i>	<i>Inquiry</i>
Individual grant	– What type of funding scheme was chosen? – What was the effect on the spending autonomy of local governments?
All grants	– Were the budgetary decisions about the grants multi-layered, centralised, or conflicted?
Larger IGR grants trend	– Do the budgetary decisions reflect a changing IGR-trend in Flanders?

Our analysis of the specific grant schemes reveals that the Flemish government used conditional grants for fifteen out of twenty-two programmes. Of these conditional grants, in ten out of fifteen cases the regional government opted for formula-based grant programmes. The allocation criteria in these formulas have always been based on the criteria of pre-existing funding (the Flemish municipality fund, the preventive health care policy funding, the health care infrastructure fund, the youth centre decree funding, etc.). The explanatory sections of the ministerial decrees indicate that the Flemish government has pragmatically chosen to use existing formulas and given adequate and timely support to the local level. The regional government unilaterally took decisions concerning which type of grant and method of distribution. Even so, the representative organisation of the local government, VVSG (Association of Flemish Cities and Municipalities), was given the role of the distributing organisation, an indication of an elevated level of trust in representative organisation of local councils.

Only three out of fifteen grants were distributed by the *ad nominatim* principle. These financing schemes related to the vaccination centres, the location of which was chosen by higher-level governments. Although *ad nominatim* grants might reflect political interference, the grant allocations reflect rather pragmatic choices based on demographic and infrastructural criteria when analysing the explanatory sections of the implementation decrees.

Unlike the regular conditional grant programmes, only two programmes were based on a competitive principle (one by “the first come first served” principle and one administered by an administrative jury). In one case, local government could apply for grants to support their cultural

Table 4.2 Categorization of the Flemish COVID-19 programs

	<i>Conditional grants</i>			<i>Unconditional grants</i>		
	<i>Competitive</i>		<i>Formula Ad nomination</i>	<i>Collaborative with local governments</i>		<i>Collaborative with local governments</i>
	<i>Jury</i>	<i>First come</i>		<i>Formula Ad nomination</i>	<i>Formula Ad nomination</i>	
1. 22/04/20 – Childcare		X				
2. 15/05/20 – Daycare		X				
3. 22/06/20 – Culture				X		
4. 22/06/20 – Youth				X		
5. 22/06/20 – Sports				X		
6. 22/06/20 – Poverty				X		
7. 25/06/20 – Rest homes				X		
8. 25/06/20 – Elderly hospitals				X		
9. 30/06/20 – Living wages				X		
10. 30/06/20 – Consumption budget				X		
11. 17/07/20 – Schools					X	
12. 07/08/20 – Residential care					X	
13. 07/08/20 – Family care					X	
14. 07/08/20 – Cultural organisations		X				
15. 13/11/20 – Contact tracing						X
16. 17/11/20 – School investments						X
17. 20/11/20 – After school childcare						X
18. 26/01/21 – Vaccination centres						X

19. 10/02/21 – Transportation vaccines			X						
20. 12/02/21 – Staffing vaccination centres			X						
21. 26/03/21 – Mental wellbeing young adults	X								
22. 08/12/21 – Childcare and schools		X							
Total	1	1	10	3	0	6	1	0	

Conditional grants: grants that are designated for a specific purpose and may not be used for other expenditures

Unconditional grants: grants that are allocated towards local governments that can be spent in any way the local government wishes

Competitive jury: grant applications are reviewed by a jury that formally advises the minister prior to his budgetary decision

Competitive first come: grants are allocated by the first come first served principle, which means municipalities should apply quickly

Formula based: grants are allocated based on a formula with specific criteria (ex. socio-economic or demographic criteria), which means the budgetary decisions are predetermined by the formula

Ad nominatim: grants are allocated towards cities or municipalities that are specifically appointed by the cabinet or the minister

Collaborative with local governments: grant programs in which municipalities can give input about the spending criteria or can formulate their investment priorities before the application process

organisations to compensate them for lost income consequent to lockdown measures. Although the regional government gave a formal deadline for municipalities to apply, the minister had the discretionary power to extend the deadline. Consequently, the competitiveness of this grant programme was quite low. The second competitive grants programme was aimed to support local initiatives relating to the mental well-being of young adults resulting from COVID-19 (e.g. psychological consults or digital activities with the local youth council). The evaluation criteria for this grant programme call were easy to meet and there were four application calls within a reasonable time frame.

For the unconditional grants, the formula design principle was dominant as well (6/7). Only one grant programme for residential care was based on the ad nominatim principle when a localised outbreak occurred. There are no indications that the criteria used were the subject of political interference. Again, the Flemish government has fallen back on existing sectoral formulas, without formal bargaining with the local governments.

#### *Classification of Policy Process*

The analysis shows that fifteen out of twenty-two funding initiatives were designed as conditional grants. As such the Flemish approach converged with that in many other countries (Chattopadhyay et al., 2022). The grants can mostly be classified as formula-based grant programmes, the criteria of which were based on pre-existing funding schemes. Although no political bargaining with the municipalities was observed, a more cooperative approach was adopted as the pandemic lasted. Some formal advice was given by the Flemish local government representative organisation (VVSG) that also acted as the distributive actor for some of the grants towards municipalities. Overall, it seems that the grant distribution processes were mainly driven by the consideration of the speed of impact, rather than by the aim to suppress conflicts or to diminish the local spending power.

On the contrary, as was stated in the report of the Flemish parliamentary commission decentralisation (infra section “Larger IGR-Trend”), the swift and adequate actions taken by local governments during the crisis were an important factor for transferring more competencies to the local level in the future (Vlaamse overheid, 2022). The policy response to the pandemic is having a longer-term consequence, because the regional government suggests distributing more competencies to the local level given the way they operated during the crisis which increased the level of trust in the local level.

As a result, we conclude that the conflicting IGR during the first year of the crisis that affected the local level were mainly situated at the federal/regional level. Yet, when looking at the underlying relationship between the regional and local levels in later periods, and focussing explicitly on the grants allocated, we identified no conflicts, and estimate that the adoption of more conditional grants was prompted by pragmatic crisis spending motives. It would be questionable if the regional government would have distributed more unconditional grants in a crisis setting that demanded for more financial support in elderly and family care, etc. The crisis thus temporarily encouraged conditional spending.

In general, we conclude that the governance of supplementary funding during the COVID-19 crisis was clearly centralised at the regional level. Launching conditional grants, copying existing funding schemes, and adopting predominantly formula-based allocation criteria resulted from the urge to respond quickly to the challenges the local governments were facing. Importantly, no indications are present of conflicting views between the different public actors. This is confirmed when screening the official press on articles in which local politicians discussed the grant decision-making (Gopress, 2023).

### *Larger IGR-Trend*

The overview shows a clear trend towards the greater use of conditional grants, in accordance with Fig. 4.1, based on local governments financial reports (Belfius, 2022, 2023). Before the COVID-19 outbreak IGR between the Flemish regional government and municipalities were characterised by a trend towards more unconditional grants and, as such, towards greater local spending autonomy. As most of the financing schemes during the crisis were conditional grants, this might signal a significant reversal of the former strategy, reflecting a return to tighten and supervise local governments, but this is not the case. Quite the contrary. In 2022, the municipal financial reports show that 73% of the grant programmes are unconditionally structured, which is the highest unconditionality ratio in our dataset.

After the pandemic, the Flemish government established a parliamentary commission on decentralisation with affiliates of the Flemish ministers and members of cabinet, administration, and local governments. Its final report concluded that “during several crises the last years the local governments have proven to be ready to take more responsibility. This is why we

have chosen to develop a long list of policy measures to strengthen the decentralization trend in Flanders” (Vlaamse overheid, 2022, 27). Clearly, the regional government highly rated the local governments’ operational role during the crisis. Indeed, the Flemish regional government opened new pathways for decentralisation (see the statement by the Flemish minister of interior affairs in the Flemish Parliament [Vlaams Parlement, 2022]). Consequently, we do not consider that government’s shift to more conditional grants during the pandemic was an indication or a shift towards recentralisation. The most recent municipal financial reports confirm our findings, given the high unconditionality ratio in the grants local government received in 2022.

## CONCLUSION

The COVID-19 pandemic governance in Belgium was characterised by a true patchwork of competences, not only because it involves series of policy domains, but also because competences are scattered across different government levels. Consequently, coping with the crisis was a challenging exercise, resulting in tense IGR.

Especially in the first year of the crisis, conflicts between the federal and regional governments resulted in confusing press statements by political leaders from different government levels about the crisis measures. This situation also affected local governments, which engaged in communicating and enforcing the adopted actions. This led scholars to classify the Belgian governance of the pandemic as an example of a conflicted IGR policy process. Other scholars have taken a different view and argued that Belgium’s policy response to COVID-19 was surprisingly united for such a divided, federal country. Although IGR competencies were very fragmented, the policy response was largely uniform and national, given the strong consensus among the political elite that measures should be the same over the entire country. This leads us to conclude that IGR in the Belgian context are complex and multiple and that IGR can be perceived differently depending on the specific decisions and policy domains that are analysed. Our analysis of the financial dimension of the intergovernmental relations between the regional Flemish governments and the local governments during the COVID-19 crisis confirms this observation.

The case study of the twenty-two COVID-19 grant programmes shows that a large majority of the schemes was designed as conditional grants,

the distribution of which was predominantly criteria-based. This is in contrast with the period 2014–2019, when a clear tendency to more unconditional grants was present. Yet, the ministerial decrees' explanatory sections revealed that relying on existing conditional funding schemes and distribution criteria was a rather pragmatic option to strengthen local financial resilience in an adequate and timely manner. The adoption of more conditional grants was prompted by pragmatic crisis spending motives. It would be questionable if the regional government would have distributed more unconditional grants in a crisis setting that demanded for more financial support in elderly and family care and in the setup of vaccination centres, etc. The crisis thus temporarily encouraged conditional spending.

Though decisions on which grant schemes to install and how to distribute them were highly centralised at the regional level, no tensions were reported between the distributing and receiving authorities. Moreover, the fact that local governments responded to the crisis challenges in a highly effective way was mentioned as one of the major rationales to increase decentralisation initiatives in the years to come. Consequently, we do not consider that government's shift to more conditional grants during the pandemic was an indication or a shift towards recentralisation. The most recent municipal financial reports confirm our findings, given the high unconditionality ratio in the grant programmes that local government received in 2022. We therefore conclude that the IGR between the Flemish regional level and the local level should be classified as an example of a centralised governance process, but not as a conflicted one.

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# Inter-administrative Relations in Migrant Integration: France, Germany, and Sweden Compared

*Franziska Oehlert and Sabine Kuhlmann*

## INTRODUCTION

In many countries, local authorities are at the forefront of the reception and integration of migrants, often even formulating their own integration policies (Franzke & La Ruano de Fuente, 2021). The multi-level and cross-cutting nature of migrant integration policies makes them a prime example of intergovernmental relations (IGR). On the one hand, local authorities are bound to coordinate their efforts with other administrative units across different levels of government; on the other hand, they must overcome fragmented, overlapping, and somewhat opaque responsibilities and institutional structures that may result from the cross-cutting nature of migrant integration (Bogumil & Kuhlmann, 2022).

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Yet, there is a remarkable gap in empirical research regarding the role of public administration (PA) and inter-administrative coordination in the multi-level system (Scholten & Penninx, 2016). Within the research strand of IGR, the primary focus has been on political actors, thus neglecting the role of administrative actors.

This is particularly true for migrant integration, where no comparative research explicitly focuses on the inter-administrative dimension of coordination. Thus, this book chapter aims to fill a missing link in comparative research and addresses inter-administrative relations (IAR) as a neglected subdimension of IGR in multi-level systems. While IGR include both a political and an administrative dimension, the latter has not been at the centre of research interest. The expertise of technocrats at the bureaucratic and implementation levels (see Beer, 1978) has been less the focus of IGR studies than political decision-makers and actors involved in policy formulation and legislation. Therefore, the dimension of IAR merits more systematic and in-depth empirical investigation within IGR research, in particular from an international comparative perspective. With this chapter, we aim to fill this gap in IGR research. Like other authors (Penninx & Garcés-Masareñas, 2018; Schiller, 2019), we note a lack of systematic, cross-national comparisons of integration processes that go beyond particular fields of activity (e.g., political participation, urban policies, and education). Consequently, our focus is on how IAR play out in this domain across three countries.

Drawing on migrant integration as a case in point, our study reveals how the interactions and conflicts across different levels of government affect IGR processes, and how IAR play out in a multi-layered system in implementing policy goals. We analyse IAR in Germany, Sweden, and France, given their significant number of newly arrived migrants, especially in 2015/16 from Syria and, more recently, from Ukraine. Drawing on the distinction of various types of IGR as outlined in the framework of the book, we will elaborate a more refined typology of IAR and scrutinise to what extent country-specific administrative traditions (and other factors) have shaped IAR over time. The chapter thus addresses the following guiding question:

*How have intergovernmental systems in countries with different administrative traditions and local government systems responded to similar pressures, and to what extent has this changed pertinent patterns of IAR?*

## SELECTION OF CASES

We have selected the policy area of migrant integration as a case in point for empirically investigating trends towards institutional convergence and divergence in IAR patterns from a temporal and cross-country comparative perspective. The public task of migrant integration refers to diverse services, including inter alia language training, labour market integration, housing, education, and cultural activities. In this chapter, we focus on the integration of refugees as a particularly topical and urgent issue for many municipalities in Europe.

France, Germany, and Sweden share commonalities regarding the extent to which they are affected by the migration crisis. All three countries were exposed to similar external pressures in receiving an exceptionally high number of asylum seekers over the last years in the European Union. According to immigration statistics, Germany received the most asylum applications between 2015 and 2019 in absolute terms, followed by France. In terms of relative population, however, Sweden received the most asylum applications, if the small island state of Cyprus is excluded (see Table 5.1).

The municipalities in the three countries studied play an essential role in migrant integration. Following the sharp increase in migrants in 2015/16, the German federal states have massively promoted local integration measures through funding programmes. In Sweden, municipalities have been legally obliged, since 2016, to accommodate the number of recognised refugees assigned to them by the central government for at least two years. In France, the role of the local level in migrant integration

**Table 5.1** Reception of asylum seekers between 2015 and 2021

	<i>France</i>	<i>Germany</i>	<i>Sweden</i>
Inhabitants (2022)	64,560,542	83,426,789	10,517,669
No. and average size of municipalities (Ø inhabitants)	34,945 Ø 1720	10,789 Ø 6690	290 Ø 31,310
Asylum seekers in absolute terms	630,850	2,089,228	379,910
Asylum seekers per 1,000,000 inhabitants	9417	25,301	37,641
Peak of asylum applications (year and no.)	2019: 151,070	2016: 745,160	2015: 162,450

Source: Own illustration based on Statista; Eurostat; European Parliament, 2022; UNHCR, 2022; Kuhlmann et al., 2022

\*Remark: The 2021 figures for France and Sweden are only up to October 2021

has been reaffirmed by the national strategy introduced in 2018 for improved reception and integration of refugees.

Despite similarities between the countries in terms of how they are affected by immigration and the increased role of the local level, they represent different European administrative systems and cultures. Germany belongs to the so-called Continental European Federal PA profile, Sweden represents the Nordic and France the Continental European Napoleonic PA profile (for details, see Kuhlmann & Wollmann, 2019; Kuhlmann et al., 2022). From a comparative perspective, these varying ‘starting conditions’, administrative contexts, and local government traditions are assumed to significantly influence, shape, and limit subsequent institutional choices and corridors of action, particularly in times of crisis. Moreover, the high variance of PA traditions promises valuable insights into the relationship between PA cultures and the functioning of IAR in crises. Thus, we can gain insight into how different IGR systems responded to the sharp increase of newly arrived migrants.

The comparative study is based on a qualitative design. Between May 2021 and June 2022, a total of 120 semi-structured interviews were conducted in the three countries with representatives of local and deconcentrated administrations, politics, and NGOs, complemented by secondary sources.<sup>1</sup>

## CONCEPTUAL FRAMEWORK: INTER-ADMINISTRATIVE RELATIONS AND NEW INSTITUTIONALISM

### *Inter-administrative Relations as a Missing Link in Comparative IGR Research*

In federalism research, intergovernmental relations (IGR) have been studied predominantly with regard to the interactions among political actors in decision-making, legislative, and policy formulation processes (Benz, 2021: 6). Although IGR are defined to include both political and administrative relationships, pertinent studies have largely neglected the implementation processes while mainly concentrating on policymaking. The role of public administration, technocrats representing the

<sup>1</sup>The project was funded by the German Foundation Mercator and jointly conducted by the Universities of Potsdam and Bochum (see Bogumil et al., 2023).

bureaucratic and expert views (see Beer, 1978), and inter-administrative relations (IAR) have not been at the centre of empirical investigation so far (see Bogumil & Kuhlmann, 2022; Heuberger, 2022). An international comparative perspective on IAR in specific policy processes is missing. In this contribution, we will, therefore, adopt an IAR perspective which systematically addresses the role of public administration and bureaucrats/technocrats in the implementation phase, focusing on a specific policy process, namely the integration of refugees.

Conceptually, we consider IAR as being a—though largely understudied—key component of IGR. They represent the dependent variable of our research. Rooted in the structure of multi-layered systems, IAR face a tension between the principles of decentralisation and subsidiarity, on one hand, and the principle of equalisation of living conditions, on the other. Furthermore, effective IAR have to balance standardisation and stability with maintaining necessary flexibility and some organisational autonomy. Still, these tensions are often not easy to resolve and sometimes lead to ‘blame shifting’ and control deficiencies if responsibilities are not clearly defined. Problems may also arise as a consequence of IAR. The excessive coordination and standardisation of administrative action may render the advantages of decentralised task fulfilment obsolete and, as crises demonstrate, tendencies towards ‘intergovernmental centralism’ become visible (Kuhlmann & Franzke, 2022). However, administrative interdependence cannot simply be abolished; it is an integral part of the distribution of tasks in multi-level systems. Systems differ in their design depending on the specifics of the policy fields and the institutional framework conditions of different country contexts.

Analytically, we can distinguish between horizontal forms of IAR (between administrative sectors) and vertical forms of IAR (between administrative levels), as well as IAR of specialised and cross-sectional functions, and lastly, institutionalised and informal IAR (Benz, 1997: 168 et seq.). In this chapter, we focus on *vertical IAR*—that is, *between administrative levels*. In doing so, we distinguish between two key dimensions: (1) the allocation of tasks in the multi-level system (decentralised vs. centralised) and (2) the degree of intergovernmental coordination/decoupling (coordinated vs. decoupled). The first dimension refers to the predominant level of functional responsibilities formally assigned to a particular unit of administration in the field of migrant integration (state/

central government vs. local government). However, decisions on migrant integration policies and their subsequent implementation are not only centralised or decentralised; they are also shaped by the interactions between the various governments (Hegele & Schnabel, 2021). Therefore, the second dimension addresses the separation or coupling of levels with regard to the fulfilment of integration-related tasks, thus relating to coordination in the intergovernmental setting. Combining the two dimensions, the following ideal types of IAR can be derived (see Table 5.2), which serve as heuristics for classifying the institutional development logic in the countries studied. The traditional IAR types of the various countries, that is the situation before the European ‘refugee crisis’ since 2015, appear in brackets.

**Table 5.2** Ideal types of inter-administrative relations in migrant integration

		Centralised task allocation			
		<p><b>Centralised-decoupled type</b> <i>(France)</i></p> <ul style="list-style-type: none"> <li>• Predominance of (central) state in the administrative and operative management of migrant integration.</li> <li>• Clear vertical administrative organisation, in which a task-specific organisational structure exists from the (centralised) state to the local level; at the same time, lack of intergovernmental coordination and communication apparent.</li> </ul>			<p><b>Centralised-coordinated type</b></p>
Decoupled					Coordinated
		<p><b>Decentralised-decoupled type</b> <i>(Sweden)</i></p> <ul style="list-style-type: none"> <li>• Task of migrant integration mainly falls with local governments, which institutionally bundle all relevant integration-related tasks and have a comprehensive mandate of decision-making and service provision.</li> <li>• Limited communication and coordination with central state authorities, as local authorities enjoy considerable degree of autonomy.</li> </ul>	<p><b>Decentralised-coordinated type</b> <i>(Germany)</i></p> <ul style="list-style-type: none"> <li>• Characterised by high degree of decentralisation regarding the allocation of integration-related tasks, which mainly fall to the local authorities.</li> <li>• Actual interdependence of administrative levels, mirrored by intense intergovernmental coordination and institutionalised patterns of state-local interaction, characteristic of cooperative federalism systems.</li> </ul>		
		Decentralised task allocation			

Source: Own illustration



### *New Institutionalism(s) as an Explanatory Framework*

Cultural, actor-specific, and external factors are regarded as independent variables in our research, necessary to explain how IAR in migrant integration, our dependent variable, play out in the various countries. Borrowing from new institutionalism, institutional changes or continuity, as well as cross-country convergence or divergence in institutional developments, can be explained on the basis of three major theoretical approaches, from which the following contrasting hypotheses about the evolution of IAR can be derived.

#### *The ‘External Pressure Hypothesis’*

It is hypothesised that institutional evolution in migrant integration follows progressively *convergent* institutional paths. This assumption is supported by the literature on crisis management (Bouckaert et al., 2020; Boin et al., 2016; Christensen et al., 2016), in which we can observe a general tendency towards centralisation and concentration in times of acute crisis (Hernes, 2021). International research on policy diffusion and policy transfer further supports this, showing that similar external pressures often result in convergent institutional developments regardless of different ‘starting conditions’ and institutional traditions. Exogenous forces such as the migration crisis are expected to prompt decision-makers to streamline their institutional arrangements, producing somewhat congruent IAR features (*convergence hypothesis*).

#### *The ‘Historical Path Dependence Hypothesis’*

From the viewpoint of historical institutionalism, the administrative contexts and ‘starting conditions’ merit close attention when it comes to explaining institutional trajectories (see Steinmo et al., 1992). Historical path dependencies and cultural imprints inherited from the past have been highlighted as influential institutional development factors (see Brubaker, 1992). We anticipate that these traditional institutional features of the three countries examined largely shape subsequent institutional developments since they can either support or inhibit specific reform steps. From this, one can derive the hypothesis that the given administrative cultures and traditional profiles of IAR will persist even in times of crisis insofar as they constitute institutional path dependencies and limit the corridor for change. This means that, once established, existing institutional patterns can only be changed at a high cost (so-called lock-in effect; see Hall,

1986). Therefore, we expect the distinctive institutional models in their political and historical contexts to result in divergent IAR in Germany, Sweden, and France (*divergence hypothesis*).

*The ‘Actor Constellation Hypothesis’*

The ‘convergence hypothesis’ may be further contested on the grounds that institutional choices are not only prompted by external pressures but depend heavily on ‘endogenous’ forces—in particular on country- or even city-specific actor constellations and power-seeking strategies. Here, we draw on the actor-oriented approach of new institutionalism (Mayntz & Scharpf, 1995; Scharpf, 1997, 2000). This approach argues that institution-building must be interpreted as the result of choices made by political actors within specific institutional settings. Even if it guides and constrains behaviour, the institutional framework provides considerable scope for strategic action, encouraging political actors to influence institution-building in the direction of their own political objectives and benefits. Irrespective of similar external pressures, in different political contexts, we should therefore expect clearly distinctive or even progressively divergent trajectories and effects of institution-building, depending on the specific constellations of actors, political interests, and political ‘will and skill’. In line with this reasoning, we assume that changes and continuity in developing IAR depend heavily on whether and how the relevant actors support these measures. Hence, the IAR trajectories in the countries under consideration can be assumed to be either convergent or divergent, depending on the endogenous forces and actor-specific interests (*variety hypothesis*).

Our analysis does not aim to test these neo-institutionalist theories, but rather to use them as a heuristic framework and explanatory background. The objective of the following sections is to provide empirical evidence for institutional convergence/divergence in IAR regarding migrant integration in the three countries and to reveal some of its major determinants. The analytical framework we draw on can be summarised as follows (Fig. 5.1).

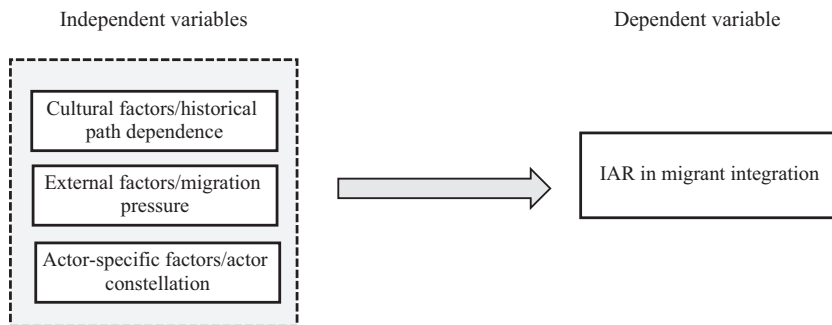


Fig. 5.1 Explanatory model. Source: Own illustration

## SHIFTING INTER-ADMINISTRATIVE RELATIONS IN MIGRANT INTEGRATION

### *Starting Conditions: Task Allocation and Coordination*

France stands out with an integration management that is strongly determined by the (deconcentrated) state administration. At the centre of this is the French Immigration and Integration Office (OFII), subordinate to the Ministry of the Interior, which coordinates the main integration programme, the Republican Integration Contract (*Contrat d'Intégration Républicain—CIR*). Once a person has been granted international protection, they sign a one-year contract in one of OFII's 28 territorial directorates in metropolitan France. This includes language and civic orientation classes given by OFII's contract schools, which are selected by public tender. The state administration also plays a vital role when it comes to professional integration. Deconcentrated employment agencies (*Pôle Emploi*) operating under the Employment Ministry offer job-specific counselling and support in job placement to any registered job seeker. These services become particularly relevant for migrants after completing the CIR training. Thus, French municipalities are neither involved in the conception, implementation, and financing of the CIR training nor in the subsequent labour market-related counselling, which gives a clear indication of France's state-centric approach. However, cities and bodies of inter-municipal cooperation (metropolises) play an increasingly important, albeit complementary, role in this regard. They partly fulfil a 'catch-all' function, especially for vulnerable groups who fall through the state net,

for example persons without a residence permit. Given the predominance of central government agencies and the limited coordination with local governments, the French model of migrant integration initially (before the 2015/16 migration crisis) most closely matched the *centralised-decoupled* type of IAR of our four ideal-typical IAR configurations.

Sweden's integration policy for newly arrived migrants is determined by a comprehensive two-year integration programme (*Etableringsprogrammet*). This state-funded programme was introduced as early as 1994, with the municipalities initially being solely responsible for its organisation. The municipalities were therefore free to decide in what form they would provide financial compensation to participants and whether they would impose sanctions for irregular participation. The only condition for municipalities to receive a fixed state allocation per person was to draw up an individual and needs-oriented activity plan with the participant (Hernes, 2021: 8). Against this background, and in line with the generally high degree of autonomy of Swedish municipalities (Kuhlmann et al., 2022), Sweden's approach to integration can best be classified as belonging to the *decentralised-decoupled* ideal type. This type is characterised by a decentralised task allocation and relatively decoupled coordination. It should be noted, however, that even before the sharp rise in refugee immigration in 2015, labour market competencies and the coordination of the integration programme were transferred to the Swedish Public Employment Service (*Arbetsförmedlingen*). This was done with a view to levelling out differences between the municipalities in the programme organisation and outcomes to ensure a more uniform offer of employment opportunities and equal quality standards throughout the country. What this transfer of competencies in 2010 did not change, however, is the fact that the municipalities bear the financial responsibility for immigrants as soon as the integration programme ends. Consequently, the institutional setting before the 2015 migration crisis may still be regarded as predominantly decentralised.

Germany is closer to the Swedish than the French model with regard to the allocation of integration tasks. German municipalities assume a broad portfolio of integration-related tasks, such as providing welfare services, accommodation, and integration monitoring. At the same time, the municipal scope of action—in providing counselling, for example—is limited by state regulations, funding schemes, and various obligations to coordinate activities with higher levels of government. Despite this, the local governments may set different policy priorities and institutional

arrangements. Moreover, due to the federal structure, there is a high degree of variation across the *Länder*, which mirrors different levels of crisis affectedness across the country, as well as different policy preferences among *Länder* governments in relation to migrant integration. Many municipal integration activities are financed by funding programmes of the *Länder*, whereas voluntary tasks of self-government are funded through the municipalities' own budgets and depend on the will of the political actors. Nevertheless, certain integration-related tasks are allocated outside the municipal sphere of influence and carried out by authorities at the federal and state level. The federal level dominates labour market integration and language support for foreign adults. Labour market measures fall within the remit of the federal employment agency (*Bundesagentur für Arbeit*) and the job centres, while language acquisition, including job-related language support, as part of the integration programme, is the responsibility of the federal agency for migration and refugees (BAMF). Since state actors are obliged to coordinate their activities with local governments in all these fields, and in light of the strong emphasis on decentralised task fulfilment, the German integration model resembles the *decentralised-coordinated* type of migrant integration.

### *IAR Shifts and Continuities: Responding to Pressure and Crisis*

State-local coordination in the three countries under consideration has increased since the 2015/16 migration crisis and after numerous deficits came to light (Thränhardt, 2020). While coordinative practices in the intergovernmental setting have been a common feature of IAR for decades in German cooperative federalism (although they functioned poorly during the crisis), administrations in Sweden and France had to expend more effort on implementing coordination across the various levels. As a result, all three countries tended either to converge towards more coordinated types of IAR (France, Sweden) or to enhance already-existing coordination patterns (Germany). Nevertheless, there continue to be significant differences between the three countries with regard to the degrees of (de) centralisation achieved.

*Sweden—towards more centralisation and coordination:* Starting from a conspicuously high degree of decentralisation and local autonomy, a number of significant steps towards centralisation were already taken before the 2015/16 migration crisis, especially in labour market integration as the focus of Swedish integration efforts (Lidén et al., 2015). In addition

to the centralisation of the integration programme in 2010, further reforms were directed towards standardisation in the local implementation of nationally defined regulations during the refugee crisis, such as the Settlement Act of 2016. With the adoption of the Settlement Act, the distribution of recognised refugees across Sweden became centrally managed. Many municipalities had to establish the necessary organisational structures to comply with the new regulations (Lidén & Nyhlén, 2022). This legislation also obliged municipalities to organise housing for newcomers no later than two months after their favourable asylum decision, and for at least two years. These changes have increased central government influence on local integration management, and the 2016 Settlement Act can also be interpreted as a state intervention in the local sphere.

It is precisely these centralisation steps that have led to the development of the complex MLG structure. Thus, the integration programme involves a multitude of actors at the national (Swedish Public Employment Service and Swedish Social Insurance Agency) and local levels (municipalities). In addition to the integration programme, the Public Employment Service and the municipalities jointly implement programmes for subsidised employment, such as the ‘Extra Jobs’ programme. Regarding the distribution of refugees,<sup>2</sup> municipalities are bound to collaborate with the Swedish Migration Agency since they were obliged to accept a certain number of refugees in 2016. With regard to the increased efforts in intergovernmental coordination, the county administrative boards (*Länsstyrelse*) also deserve closer attention. As an important link between the municipal authorities on the one hand and the government and central authorities on the other, they regularly bring together all actors involved in migrant integration in the respective county, such as municipalities, the Swedish Public Employment Service, the Migration Agency, and civil society organisations. Their tasks are less operational in nature and focus primarily on creating an exchange platform for actors from different levels and sectors, institutionalising communication and identifying local needs in the integration field (Lidén & Nyhlén, 2022). Finally, almost all municipalities have concluded an agreement with the Swedish Public Employment Service to formalise their cooperative relations (Parusel, 2021). The

<sup>2</sup>The allocation of migrants across Sweden is conducted by the Migration Agency and the county administrative boards (*Länsstyrelse*) as prolonged arm of the central government in the counties. Within two months of a favourable asylum decision, municipalities must organise an accommodation for a refugee who has been allocated to them.

centralisation trend was therefore paralleled by increasing intergovernmental coordination efforts, shifting away from an initially rather decoupled setting towards a more coordinated system.

The policy field of migrant integration carries a high potential for conflict since municipalities continue to carry a heavy weight in migrant integration, in particular the financial burden after the two-year integration programme. Almost all municipalities have set up their own labour market programmes to complement the public employment service, given that migrants who do not have a job after two years are entitled to income support from the municipalities.<sup>3</sup> There are also long waiting times for language courses and the interviews have shown that some municipalities shirk their responsibility in housing recognised refugees by renting apartments in neighbouring municipalities. Conflictual relations also occur between the municipalities and the Migration Agency. Many local representatives deem the existing coordination mechanisms with this agency deficient as they lack timely information about the arrival of refugees, further exacerbating the tense situation in the housing market (Jedrzejewska & Spehar, 2020: 15 f.).

In sum, Sweden has moved closer to the ideal type of *centralised-coordinated* IAR. This applies in particular to labour market integration and the (two-year) management and financing of the establishment programme. However, it should be recalled that municipalities have remained important actors in migrant integration and have recently strongly reanimated their (labour market) integration activities—not least to avoid subsequent unemployment-related financial burdens.

*France—informal decentralisation, increased coordination:* In France, IAR were centralised in recent decades based on a clear vertical administrative organisation. In the traditionally decoupled setting, several cities alleged that the central and deconcentrated state administration had lacked communication and coordination during the migration crisis, sometimes accompanied by spectacular municipal protest actions.<sup>4</sup> While we observe a cautious ‘localisation’ of integration-related activities, with many cities increasingly assuming a more important role in migrant management, the

<sup>3</sup>The gap in the employment rates between native-born Swedes and immigrants is one of the largest among the OECD countries (OECD, 2016).

<sup>4</sup>In the Northern French city of Grande-Synthe, the then mayor replaced an informal tent city with a humanitarian camp for newly arrived refugees without asking for permission or funding from the prefect.

central government still closely steers and regulates local activities in this sector. Through contractual instruments such as city contracts under the *Politique de la Ville*<sup>5</sup> or the territorial contract CTAIR (*Contrat Territorial d'Accueil et d'Intégration des Réfugiés*),<sup>6</sup> state authorities continue to dominate integration management. Many actions are initiated in a top-down mode, based on the contracts concluded between local government entities or inter-municipal bodies (especially the metropolis) and the departmental prefecture. Thus, local governments and inter-municipal bodies still lack formal competencies for addressing refugee policies. Instead, service provision remains primarily a central government task, only occasionally complemented by local government contributions. Nevertheless, local governments and inter-municipal bodies (metropolises) have increased in importance since the 2015/16 migration crisis. Cities often play a compensatory role, especially for vulnerable groups, since the state contributions are often not sufficiently target-group-specific. They may provide optional aid to those in precarious living situations via their municipal social centres (*Centre Communal d'Action Sociale—CCAS*), such as non-reimbursable financial assistance. Furthermore, an increasing number of cities and metropolises deliberately join city networks to approach the central state with a united voice and get more involved in formulating and implementing integration policies. These developments support the 'local turn' thesis and point towards a well-known pattern of administrative reform in France known as 'informal decentralisation'.

With the introduction of the national integration strategy in 2018 (*Stratégie Nationale pour l'Accueil et pour l'Intégration des Réfugiés*), the degree of vertical coordination between the central state and local levels has increased significantly. Although new measures, such as territorial contracts, could not entirely eliminate conflicts between state actors (e.g.,

<sup>5</sup>This urban programme introduced in the 1980s aims to reduce the development gaps in disadvantaged districts by improving the living conditions of inhabitants, enhancing the quality of public services, and fighting discrimination. Notably, the area-based approach avoids policies based on populations defined by ethnic characteristics to conform to the Republican-egalitarian French tradition. Even if the *Politique de la Ville* is not officially considered an instrument of integration policy, it is one of the central measures, given that migrant people are overrepresented in the affected neighbourhoods.

<sup>6</sup>These are contracts concluded voluntarily between cities or metropolitan areas and the departmental prefecture. Tailor-made measures are derived and contracted based on a territorial needs analysis and the priorities set out in the national integration strategy.



prefects, deconcentrated state agencies) and local actors, the intensity of intergovernmental coordination has significantly increased. To address deficiencies in the reception and integration of migrants, the 2018 integration strategy strengthened vertical collaborative relationships by employing public contracts. These contracts (CTAIR; see above) are voluntarily concluded between the prefecture and municipality or metropolis and include an annual financial envelope. In addition to incentivising local authorities to implement concrete integration actions, the contracts ensure that the state can exert influence on local policymaking through corresponding funding conditions and that policy implementation at the local level reflects the central policy framework (Huglo, 2014). Moreover, the prefects' coordinating role was further strengthened. The new integration strategy had given rise to regional and departmental steering committees on asylum and integration policies led by the prefects. Prefects appoint regional and departmental coordinators for these matters and oversee working groups involving refugees to identify problems on the ground and to ensure that proposed measures are more appropriately tailored (Bonnotte & Sénimon, 2021: 164). The prefects act in a highly operational manner, especially in implementing the contract policy (CTAIR) and as an interface with civil society. In summary, France has moved from a centralised-decoupled type to an (*informally*) *decentralised* and *coordinated* setting of IAR. Yet taking the 'starting conditions' into account, the degree of (formal) centralisation in France remains considerable, particularly when compared to IAR in relation to migrant integration in Sweden and Germany.

*Germany—reaffirming decentralisation and improving coordination:* In Germany, the high level of immigration in 2015/16 served as a catalyst for increased local activity and engagement in migration and integration policies, based on an already highly decentralised setting and local experience in handling migration-related tasks. The nationwide distribution of refugees also confronted rural municipalities with the task of integration, resulting in the professionalisation of organisational structures and the revitalisation of municipal integration concepts in most county-free cities and counties (Schammann et al., 2020). While by the end of the 1990s, only an estimated 20% of all cities had formulated an integration plan, more recent figures from 2017 indicate that 69 of 79 large cities (87%) and 103 of 574 (18%) medium-sized cities did have such an action plan (Filsinger & Gesemann, 2018: 10). Furthermore, several municipalities have been politically advocating for a greater scope for action in migration

and refugee policies (Schammann, 2020). Finally, numerous federal- and state-funding programmes have strengthened the municipalities' role in integration policy.

The already-existing coordination patterns between local governments and *Länder* administrations were enhanced in response to various coordination failures during the refugee crisis. Migrant counselling services provide a prime example of vertical interdependence and highly coordinated IAR. The fragmented, overlapping, and sometimes opaque responsibilities and institutional structures require special intergovernmental coordination in the multi-level system. Here, the administrative district authorities (*Bezirksregierung*), which exist in some *Länder* at the meso level, adopt a coordinating function. For example, they provide overviews of counselling services and funding opportunities. In their coordinating and bundling function, they may be regarded as the counterparts of the prefects in France and the county administrative boards in Sweden. As this example demonstrates, inter-administrative coordination has been institutionalised and intensified as a result of the refugee crisis. Consequently, the *decentralised-coordinated* type of IAR has been reaffirmed and further strengthened in migrant integration in Germany.

Figure 5.2 below summarises our major findings regarding changes in the dependent variable of research (IAR).

## DISCUSSION: EXPLAINING IAR-DEVELOPMENTS

### *The 'External Pressure Hypothesis'*

In all three countries under consideration, we observe that the sharp increase in the number of asylum applications in 2015 and thereafter served as a 'catalyst' (Schammann, 2020) and 'critical juncture' (Hernes, 2021) for strengthening both intergovernmental coordination and municipal involvement in migrant integration policies. This was not necessarily accompanied by a formal increase in local competencies, but rather by 'informal decentralisation' (as in France) or sometimes even, by contrast, a 'national turn' (Sweden). Municipalities in all three countries feel increasingly compelled to provide supplementary services to migrants due to insufficient or ineffective state services. In this way, they address specific groups, such as asylum seekers, who are not eligible for state measures. The growing employment activity of the cities can be explained by the fact that they seek to avoid the financial burden—that is, a dependence on

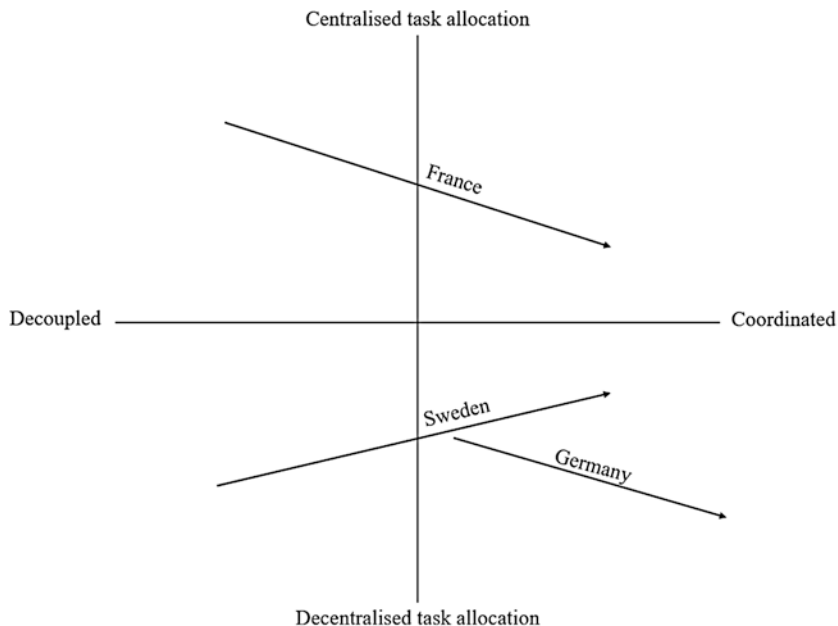


Fig. 5.2 Shifts in IAR in the field of migrant integration. Source: own illustration

social assistance—that may arise when migrants are not employable after participating in the state integration programme. With a growing sense of urgency, municipalities tend to establish their own structures—for example, in labour market integration—or seek new ways of collaborating with state agencies. In all three countries, local governments used their discretion and creatively complemented integration-related state contributions that had proved insufficient or ineffective, thus responding to the external pressure of (partially) failed state services in a crisis-driven policy field. Municipalities play a particularly important role for people without a valid residence permit, and they also differ from one another in the way they deal with this group. Lastly, financial support for integration measures from state agencies has significantly increased due to crisis-driven pressures, representing another striking commonality (and convergence) between the countries. Thus, the *contractualisation* in France exhibits similarities with the funding programmes of the German *Länder* but also with the newer labour market agreements between the Swedish

Employment Service and the municipalities. All these agreements combine financial support and incentives with the obligation of cities to provide certain integration services.

Against this background, IAR have converged towards increased local engagement in migrant integration on the one hand and more intergovernmental coordination on the other (coordinated types of IAR). We also observe that, while France has moved towards increased decentralisation, Sweden has witnessed the opposite trajectory, which, from remote observation, indicates a convergent pattern (see Fig. 5.2). However, while IAR have shifted towards certain common characteristics, manifold differences and even divergent institutional trajectories were revealed upon closer examination of the three countries concerned. In the case of France, the central government continues to formally dominate the integration domain, while in Germany and Sweden, local governments remain key actors in integration services. As a result, the degree of formal (de)centralisation in the three countries varies significantly, as does the role of state actors and their interactions with local governments. Therefore, we must consider further endogenous factors when explaining the remaining differences and divergent paths of institutional development in the three countries.

### *The ‘Historical Path Dependence Hypothesis’*

Our country comparison shows that many basic features and key elements of the intergovernmental systems have remained relatively stable over time, despite crises, thus confirming the assumption of path-dependent developments. In France, the characteristic features of the Napoleonic system have not disappeared, but partly intensified during the crisis. In Germany, too, the typical institutional features of highly intertwined coordination structures and administrative interdependencies within the peculiar model of cooperative federalism have proved to be fairly powerful, even under extreme pressure. Finally, in Sweden, the municipalities have remained important players in integration management and continue to be high scorers in local (fiscal) autonomy from an international comparative perspective (see Ladner et al., 2021)—the centralising trends and increasing state interventions notwithstanding.

There is no overall trend towards increased centralisation in migrant integration, which could have been expected from crisis literature and the ‘external pressure hypothesis’. Instead, the refugee crisis is addressed by

intensified multi-level collaboration (Germany and Sweden) and informal decentralisation (France). Centralisation of migrant integration is not a crisis solution for all seasons, but only one possibility among others, depending on the country-specific contexts and political preferences (see below). This observation contrasts with the general convergence hypothesis and supports the assumption that historically inherited institutional legacies and endogenous forces of institution-building account for persisting country differences and even institutional divergence.

### *The ‘Actor Constellation Hypothesis’*

Our interviews have revealed that the commitment of local executives (mayors) plays an important role in local governments’ engagement in migrant integration. In view of the political contentions surrounding the acceptance of migrants, characteristic of all countries accepting a significant number of migrants, this issue is becoming increasingly political and is influencing local provision for migrants. France provides a prime example of actor constellations and the *couleur politique* having the potential to initiate shifts in IAR, as local executives (mayors) massively challenged the centralist Republican integration model. This applies specifically to politically left-leaning cities in which a strong mobilisation was observed (Flamant, 2020). It also became evident that well-functioning coordination in the intergovernmental setting is more likely if the representatives of the various local government tiers share similar political convictions and preferences. The actor constellation hypothesis is also supported with regard to the German and the Swedish cases, yet based on a lower level of intergovernmental conflicts and contention. In Germany, it is not only local executives who influence IAR in migrant integration, but—even more significantly—the *Länder* governments, some of which exhibit more commitment in this policy field and have launched, in some cases (e.g., North-Rhine Westphalia, Hesse), significant funding programmes, while others have refrained from doing so. In Sweden, changes in the party-political constellations (e.g., the electoral success of the right-wing Sweden Democrats), as well as a general change in the country’s political and societal discourse about migrant integration and subsequent policy reforms—in labour market policy, for example—appear to be strong predictors of IAR. In addition, the party-political composition and policy preferences of local councils are crucial for the design of IAR and are among the drivers

of the country's 'national turn' away from its pronounced decentralised approach.

In summary, national and local actor constellations, interests, and political preferences account for persistent differences in integration management across countries and explain the variety in crisis responses and institutional solutions. They also explain deviations from historically inherited institutional paths and why certain institutions with deep roots have become issues of contention in the three countries. This observation contradicts the convergence thesis and challenges the assumption that institution-building is determined primarily by external pressure.

## CONCLUSION

This chapter has addressed how intergovernmental systems in countries with different administrative traditions and local government systems have responded to similar pressures and to what extent this has changed relevant patterns of IAR. With migrant integration as our empirical field of investigation, we have adopted a policy-focused perspective on a substantive crisis-related policy issue, which has provided key insights into the dynamics of IGR and how institutional actors seek to manage a crisis in complex multi-layered systems. Based on an understanding of IGR as a process of coordination and conflict management across levels, we have concentrated particularly on IAR as a largely neglected area of comparative research so far. Our findings have revealed that the country-specific administrative cultures and traditions largely shape the IAR which have been established in the three countries in the aftermath of the refugee crisis.

Drawing on the distinction between centralised, decentralised, and multi-layered IGR processes as laid down in the conceptual framework of this book, we have elaborated a more refined typology with a particular focus on IAR. We have seen that, over the course of the crisis, countries have shifted in their predominant form of IAR towards more coordination and coupling, with Sweden moving from the decentralised-decoupled type towards the decentralised-coordinated type, France from the centralised-decoupled towards the decentralised-coordinated type and Germany reinforcing and re-confirming its characteristic decentralised-coordinated model.

Regarding the role of conflict in IGR and their potential to affect policy outcomes, migrant integration as a policy field has proven to bear a high

potential for conflicts in all three countries. While this is on the one hand due to the sheer crisis-related pressure, urgency, the re-distributional character and the socially as well as politically and ideologically contested nature of the policy field, there are, on the other hand, also features related to the characteristics of public administration and IAR which fuel conflicts in IGR processes. This refers to the cross-cutting and multi-level nature of the task area and, therewith, a high need for coordination, the entanglement of levels, and the potential for inter-organisational conflicts. Furthermore, the malfunctioning of state agencies, a lack of resources at the local levels, opaque distribution of responsibilities, and funding issues are the main sources of conflict in the studied countries.

The 2015/16 migration crisis proved to be a critical juncture that led to increased municipal involvement in this area, without the formal competencies of municipalities being significantly expanded. Municipalities in Germany, Sweden, and France increasingly felt compelled to provide supplementary integration services during and after the migration crisis. Even though the state continues to dominate (France), or centralisation steps have been taken (Sweden), municipal activity has increased over time across all three countries. In addition to inadequate state offers, other factors were decisive for the design of the IAR. These include institutional changes (e.g., the closure of labour market agencies in Sweden and the associated service restrictions), as well as state support for local integration measures through corresponding funding programmes.

In all three countries, IAR have shifted towards increased coordination, thus mirroring a convergent path of institutional development to a certain degree. While the Swedish approach was initially marked by a largely decentralised and decoupled setting of IAR and shifted increasingly towards centralisation and coordination, France represents the opposite case. It increasingly ‘turned local’ in the sense of the typical French style ‘informal decentralisation’, accompanied by increased inter-administrative coordination between state actors and local/inter-municipal governments. Therefore, both France and Sweden exhibit certain convergent developmental patterns, if their respective ‘starting conditions’ (highly centralised vs. decentralised) are taken into account. Contrary to the widespread notion that federal states cannot respond to crises as quickly and in as coordinated a manner as unitary systems due to their institutional complexity, the existing type of decentralised-coordinated IAR in Germany was reaffirmed during the 2015/16 migration crisis. In other words,

integration tasks were implemented in a vertically highly interconnected setting.

In conclusion, external pressure undoubtedly resulted in certain convergent developments in IAR (e.g., increased municipal engagement in migrant integration, intensified inter-administrative coordination, enhanced state subsidies and contract arrangements to incentivise local integration efforts). On the other hand, the historically different administrative traditions and the specific constellations of actors have been revealed as salient explanations for the remaining cross-country variation (e.g., state predominance vs. local government predominance) and within-country cleavages (e.g., integration proactive vs. passive local governments), as well as different institutional trajectories (e.g., centralisation vs. decentralisation).

Since the focus of this chapter has been primarily on the 2015/16 migration crisis, it remains to be scrutinised how the recent influx of refugees from Ukraine has influenced IAR in integration management. It will be interesting to see if the trajectories of IAR described in this contribution have prolonged, intensified, or changed.

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# Intergovernmental Relations and Refugee Language Training in Finland and Sweden: A Conflicted Policy Process

*Daniel Rauhut and Pekka Kettunen*

## INTRODUCTION

The 2015 ‘refugee crisis’ impelled a shock that left a rocketing number of refugees for national governments to address, yet research has paid surprisingly little attention to the various facets of how intergovernmental relations (IGR) have shaped the management of that crisis. This is especially true for provision of language training for immigrants. Previous studies have largely neglected the question of how the web of conflicting policy interests, resulting in part from ambiguous responsibilities for financing and service provision, influences delivery of refugee integration. Responsibilities for provision, financing, and other aspects of each integration service are dispersed across numerous actors in a multi-dimension

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governance structure (Gruber & Rauhut, 2023). This is problematic in that governance structures of such a type may well exhibit the classic ‘too many cooks spoil the broth’ phenomenon, a dilemma highlighted starkly in prior work (Scholten, 2016). Moreover, multi-dimensional governance structures reveal complex, many-faceted intergovernmental relations and tend to be characterised by conflicted policy processes. Against that background, this chapter examines how language training for refugees has been organised and implemented in Finland and Sweden since the 2015 refugee crisis. While Sweden has a long history of generous reception of refugees, Finland has accepted them in only very low numbers (Laine & Rauhut, 2018). Given the recognised importance of language proficiency as a key tool for growing integrated into a new country, comparing two advanced welfare states that differ in their manner and degree of applying this tool should yield valuable findings elucidating how externally imposed shocks affect the IGR.

Several trends in the conflict-rife policy processes can be identified. First, conflicts exist in relation to the service-delivery chain, which is arranged along function lines, in which territory-aligned tensions emerge locally (i.e., at municipal rather than regional or national level). Secondly, broad-based resurgence in political realms, with entities at subnational level asserting themselves, has brought greater opportunities for subnational actors to strengthen their position relative to the central government in many countries. Thirdly, the rise of network governance has meant that formal government institutions (at local, regional, and central levels alike) have lost some of their dominance in welfare-service provision, thereby creating potential to generate new tensions in the IGR (see Bergström et al., 2022). Fourthly, the marketization of welfare services can be seen as a potential element which further complicates IGR and makes them even more conflictive (see Gruber & Rauhut, 2023). Because all these trends influence language training for refugees, one can reasonably assume that conflicts between governance levels will percolate to those services’ provision, financing, and associated accountability structures. Hence, our focus here is on how the governance system functions in practice, especially when that system comes under stress.

Over the last decade, two major refugee flows have reached Europe: the one accompanying the 2015 crisis, a flow prompted mainly by the civil war in Syria, and that following Russia’s unprovoked attack on Ukraine in early 2022. In both Finland and Sweden, the subsequent surge in refugee numbers imposed significant pressure for prompt processing of asylum applications and for response to the service needs of more refugees than ever

before. Any country that offers refuge to persons in need of protection must commit itself to taking responsibility for the resettlement process, which encompasses housing, education, work, etc. (UNHCR, 2018). Moreover, the receiving country, by doing so, accepts the costs involved, even if those costs prove high (Rauhut et al., 2023).

Through a literature review following the method of content analysis, this chapter presents the organisation and implementation of language training for refugees in Finland and Sweden. We start by describing the crucial issues in the political context that tie in with that language education in the two countries, then offer theory-grounded elaboration on how IGR arrangements influence integration services such as language training. We can then characterise how immigrant language training is organised in Finland and Sweden, before proceeding to assess how that organisation has been affected by conflicted policy processes. The chapter concludes with a summative evaluation and suggestions for further research.

## THE POLITICAL CONTEXT

The political context must be understood as a wider political landscape not immune to external pressures on central–local relations in the two states. Migration has hurtled up the political agenda in both countries. With this development, Sweden lost its once-strong reputation for welcoming refugees, in the wake of the riots of Easter 2022. The ascendancy of a conservative government upon that year’s parliamentary elections constituted a turning point. Sweden’s new prime minister declaring that integration and the multicultural project have failed, the government now in office tightening up on residency, and associated policy moves all point to a changing environment that is most likely already affecting the central–local relations of migrant-teaching policy. Finland’s equivalent lurch to the right, with the new government of early 2023 implementing an austerity programme and cutting back on immigration, represents a similar turning point.

Refugee-linked shocks put pressure of various sorts on any country receiving refugees: administrative systems and governance structures need to adjust to a higher-volume flow of refugees; resources have to be reallocated, to meet the new demands; there must be staffing for the services given to refugees, etc. (see Bansak et al., 2021; Bodvarsson & Van der Berg, 2013). In conditions of resource availability not getting adjusted to

address a refugee surge, one would expect heightened conflict—on several fronts, not only within the confines of a given governance level but also across boundaries between levels (Rauhut et al., 2023).

Although Finland has a highly restrictive policy for refugee reception, the years considered in our study did see it accept more refugees than before. In contrast, Sweden, traditionally a high-profile receiving country, accepted Europe's second-highest number of refugees by 2015's rankings (Laine & Rauhut, 2018; see also Oehlert and Kuhlmann, in this volume). Both countries saw a dip in numbers more recently: fewer people from Ukraine have sought refuge there than arrived from the Middle East amid the 2015 crisis (Rauhut et al., 2022).

In Finland, implementing language education is a responsibility of municipalities, private enterprises, and the third sector. The municipalities receive a portion of their income in the form of a general state block transfer in which the amount transferred reflects each municipality's number of immigrants, although there is no requirement to put these funds towards integration activities or their support (Saukkonen, 2020). In addition, the municipalities in Finland receive government compensation for additional costs incurred in relation to immigrant-integration services, limited to the first three years of migrants' residency (per Finnish law 1386/2010). In Sweden too, the implementation of language education for refugees rests in the hands of the municipalities (Hansson et al., 2023). Their costs for the language education are covered for the first two years, after which the municipalities must finance the language education for refugees themselves (Gruber & Rauhut, 2023; see also Oehlert and Kuhlmann, in this volume).

In the Nordic countries, *language proficiency* is considered a prerequisite for the successful integration of immigrants (Hansson et al., 2023); hence, the locale where a migrant lives has a key role in supporting integration. In consequence of its importance, Swedish law since 2021 has required refugees to participate in language classes (Riksdagen, 2021). In Finland, on the other hand, language courses are provided for recently arrived unemployed adults but not made compulsory (under law 1386/2010). Although, as noted above, the municipalities are compensated for the costs of the first two years' language education in Sweden, and the first three years' in Finland, bearing the full burden after that may constitute a mounting economic commitment at municipal level as the number of refugees increases over time. Especially amid refugee shocks, significant economic pressure has hit the municipalities through their

responsibility to provide the required integration services for immigrants. Hence, the spikes in 2015 and 2022 imply fiscal difficulties for municipalities after a two-year lag in Sweden and a three-year lag in Finland.

## INTERGOVERNMENTAL RELATIONS

Relations between levels of government are imperfect, and friction always occurs at their seams. Local and regional governments may hold constitutional rights to oppose central government policies when dissenting views arise. Disagreement on the rules of the game, in particular, may bring forth contestation and non-systematic, fragmented IGR. In the case of immigrant services, these disagreements stem largely from asymmetric power relations. Namely, notwithstanding the extensive autonomy of municipalities in both countries (Kettunen, 2021b), it is difficult for them to refuse to let any refugees be resettled within their jurisdiction, even though the receiving municipality necessarily takes on a long-term economic commitment whereby municipal priorities shift away from supplying basic welfare services (e.g., Rauhut et al., 2023). Caught in this tension, the municipalities are left to make decisions on how to distribute their scarce resources, decisions for which they often obtain little guidance from above and that do not always gain voter support from below. While handling of refugee language training is highly decentralised, asymmetric power relations anchor it to the centre. This issue forms the heart of the conflicted policy process.

The central government authorities of Finland and Sweden have differed in their response to the associated co-ordination challenges (Bergström et al., 2022). Their response is linked to the first two of the four trends mentioned earlier. While Finland has chosen to align itself with the system preferred by the EU, with administration and co-ordination competencies concentrated at regional level, Sweden has retained its pre-EU-membership approach, wherein these competencies are centralised locally and nationally. In Finland, welfare services' production and provision have traditionally been a municipal-level concern, but the ability of the numerous small municipalities across the country to provide, produce, and manage services of an adequate standard is increasingly limited. The problematic administrative legacy of these governance units' legal obligations for equity and accessibility, combined with belt-tightening and long-term demographic trends, creates a knotty problem further compounded by spiralling health costs. Two approaches to this problem have been



proposed in Finland: bolstering resources through municipalities' merging/enlargement (Vuorenkoski, 2007) and addressing the administrative issue of unit size and capabilities by transferring most education, social, and health services upward, to a new level of elected regional officials. In 2023 Finland began corresponding reforms (Finnish Government, 2023), similar to administrative reforms carried out in Norway in 2020 (Kommunesektorens interesseorganisasjon, 2020); implemented in Denmark in 2007 (Kommunernes Landsforening, 2023); and recommended for Sweden, also in 2007, by a commission report (Finansdepartementet, 2007) but never implemented. The changes proposed for Sweden, which lacked political support regionally and locally, were aimed at, among other results, stronger regional and local finances, coupled with redefinition of the responsibilities and service-provision obligations falling to each governance level. Swedish municipalities' protestation over growth in the cost burden related to language training and immigrant-integration activities should be seen as a natural outgrowth of that IGR reform effort's failure.

From this theoretical angle, one would expect power asymmetries between levels of government with respect to responsibility, provision, and financing to culminate in conflicted policy processes for relevant integration services. Next, we examine what has unfolded in practice.

### LANGUAGE TRAINING IN FINLAND

Language education as a public service in Finland (taking the form of integration courses) is available only for recently arrived refugees, who constitute a mere trickle in the immigrant stream. At the national level, the Ministry of Economic Affairs and Employment is responsible for coordinating integration policy, which encompasses these courses. Alongside it, though, the Ministry of Education and Culture has a say in the contents of the integration courses. These two ministries account for the bulk of the integration budget, which comes to roughly 400 million euros between them annually. The integration courses are run by a mixture of municipalities and private companies, and they combine language studies with orientation to the host society and Finnish working life (Shemeikka et al., 2021).

However ambitious the goals set, the language-learning results produced by the integration courses are not encouraging. Although the

formal goal is B1 proficiency<sup>1</sup>—ability to understand the main points of clear standard input on familiar matters regularly encountered in work, school, leisure, and other such contexts and to deal with most situations likely to arise while the person is travelling in an area where the language is spoken—only about a third of the participants reach this level (Saukkonen, 2020). In addition, the learning outcomes from the courses are not systematically assessed, and course quality varies greatly. Even the content is far from uniform: integration courses sometimes are tightly bundled with vocational studies, and in other cases they very much are not (Kettunen, 2020).

Local governments are responsible for the wellbeing of local residents, so they have a clear incentive to get refugees onto the employment rolls (Kettunen, 2021a). The Ministry of Economic Affairs and Employment has earmarked funding to several of Finland's larger cities for advising and counselling unemployed migrants, who often have a refugee background. However, conditions are set to change in 2025, when this becomes entirely the responsibility of the municipalities. There are lingering doubts as to whether municipalities will have a strong enough incentive to provide these services in the absence of such dedicated transfers (Saukkonen, 2020).

Thorough coverage by language studies in this context requires the third sector's involvement. For instance, it is these players who invite additional people to the integration courses. However, the field remains fragmented: continuing studies, with more systematic language courses, are not free of charge, and poor language skills remain a major factor in refugees' difficulties with finding work or study places. Hence, low-threshold work, from cleaning to food transport, offers a popular alternative. The importance of language skills is acknowledged, though, and several proposals have been put forward. One of them is to encourage supporting the language studies of one's employees (Shemeikka et al., 2021). Also, under a bill proposed in connection with the Integration Act, integration training is envisioned as including a final exam in the Finnish or Swedish language. The support scheme for independent studies would be amended such that immigrants' opportunities to develop their skills does not suffer even if the duration

<sup>1</sup>The Common European Framework of Reference for Languages: Learning, Teaching, Assessment (CEFR) is a set of guidelines delineating achievements of learners of foreign languages across Europe. There are six levels of language proficiency on the CEFR scale: A1 (beginner-level), A2 (elementary), B1 (pre-intermediate), B2 (intermediate), C1 (upper-intermediate), and C2 (proficient).

allocated by their integration plan for assimilation were to be shortened (Ministry of Economic Affairs and Employment, 2022).

This state of affairs showcases state-level acknowledgement of the importance of language skills (government proposal HE 208/2022) while the implementation of language education remains in the hands of municipalities, commercial entities, and the third sector. Perhaps the most jarring aspect of this disconnect is evident in the general state transfer, which is contingent on the number of immigrants to the municipality yet has no strings guaranteeing direction of the funds to integration activities. Policy that mirrors the ethos of Finnish society might offer some explanation. At state level, Kurki et al. (2017) have argued, the integration policy is aimed at immigrants being motivated, proactive, and responsible. In a sense, the principle of Finland's language-education policy is that, at base, individuals are the ones responsible for this. In essence, the system assumes that integration has already been achieved.

### LANGUAGE TRAINING IN SWEDEN

Meanwhile in Sweden, the allocation of competencies and discretion among the various governance levels exhibits a lack of coherence. While the central government controls policies related to social issues, education, and the labour market, the municipalities are in charge of housing issues (Emilsson, 2015; Gruber & Rauhut, 2023), and it is the same local entities that are mandated to handle adult education and language training, including Swedish for Immigrants (SFI). In practice, municipalities subcontract private actors and NGOs to manage both language training aimed at refugees (Skolinspektionen, 2021a; Statskontoret, 2009) and the adult education and civics courses for them (Hernes & Trondstad, 2014; Skolinspektionen, 2020). Hence, although responsibility for language training is formally vested in the municipalities, the provision is almost always done by private parties locally.

The balance is mired in the above-mentioned context of central government remuneration for most of the first two years' expenses for immigrant integration (Hoekstra et al., 2017) after which the municipality must find its own way, financing the integration by itself. Therefore, the role of market forces in the integration work, including language training, performed at the local level should come as no great surprise (Gruber & Rauhut, 2023; see also Oehlert and Kuhlmann, in this volume). With refugee flows to Sweden swelling vastly, many asylum-seekers have had to

wait as long as two years before beginning their language training (Öbrink Hobzová, 2021). In such cases, the problem gets exacerbated: all costs for their language education are borne by the municipalities. Without the benefit of the two-year compensation window, the municipalities are left to finance the receiving of refugees from their annual operating budget. Conflict is ready to sprout from this crack between the national and local level.

Another noteworthy piece of the picture in Sweden is that refugees are obliged by law to improve their proficiency in Swedish through the above-mentioned SFI courses, free of charge to them (Riksdagen, 2021). The reason articulated for this education obligation dating from 2021 is that it is supposed to strengthen the individual immigrant's opportunities for gainful employment (Socialstyrelsen, 2021). In practice, though, many municipalities had long had such requirements in place, because they have a legal right to propose actions whereby recipients of social assistance become more competitive in the labour market (Blomberg et al., 2006). This may reflect the uneven pace of the considerable changes wrought in Sweden's language-training system for immigrants—affecting its organisation but also its stated and real-world aims, partly by dint of the financial situation facing municipalities. In earlier years, integration-related language courses targeted immigrants who had already secured work in Sweden, but today the participants by overwhelming majority are asylum-seekers. One effect of the system's incomplete adjustment to this development is that the structure of the country's language-training programmes for immigrants is poorly equipped to deal with groups who lack a solid basic education (Öbrink Hobzová, 2021).

### SIDE EFFECTS OF CONFLICT-RIDDEN POLICY PROCESSES

In IGR environments characterised by conflicted policy processes, the implementation—in this case, of language education for refugees—should be expected to display various forms of distortion. When the IGR involve actors of equal strength, the most prominent power relations—presumably symmetrical—lead to less distortion, while in conditions of asymmetry, wherein one actor is able to assert dominance over the other, the weaker one can be assumed to exert a distorting influence on the policy implementation, with some of the outcomes nearly inevitably proving unfavourable for some. Both countries considered here feature a playing field where a dominating central government obtrudes its policies on local

governments. Meagre returns on a policy with lofty goals might reflect more than bad implementation; one can view it also as a move on the board, by which the weaker party may strive to force the stronger one to renegotiate the conditions. By subcontracting the services and/or providing low-quality services, the municipalities keep their costs as low as possible while technically fulfilling the mandate from the central government. Hence, low-quality language-education services for refugees produced at low cost should be examined as a predictable, and hence power-bearing, *side effect* of the conflicted policy processes in the IGR or even as inherent to such conditions of tension.

The Finnish integration system has been modelled as a funnel (Saukkonen, 2020) through which services benefit only a small subset of the immigrant population. At the core of this system are the integration-training courses, through which newly arrived unemployed immigrants, mainly refugees, may obtain both language education and basic knowledge of Finland. Crucially, the quality of this language education varies greatly (see HE 208/2022), and it is not systematic. There is no assurance whatsoever of adequate proficiency in either of the country's official languages (Finnish or Swedish) resulting, even though that competence is vital for further studies and working life. At present, it is up to the immigrants themselves to find ways of learning the language (Kurki & Brunila, 2014).

In Sweden, in turn, the Public Employment Office (PES) at the national level finances the language education for refugees, but here too the municipalities hold the reins of implementation—it is their responsibility to offer SFI (Hansson et al., 2023). Revealingly, there is little communication between the PES and the municipalities (IAF, 2020). This chasm suggests that the vertical IGR do not work as intended. Pushing costs onto other actors, whether vertically or horizontally, inevitably cultivates conflict-laden processes between the actors in question. A good example is evident in how the PES and other national arms press costs onto municipalities' shoulders. Tension-bearing policy processes in vertical IGR have formed accordingly. Moreover, the language proficiency of the teachers utilised by the suppliers of SFI courses varies greatly, as does their pedagogic competence in adult education (Skolinspektionen, 2018). This implies that horizontal relations too—between the purchaser (the municipality) and the service provider (the private company or NGO)—are not functioning as intended. At the nub of the matter is the municipalities' incentive to keep

costs as low as possible with their subcontracting regime while delays redistribute the first two years' expenses (Gruber & Rauhut, 2023). The IGR follow an economically rational pattern, then: either the subcontractors shift the high costs of certain cases to other agents (Spehar et al., 2017) or the quality of the services suffers (Riksrevisionen, 2015; Skolinspektionen, 2020, 2021a; Statskontoret, 2009, 2011). Because the service providers are economic actors operating in market conditions, they have strong economic incentives to attend to their activities' profitability first, with few incentives in place that could offset such effects.

From the foregoing discussion, it appears that central government funding mechanisms in both countries tend to control the funds in quite mechanical ways—for example—by insisting on measures with fixed-term language and culture training rather than on meeting set goals for the learning. This approach could be understood as reducing local councils to agents of central government. One could say the same of the national government's efforts to create incentives for local governments by rendering them responsible for any training beyond the fixed period. Here too, the central authorities leave little room for discretion and arguably encourage poor service based on input metrics rather than outcomes. Through actions rooted in its asymmetric relations with the municipalities, the national government fuels further conflict in the IGR.

## DISCUSSION

In recent years, Finland has allowed market principles to creep in alongside and within its implementation of traditional welfare services. Integration services exhibit the same pattern. The main argument made in Finland for the 'marketisation' of integration services is that private companies are more cost-efficient and possess greater flexibility for serving client needs. The associated policy shift has generated a boom in consulting business in the integration-services domain. When the resources directed to language education began groaning under the strain from larger numbers of refugees, opportunities for adequate learning results diminished, and public authorities responded by adjusting the system with an eye to flexibility. With the resulting realignment, teachers are transformed into teaching consultants as pedagogy gets shaped into delivery of the specified knowledge, and immigrants become transformed into clients responsible for their own success or failure (Kurki et al., 2017, 242). Few

refugees are prepared for such a role of responsible party *cum* passive consumer. The greatest problem with this development is that the path towards integration is unclear (Brunila & Rynänen, 2017; Kurki & Brunila, 2014). Although a new integration law, due in 2025 (HE 208/2022), has been drafted to afford more centralised control of the learning results by introducing language tests, it is not designed to eliminate the fragmented nature of the language-teaching system itself. In sum, that system, while providing the flexibility sought for the conditions newly facing Finnish society, remains at the same time unfair and has not been effective for systematic achievement of language learning.

The contracting out of integration-promoting services such as language courses, which is widespread in the practice of the municipalities in Sweden, has posed similar problems, leading to competition among providers to lower the costs, with a consequent decline in the quality of the service provided. Unsurprisingly, since profit maximisation is the top priority for a business-oriented company, service providers sideline the legal requirement for individualised study plans as much as possible in favour of cost-reducing one-size-fits-all education (see Skolinspektionen, 2021b). The communication gulf between the PES and the municipalities with regard to education obligations, identified as unacceptable by the Swedish Unemployment Insurance Inspectorate (IAF, 2020), is telling, yet it is a symptom rather than the biggest problem besetting PES–municipal relations. For instance, with the PES covering the costs of integration for only the two first years, one might well ask why the municipalities should bother to communicate with the central body after that span has elapsed. Thus, a pivotal conflict in IGR, documented well above and elsewhere, coalesces: the municipalities are unhappy, in diplomatic terms, with paying for the immigrants' integration after the first two years have passed (SKR, 2017). It follows that, in a pattern paralleling that in Finland, SFI is sub-contracted to private actors for cost-reduction purposes. The quality of the services corresponds to what the municipalities are prepared and, sometimes, just able to pay for.

While Spehar et al. (2017) and Gruber and Rauhut (2023) have pointed to a tendency for subcontractors to pick the more promising clients, to boost their success rate and maximise profits, indications of even murkier practices have emerged—not only municipalities but also human clients become 'locked in', with ethically dubious tactics employed to pressure them into additional language-training courses that might not even be

needed.<sup>2</sup> Here too, the private actors pursue a goal of making more money, in the absence of balancing forces.

The rocketing number of refugees brought by the 2015 crisis imposed immense pressure on public finances in Sweden (Ruist, 2022) and in Finland (Saukkonen, 2020) both. This has been felt by the municipalities but also by the central government, so the necessity of keeping the costs as low as possible has led the actors at the two levels into a mutually adversarial stance in several respects. Sweden's strained public finances did not permit Ukrainian refugees to enrol in the SFI system until the newly appointed right-wing government decided to finance this with SEK 100 million (approx. €9 million) in March 2023 (SKR, 2023). Thus far, the number of Ukrainians seeking refuge in Finland has been relatively low, and most of the relevant refugees, being uncertain about their plans for the future, have not registered for the integration courses (Ahvenainen et al., 2023).

### CONCLUDING REMARKS

The findings from our examination of language training for refugees as implemented at the level of local authorities in Finland and Sweden suggest that the responsibility, implementation, and financing connected with refugees' language training are blurred, on terrain marked by lines of tension. The analysis presented in this chapter indicates that the intergovernmental relations associated with immigrants' language training in both countries are characterised by conflicted policy processes. Generally, any successful language training in these conditions takes place by chance and in an arbitrary manner. Our central conclusion is that insufficient financing and unclear responsibilities due to asymmetric power relations are bound to lead to a conflictual policy process, which has culminated in low-quality service provision from subcontractors along with implicit clientelism, casting the users as consumers. These findings are broadly consistent with the conclusions drawn in official evaluations of the language-training programmes in Finland and Sweden both (e.g., Kettunen, 2020;

<sup>2</sup> Engaged in participant observation, Rauhut has spoken with many non-EU-citizen individuals living and working in Sweden about language proficiency and their integration into Swedish society. Many complain that they must take part in additional courses from the same service provider while not seeing a need to do so. In some cases, they have even received an ultimatum: either sign up for a further course or receive a failing mark for the one they are about to finish.



Riksrevisionen, 2015; Saukkonen, 2020; Shemeikka et al., 2021; Skolinspektionen, 2018, 2020, 2021a, 2021b; Statskontoret, 2009, 2011).

In Finland, responsibility for language training resides at national level: integration issues are explicitly to be dealt with by the Ministry of Economic Affairs and Employment. The situation has been much less stable in Sweden, where integration issues fell under the Ministry of Social Affairs for a long time but then moved to the Ministry of Justice in 2015. Multiple voids have emerged here. From time to time, immigration and integration issues have been left entirely without government portfolios (Hoekstra et al., 2017). Upon 2008's shuttering of the National Integration Board (or Integrationsverket), a public authority working with immigrant integration, work connected with integration was distributed among other government authorities (Swedish Government, 2008). Later, after the red–green coalition government was replaced by a right-wing government in 2022, integration issues became a duty of the Ministry of Employment (Swedish Government, 2023). Shuffling the responsibility for integration issues among various ministries gives the impression that nobody wants to be responsible for this ‘hot-potato’ realm of policy at the national level.

The haphazard implementation of language-teaching systems both in Finland and in Sweden implies that the conflicted policy processes in the IGR constitute a negative influence on language education in such a context. There is evidence that people at delivery level are left to make decisions about the distribution of scarce resources while given little guidance yet still presumably holding considerable liability for blame should major problems arise. In many cases, the central government has experienced pressure to legislate for some imagined ‘ideal’ situation rather than the reality on the ground. While further comparative analyses of national practices dovetailing with other levels and of well-functioning systems in related areas (e.g., labour-market-introduction programmes) are necessary to flesh out our understanding, one thing is abundantly clear: the current conditions of tension do not facilitate immigrants’ integration into the communities where they live. Future work on the issues highlighted here could valuably inform efforts towards theory and practice addressing the complexity and multifaceted nature of these multi-dimensional governance systems, with all their pros and cons, and of the IGR frames within which they operate. Research along these lines is certain to produce interesting findings.

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# Supportive or Destructive? Intergovernmental Relations During Refugee Crisis in Poland from Local Governments' Perspective

*Dominika Wojtowicz*

## INTRODUCTION

A crisis is commonly identified as an extraordinary situation, which results in escalated but temporary instability and uncertainty compared to the pre-existing status quo (Sahin-Mencutek et al., 2022). Such exceptional emergencies activate relationships, resources, procedures and actions outside any particular policy area. During a crisis, intergovernmental relations (IGR) become especially important insofar as different levels of government are forced to collaborate often within a hybrid form of multi-level governance (Liu et al., 2021; Eckhard et al., 2021). Decision-making authority in emergencies almost inevitably will disrupt existing IGR relationships, opening up an opportunity for the centre to intervene or the

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local government to grasp the initiative. In many established policy domains, democratic governments typically rely on negotiations and consultations across various policy levels to achieve shared objectives. However, the exigencies of crises can often compel a departure from this norm. While one might intuitively expect a more centralised, top-down approach during emergencies, the reality is multifaceted. The degree of centralisation or decentralisation in crisis management can vary based on the nature of the crisis, country-specific cultural and institutional factors, and the particularities of governance structures. Communication, decision-making process, logistical challenges, or funds allocation to address the immediate needs are examples of issues that distort IGR encountered in other policy areas. Consequently, the analysis of IGR during a crisis, will highlight issues and policy perspectives which studies of regular policy areas will miss.

The Russian aggression against Ukraine in 2022 precipitated one of the greatest migration crises in Europe's recent history. Being one of the neighbouring countries, Poland faced the challenge of receiving over 2.5 million war refugees within the first months of the war breaking out. The situation called for multilateral IGR responses to prevent a severe humanitarian crisis. The challenges faced by all levels of public administration turned out to be particularly difficult as Poland had no previous experience of emergency management relating to an extraordinary influx of migrants, having previously refused to accept refugees fleeing Syria under the so-called the EU Solidarity Mechanism in 2015. These exceptional circumstances almost inevitably led to difficulties in the absence of well-developed cooperation practices between the central, regional, and local governments in dealing with such a crisis.

The crisis management system in Poland is multi-level: in principle, at least, the central government tier provides important strategic decisions, overall coordination, and guidance, while the lower administrative levels are responsible for implementing local response efforts where needed (Walczak, 2009). On one hand, such a hierarchical type of organisation of the system only works effectively if it is possible to take quick decisions despite the existing allocation of tasks to the different administrative levels (Schneider, 1992; Waugh, 1994). On the other hand, such a hierarchical multi-level system may be susceptible to bureaucratic dysfunctions—confusion over poorly specified and overlapping competences, difficult decision-making and information gathering issues arising from unanticipated situations. Consequently, tensions and conflicts arise within IGR

(Rourke, 1992; Elazar, 1997; Bier, 2006; Congleton, 2006; Rubin, 2007; Bryson et al., 2015).

The aim of this chapter is to analyse how IGR processes coped, and were adapted, in Poland during the first three months of the refugee crisis of 2022. We pose these questions relation to how IGR worked during the crisis: (1) Did the existing IGR processes enable or block the effective involvement of the lower administrative levels in the decision-making process? (2) What were the areas of tensions and conflicts in IGR during the refugee crisis? (3) To what extent did other organisations deliver services or even become decision-makers in a system role of network governance within IGR?

The above questions will give us a basis to determine which of the three types of contrasting IGR processes, identified by Bergström et al. (2022), best describes Polish IGR during the refugee crisis. This involves determine whether IGR processes during the refugee crisis were characterised by limited conflict between the layers of power (type 1: Multilayer policy processes); by central government dominance, while subnational governments remained largely excluded from participation at the central level (type 2: Centralised policy processes) or by dissenting views, contested rules of the game and communication difficulties occurred between the central and subnational governments (type 3: Conflicted policy processes).

There are few reasons why the case of the 2022 refugee crisis in Poland is interesting to study from IGR perspective. Firstly, the Polish refugee crisis response stands out from the assistance models dominating the experience of other countries, and UNHCR, which is based on building “camps” for refugees near border crossings and further relocation. The model developed in Poland can be described as “inclusive” and is based on providing broadly understood assistance and accommodation in public and private facilities. This has required exceptionally efficient mobilisation and coordination in a very short time (Firlit-Fesnak, 2022). A top-down response, emphasising the importance of leadership and authority in coordinating response efforts, fails to match the experience in this case. Instead, a bottom-up approach, reflecting local governments’ (municipalities) perspective on IGR as the lowest tier of administration, responsible for taking tasks commissioned by upper levels, matches this case. Our research concerns a unitary state with a multilayer crisis management system, characterised by the dominance of the central government reflected in the decision-making capacity, as well as the mechanisms for the distribution of



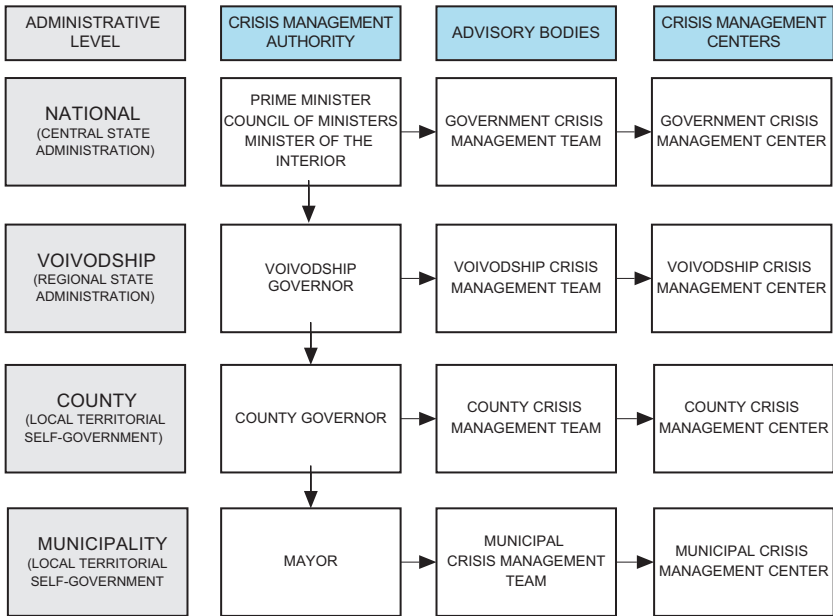
financial resources. Different from revealed in previous studies dynamics and planes of conflicts could be expected in this case.

### CRISIS MANAGEMENT SYSTEM IN POLISH POLITICAL AND ADMINISTRATIVE SETTINGS

Poland is a unitary state, where IGR are aligned with the administrative and political power exercised at the central, regional and local levels. Since the establishment of local self-governments in the early 1990s, Poland embarked on a transformative journey of decentralisation that fundamentally reshaped the distribution of authority and responsibilities. This path to local governance was initiated with the enactment of the Local Self-Government Law in 1990, a pivotal moment that paved the way for the re-emergence of local governance entities. By 1999, this process solidified the tripartite territorial division of Poland into municipalities, counties, and regions. This level of decentralisation marked the ascendancy of regional and local governments as significant units of public administration, giving rise to a triad of administrative power. The coexistence of central and self-government administrations at the level of regions should be stressed. As well as directly elected regional authorities (marshals of provinces and provinces assemblies), governors (voivodes) are appointed to represent the central authorities within each region. The voivode is appointed and dismissed by the prime minister at the request of the minister responsible for public administration. Local governments (both on county and municipal level) are directly elected by citizens and perform public (commissioned and own) tasks not reserved for other authorities.

At the outbreak of the refugee crisis in Poland, the crisis management system was regulated by the Act of 2007.<sup>1</sup> The act explicitly assigns the roles and responsibilities of crisis management to specified public administration bodies. Their mandate encompasses a range of duties from preemptively preventing potential crises to active response during crises, and from mitigating the immediate aftermath to the longer-term restoration of resources and critical infrastructure. In terms of structural organisation, Poland's crisis management framework mirrors its administrative divisions, segmented into central, regional, and local levels. Notably, Article 1 of the Act elaborates on the designated authorities, detailing their specific

<sup>1</sup> Act of 27 April 2007 on Crisis Management (Journal of Laws of 2007, No. 89, item 590).



**Fig. 7.1** Crisis management administrative system. Source: Own elaboration based on Government Centre for Security (<https://www.gov.pl/web/rcb/obieg-informacji-i-rola-rcb-w-systemie-zarzadzania-kryzysowego>, 12.01.2023)

functions, the guiding principles underpinning their operations, and the fiscal mechanisms supporting their crisis management activities.

The allocation of crisis management responsibilities at each level of public administration is presented below (Fig. 7.1).

This integrated crisis management system is officially characterised by a comprehensive linking of individual elements into a functional whole. Horizontal integration is reflected in the concentration in one decision-making centre. The Minister of the Interior and Administration holds all competences and powers regarding the use of the necessary forces and resources. At the voivodship (regional) level, this centralised decision-making role is held by the voivod. The voivod oversees both the combined administration, which includes entities like the fire service and police, and the non-combined administration, encompassing units such as border guards and sanitary inspectors. Furthermore, within the voivodship, tasks

are delegated to both types of administration bodies as well as to local governments.<sup>2</sup>

There are both crisis management teams (CMT) and crisis management centres (CMC) established at the state administration and self-governments levels. The CMT perform an opinion and advisory functions. They include technical experts, who bring in-depth and specific knowledge, which is necessary to effectively deal with the crisis. The composition and procedure for establishing CMC varies depending on the administrative level, but generally, in emergencies, their tasks focus on being on duty, ensuring the flow of information for the needs of crisis management, analysing the situation, preparing warnings and messages for the population, coordinating course of actions and cooperation with other entities conducting crisis operations.

According to the Crisis Management Act, the Government Centre for Security, in cooperation with ministries, central offices, and voivodships, is responsible for developing the National Crisis Management Plan. Subsidiary documents are then elaborated on at all other administrative levels, i.e., voivodeships, counties and municipalities.

The Polish crisis management system aims to balance centralisation against local responsiveness to achieve effective governance during emergencies. This balance involves a recognition of the importance of a well-defined centralised role in terms of strategic coordination and resource allocation, while valuing responsiveness in the local context and tailored response actions. Central authorities can provide a comprehensive overview of the crisis and strategically coordinate response efforts, having greater access to financial, logistical, and technical resources. This includes resource allocation, deployment of personnel, and policy formulation. A centralised approach ensures that decisions are made swiftly and uniformly, reducing the risk of contradictory actions or confusion among different levels of the government. On the other hand, local responsiveness complements centralisation by addressing the unique aspects of each crisis and locality. Local authorities should initiate immediate responses, engaging communities, civil society organisations, and local resources effectively,

<sup>2</sup>In the Polish administrative system, the distinction between “combined” (*zintegrowana*) and “non-combined” (*niezintegrowana*) administrations underscores the organisational structures of governmental bodies. Combined administration refers to public services, which operate under a unified, centralised system throughout the entire country. In contrast, non-combined administration encompasses region-specific entities, which might operate more autonomously due to regional needs or historical contexts.

fostering a sense of ownership and collaboration in crisis management. The real-time information and local insights can help central government to take decisions provided that the effective bottom-up communication is ensured. Ideally, these arrangements would lead to collaborative decision-making based on clear role definitions from both central and local governments.

However, the crisis management system in Poland has many planes of potential tensions and conflicts, which may hinder effective cooperation between individual administrative levels, as well as elements of their supporting systems. Firstly, the crisis management practice in Poland has been criticised for being too centralised at ministerial level and politicised, and ineffective in cases of natural disasters (Piwowarski & Rozwadowski, 2016). Subsequent assessment by the Supreme Audit Office (NIK, 2013, 2018) show that Poland does face problems in building a coherent system for solving crisis situations. The tasks assigned to crisis management structures and civil defence formations overlap, and their competences often duplicate. The necessary resources for proper crisis management are lacking and the available equipment is outdated and incomplete. Second, the four-level organisation of the crisis management system in Poland should be understood against the broader political context which creates issues in IGR. The government's commitment to the process of decentralisation, which has been ongoing since the beginning of the political transformation, has been interrupted. Since 2015, the ruling coalition of two right-wing parties in Poland—*Prawo i Sprawiedliwość* (PiS) and *Suverenna Polska* (SP)—has taken the direction of systematic centralisation of political powers. Consequently, key decisions which limit the competence and financial independence of local governments have been made, including reforming the education system. Consequently, the power of central administration officers has been significantly increased at the expense of the local authorities' discretion, and the centralisation of payments for water delivery and fiscal reform have further limited that discretion. The fiscal reforms have created a significant problem for local governments as they have reduced the share of communes' own revenues in the budget. In return, the proportion of funds granted to local governments from the central government's budget increased. However, these funds are distributed mostly based on political affiliations, with local governments linked to PiS receiving preferential treatment (Ladner et al., 2021; Swianiewicz & Łukomska, 2022). Furthermore, local governments have been systematically excluded from consultations on new laws related to local

government. Since PiS took power, the percentage of bills that have not been submitted for consultation to the Joint Government and Local Government Committee has more than quadrupled. The consequent limitations on local autonomy are reflected in the results of the “Self-Governance Index” prepared by a group of scientists under the auspices of the Stefan Batory Foundation. The authors indicated that between 2014 and 2021, the value of this index fell by almost 17 percentage points. The largest decrease concerns the political power of the local government, then the systemic power, and the smallest—the task-financial potential (Lackowska et al., 2023). These results confirm the findings of Ladner et al. (2021). The authors of the report “Self-rule index for local authorities in the EU, Council of Europe and OECD countries, 1990–2020” indicate Poland as the country (along with Austria) that in the past six years (2015–2020) has recorded the greatest reduction in the Local Autonomy Index score calculated per country.

Finally, the refugee crisis caused by the Russian aggression against Ukraine was an unprecedented event. Although both the National and Province Crisis Management Plans included a standard procedure to be implemented in the case of a mass influx of foreigners into the Polish territory (the so-called SOP-10), it has never, until February 24, 2022, been launched. As we noted in the introduction, Poland was spared the refugee crisis of 2015, and therefore, unlike countries such as Germany or Sweden, Polish administration did not gain experience and did not develop an IGR practice in managing this type of emergency (see Oehlert and Kuhlmann, in this volume).

## RESEARCH DESIGN

The study employs a qualitative methodology based on exploratory case study. As crisis management involves complex and dynamic systems that are difficult to fully capture through traditional survey or experimental research methods, the case study method enables the complexities of real-life situations to be captured in greater depth (Grynszpan et al., 2011). Territorially, the research focused on the Lubelskie region. This choice was dictated by the fact that it is a region located on the Polish-Ukrainian border, therefore local governments located in this region were “on the front line” at the outbreak of the crisis and as such had to be actively involved in the management of the extraordinary influx of refugees.

The case study involved in-depth interviews with representatives of local governments (i.e., mayors or crisis management team directors) located no further than 100 km from the border crossings in Zosin, Dołhobyczów, Hrebenne or Dorohusk. Between June and August 2022, we conducted 18 face-to-face and telephone interviews with local authorities' representatives (mayors and employees of the crisis management department). Three additional municipal representatives decided to provide their answers in written form. The interviews were semi-structured as such elicit in-depth information and enable follow-up questions. Interviews lasted between 30 and 60 minutes, and informed consent was given by all participants. The interviews were recorded, transcribed, and coded into themes set through deductive content analysis. Presented in the next section quotes are linked to institutions rather than persons (Yin, 2009). To gain a broader perspective and to triangulate the data (Malterud, 2001), key documents and reports were also analysed. This included local and regional crisis management plans, guideline documents, and legislative documents.

## IGR IN REFUGEE CRISIS MANAGEMENT: LOCAL GOVERNMENTS' PERSPECTIVE

### *Initial Response: Roles, Responsibilities, and Overlaps in Crisis Management*

Two days after the outbreak of the war, the government issued a statement on the initiation of the procedure for dealing with crisis situations, included in the National Crisis Management Plan. The rapidly growing number of people in need of immediate humanitarian assistance required speedy action.<sup>3</sup> Most local authorities did not wait for decisions “from above” and started to undertake actions on their own, consciously going beyond established crisis management procedures. It was this first period that was characterised by the greatest tensions and conflicts between local and central authorities.

<sup>3</sup>In the first days of the war i.e., until the end of February, four border crossings located in the Lubelskie region served a total of 131,467 people (own calculations based on *Baza ruchu granicznego/dane z ZSE6/Straż Graniczna*, retrieved from [dane.gov.pl](http://dane.gov.pl), 11.02.2023)

We [local government officials] were something like a rapid response team because we reacted much faster than any government agencies. In the first moments of the crisis, we were irreplaceable. Only later other institutions and services came to the action. (IDI 16).

The first tasks involved providing assistance to refugees at the border. Actions taken by the central authorities in the region on the border were strongly supported by local authorities. These included providing accommodation and food for various services actively helping at the border (firemen, medical workers, volunteers, and members of NGOs), providing gas cylinders for heating tents, delivering, and distributing gifts at the border, organising prams and prams for the disabled.

There was no medical assistance at one of the border crossings [provided by the government administration] (...). There was an appeal by the commandant of the border crossing point for us to help, and our ambulance and the Volunteer Fire Service were on duty for two months at the border crossing (...). Only later, because of some talks with the government administration, these ambulances were delivered. (IDI 5).

In the first days of the refugee crisis, the basic activities (arising from the crisis management procedures) of border local governments were to launch donations collection points and distribute gathered necessities among refugees. Over time, the central authorities (voivodes in cooperation with the Ministry of Health, the Chancellery of the Prime Minister, and the Government Strategic Reserves Agency) began to create a coordinated system of organising, accepting, and distributing donations in larger border towns (setting up the so-called hubs). Nevertheless, due to bureaucratic procedures (e.g., goods coming from abroad in trucks had to be precisely described), local governments continued to coordinate the organisation and distribution of necessities on their own within the framework of horizontal cooperation. Some of the donations went to municipal collection points, some were transferred to neighbouring municipalities, and some were sent to various institutions in Ukraine.

As part of the tasks ordered and coordinated by the central authorities, local authorities were obliged to run reception and information points under the supervision of the voivode. Some border municipalities took the initiative in organising these facilities on February 24, two days before the central authorities issued the official decision in this matter. Such facilities

were to provide rest, food, and basic medical care, then to allocate refugees to permanent accommodation. This involved quickly organising equipment and providing food, hygiene products and other necessities. For this purpose, local authorities used horizontal, formal (within the association of municipalities), and informal networks of acquaintances. Most of the help obtained by local authorities was provided by municipalities from other parts of Poland or the world, domestic and foreign non-governmental organisations, and inhabitants. Only in the following days did the central authorities in the regions sanction the already-existing reception points and sign contracts with local authorities for their operation. They also started equipping reception points with the necessary equipment.

We got camp beds, first from the neighbouring municipality, then some more came from the voivode (...) We know who has what resources as with other municipalities we form a network of civil defence and crisis management. Hence, we know who has beds, who has sleeping bags. We got the first equipment from the municipalities with which we were cooperating before the war. Without any involvement of county authorities. (IDI 5).

Another task assigned to the local authorities under the crisis coordination system was the arrangement of accommodation infrastructures. The procedure was strictly defined in the Crisis Management Plans: communes reported their resources of facilities that could function as accommodation points, the voivode verified their suitability and then decided on their equipment and commissioning. Parallel to these activities, local government authorities undertook coordination of accommodation offered by private individuals. Relocation to other accommodations—another task that should have been coordinated by the central authorities in the region—at the peak of the crisis took place both within the system coordinated by the voivode and within the horizontal cooperation of municipalities with various entities.

On their own, by calling, finding out, posting announcements on Facebook and our website, driving them back or contacting those people who had the opportunity to accept refugees at home. We tried to use what the residents, owners of holiday resorts and tourist accommodation offered us. And in this first phase, until the end of March, we found such accommodation for almost 500 people. (IDI 15).



There were so many people that we also tried to find places for them somewhere further in Poland. For example: we heard that a large reception point has opened in Nadarzyn near Warsaw. Someone, I think some volunteer, knew someone there, so we called saying that we were sending them two coaches with refugees. (IDI 12).

### *Budgetary Strains: Tensions in Reimbursement*

From the beginning of the war, the central authorities in the region assured local governments that they would use special funds to cover the costs of helping refugees, which created “a sense of psychological comfort” (IDI 2) at the time of making decisions related to incurring any expenses. Hence, while the costs related to setting up and operating reception points at the beginning of the crisis were covered by the local authorities within their own budgets, only after a certain period did the voivodeship office provide financial support (and reimbursement of costs incurred) under a special agreement. The fear that the central authorities might burden local governments with new obligations without granting them additional funds has not materialised. Already on March 1, the chairman of the National Council of the Regional Audit Chamber issued a communiqué allowing local governments to use funds from the crisis management reserve for expenses related to the refugee crisis. In the next stage, the Assistance Fund was established, the purpose of which was to provide funds for financing, co-financing, or reimbursement of expenses incurred for tasks related to providing support to refugees.

I will say this from the point of view of the frontline self-government: in cities like ours, where reception points were set up, we received government funds from the voivode’s reserve almost immediately. So, we can’t complain about money. (IDI 11).

Although there were no specific decisions, the municipalities were informed that the government was working on solutions, including those related to financial support. The initial lack of information was replaced by contradictory information. The greatest (albeit short-term) tension in relations between local authorities and central authorities occurred in the first two weeks of the outbreak of crisis. It was caused by issues related to the reimbursement of expenses incurred by local governments. Daily rates

for refugee services for local governments organising accommodation points were changed to much lower than agreed.

It's not about the [assistance] rates [for refugee], because we managed somehow to help refugees with the support of our organisations, but it's about this unnecessary confusion. Why say one thing and then say another. (IDI 2).

In the beginning, we spent our own money, and we had no information from the voivode when the costs incurred would be reimbursed to us. There were no specific procedures for accepting refugees into the municipality, no legal regulations that would allow us to register them or give them places in schools. (IDI 11).

Another activity that caused tension regarding financial settlements between the central and the local authorities in the region was the organisation of transport from the border. The National Crisis Management Plan gives responsibility to the central authorities in this matter. Nevertheless, some local governments decided to organise additional means of transport, including fire trucks, to pick up people crossing the border on foot. Despite a later application for reimbursement of related expenses (firefighters' equivalents, gasoline costs, etc.), the central authorities in the region refused to cover them, and the costs were charged to municipal budgets.

Only the State Fire Service was authorised to transport refugees, and they transported them in their vehicles. Unfortunately, we did not wait for these procedures from the government and took these people from the border. And now we are suffering such consequences that we have costs of about PLN 200,000 for fuel and for the work of firefighters and no one can return it to us, because allegedly we did not take action in accordance with the procedure. (IDI 4).

### *From Chaos to Clarity: Implementing Legal Measures in Crisis Response*

The first days of the crisis were characterised by information and decision-making chaos. Local governments, through voivodes, appealed to the government to decide on specific procedures and financial solutions incurred as part of aid activities as soon as possible. This is particularly

important in the context of the fact that some activities undertaken by local governments required legal and institutional authorisation (e.g., transport, medical care, and care for minors crossing the border on their own).

In my opinion, these decision-makers from the voivode had no information about what was going on at the border in the initial period (...) they paid special attention to formal issues, and unfortunately the situation was completely different, and we had disputes here regarding the performance of certain tasks. I say: 'Mr. Voivode, do you see what is happening at the border crossings?' If we acted in accordance with the procedures, there would be Dantesque scenes there. (IDI 16).

Gradually, the government adopted new solutions that enabled local governments to act more effectively. For example, on the third day of the conflict in Ukraine, the government adopted legislation that gave refugees the right to free travel and medical care. On March 12 the so-called The Special Act created the legal and financial basis for the effective provision of assistance by all levels of administration. The most important measures concerned legalising the stay of Ukrainians and public forms of assistance for refugees (e.g., access to cash and non-cash benefits, the right to use educational and care facilities, and the appointment of a temporary guardian for minor Ukrainian citizens without adult supervision). Local authorities thus gained legal and financial authority to help refugees.

### *Communication Channels: Bridging the Governance*

A very important element that shaped IGR during the crisis were the communication channels, which enabled a quick flow of information both in the top-down and bottom-up direction. Firstly, a special telephone line operated by the Voivodeship Crisis Management Centre was used. Secondly, the Voivode organised regular meetings in the form of video conferences. They served both to provide information on the actions planned or taken by the government, but also to collect information from local governments on the situation in their area, existing problems, resources, etc. As a result, the government's proposals for adopting certain measures were promptly confirmed by local governments and, if necessary, modified. Thus, local authorities have a sense of involvement in the decision-making processes and ensured flexibility of solutions introduced

at the central level. Meetings with the voivode also contributed to build trust-based relations and a sense of community of purpose for all levels of administrations. Furthermore, in addition to the vertical flow of information, videoconferences served to exchange information horizontally, as all local authorities' representatives (both municipals and counties) in the region participated in these video meetings.

To sum up, the higher levels of administration (central authorities in the region and the government) performed mainly four functions in relation to local governments. Firstly, they adopted a law that, on the one hand, created a framework for action, and on the other hand, gave local authorities a context and legalised their actions. Secondly, the voivodship level played the role of a "connector" in transferring government decisions to counties and municipalities and allowing information about problems and needs to reach the government. It should be clearly noted here that after controlling the chaos in the first days of the crisis, communication was effective and two-way. Thirdly, voivodes and counties were responsible for distributing and transferring funds to municipalities for the implementation of tasks commissioned in the field. For this purpose, the municipalities signed agreements on the operation of reception and accommodation points and sent applications for reimbursement of the costs incurred. Fourthly, voivodes functioned as institutions "for exceptional tasks"—if municipality or county were unable to deal with emerging problem, they could ask for help from a higher administrative tier to solve it.

## DISCUSSION AND FINAL REMARKS

At the beginning of the crisis, with slightly delayed and insufficient procedures and actions that should be provided by the central government, the local governments at the forefront took over the main burden of crisis management. Local governments were forced to make decisions that went beyond the procedures set out in the crisis management plans and even beyond their prerogatives. However, after the first few days, IGR began to develop in several areas i.e., opening information, reception and accommodation points. What is important, actions taken by local governments and central government services, with minor exceptions, did not overlap but rather complemented each other. An unclear division of tasks leading to duplication of actions taken is one of the factors that may hinder the smooth operation of IGR in critical situations and thus create obstacles to

a rapid response to a crisis (Bier, 2006; Congleton, 2006; Deverell & Hansén, 2020; Bynander & Nohrstedt, 2020).

Although the participation of local governments in strategic decisions making was limited, the problems, needs and comments were successfully reported to higher levels of administration and eventually were considered in the adopted solutions. Moreover, IGRs were characterised by flexibility in terms of creation of network cooperation (often outside formal procedures and hierarchical administrative structures). It should be emphasised that not only vertical cooperation, but also horizontal cooperation functioned effectively—counties and municipalities exchanged information and possessed resources, which made it possible to act adequately.

The local government representatives were quite unanimous in a positive evaluation of the speed and effectiveness of actions undertaken by central government administration. This can be puzzling, considering that the central administration (including the crisis management system) had often been criticised previously before the war for its politicisation and incompetence. It seems likely that the relatively high level of trust and the absence of clear conflicts between the central government and local governments stemmed from the specific nature of this particular crisis. One should bear in mind that Ukraine was attacked by Russia—a country perceived by Poles as a historical enemy. Russia took part in the subsequent partitions of Poland (in 1772, 1793, 1795), and after World War II imposed in Poland a communist system, making the country a satellite state remaining under the political domination of the USSR. In successive surveys (conducted up until 2022), Russians ranked first among the least favoured nations by Poles. Therefore, the willingness to provide assistance went beyond purely humanitarian obligations and was perceived as aiding allies. These ideological considerations strongly united all groups and individuals engaged in assistance and served as a powerful motivator for action. In the face of a specific goal, potential differences in political preferences were also blurred. Another aspect to consider when seeking an explanation for the research results is that in the Lubelskie region, the ruling party had obtained the most votes in both local and parliamentary elections in the two subsequent terms. Moreover, local governments located close to the border are small, rural and lagging areas that had greatly benefited from fiscal reform and the discretionary grants distributed by the government. These factors can contribute to explain the willingness to cooperate, facilitate effective communication, and local leaders' trust in the central administration.

The positive assessment of the central administration response could be also attributed to the political narrative spread by the ruling party immediately following the outbreak of the war. The then Prime Minister Jarosław Kaczyński propagated a narrative of the self-sufficiency of the Polish administration in crisis management and not seeking European Union support. In an interview, which received considerable media attention, Kaczyński pointed: “We have a rule—no relocations. If someone wants to stay here, they stay, and if they want to leave, they leave. We don’t force anyone to do anything. And the second rule—we do not **hold out a begging bowl**. Of course, we feel that we deserve some help, but we do not **hold out a begging bowl**.”<sup>4</sup> Such a ruling party stance further mobilised politicians and officials aiming to demonstrate to the opposition and the European Union their proficiency in crisis management. Ultimately providing a narrative celebrating the crisis responses of the central government and local governments which are largely controlled by one party, that is, PiS.

Upon examining the IGR dynamics during the refugee crisis in Poland, one discerns a predominance of features akin to Bergström et al.’s (2022) Type 1: Multilayer Policy Processes. Despite the centralised nature of the Polish political and crisis management system, the IGR manifested predominantly as cooperative, multilayer interactions with the central government playing a pivotal, yet not hegemonic, role. This stands in contrast to a Type 2: Centralised Policy Process, where subnational entities might be largely side-lined. Minor conflicts that arose were expediently resolved, precluding a full alignment with the contentious characteristics of a Type 3: Conflicted Policy Process. The IGR processes in responding to refugee crisis based on two key issues that are generally recognised as crucial for effective cooperation in emergencies: a sense of community of purpose, and a properly organised, regular communication in multi-level and multi-actors context (Boin et al., 2005; Kapucu, 2006; Waugh & Streib, 2006; Ansell & Gash, 2008; Ansell et al., 2010; Hermansson, 2019). The issue of ensuring financial resources for the implementation of tasks commissioned to local governments by the central authorities should also be assessed positively. The almost immediate activation of the reserves, the creation of the fund, was accompanied by the efficient signing of contracts and reimbursement of the costs incurred by local governments.

<sup>4</sup> <https://i.pl/jaroslaw-kaczynski-w-polsce-nie-ma-obozow-uchodzcow-z-ukrainy-mamy--zasade-zadnych-relokacji/ar/c1-16118569>

Accordingly, the sense of communal purpose and structured multi-level communication, complemented by efficient financial resource allocation, underscored the synergy between central and local entities, reinforcing the classification within the Multilayer Policy Process framework (Type 1).

Drawing conclusions from the analysis of the IGR in the management of the refugee crisis, it should be stated that the crisis management system in Poland created proper conditions for the emergence of effective IGR both in the vertical and horizontal dimension. The active leadership of the government is often indicated as a success factor in crisis management (Waugh & Streib, 2006; Boin et al., 2013). In case of refugee crisis in Poland, the leadership of the central government revealed in making strategic decisions that formed the legal and financial background necessary for the activities of local governments in emergencies.

The development of the IGR during the refugee crisis in Poland proves that—despite the huge role of non-governmental organisations, private companies, and citizens—formal government institutions—at the central and regional level, but above all at the local level—played a key role in coordinating activities related to the management of crisis. It should be emphasised here that after the crisis, the established and strongly mobilised networks of entities from outside the administration weakened, while both the government and local governments continued to maintain the reception and accommodation points and did not cease to organise various types of assistance for refugees. Therefore, referring to the undoubtedly significant role of non-administrative institutions that were involved in the response to the crisis, it can be assumed that informal networks supplemented and supported but in no way replaced the formal role of the government and, above all, local governments in response to the crisis. Although in response to the crisis the phenomenon of “self-organising networks” (see: Denters & Rose, 2005; Rhodes, 2007) of various entities could indeed be noticed, public administration institutions were still the reference point for these networks. Rhodes’s suggestion (2007, pp. 15) that “central intervention will undermine the bottom-up governance structure” did not apply to the case under study.

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# Intergovernmental Relations in Urban Climate Policy: How Berlin and Paris Formulate and Implement Climate Strategies

*Tomás Vellani, Franziska Oehlert,  
and Janina Walkenhorst*

## INTRODUCTION

Cities are responsible for 70% of greenhouse emissions worldwide (UN, 2022). Urban areas have been identified by researchers as a crucial part of the efforts to tackle climate change (González Medina et al., 2018; Ostrom, 2009; Revi et al., 2014; Satterthwaite et al., 2018; Bulkeley, 2013; Hunt & Watkiss, 2011; IPCC, 2022). Since 2015, the Paris Agreement, the Sustainable Development Goals, and the rise of

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organizations such as the C40 global network of mayors have placed cities in the spotlight of climate action. However, urban climate policy has become a contested policy field on multiple fronts reflecting its cross-cutting and urgent nature. In large cities, public spaces are stages where climate conflict is played out, as exemplified in referenda such as “Berlin 2030 Climate Neutral.” In addition, city governments must develop policy in a context where the functional responsibility for the subfields of urban climate policy—such as building, transport, energy, and water management—is often distributed across different governmental levels. This requirement for joint action exerts pressure on IGR. Thus, city-level decision-makers face the double challenge of navigating complex vertical IGR within metropolitan institutional frameworks and coordinating action horizontally with surrounding administrative units, while at the same time channeling public discussion on climate to achieve legitimate, socially accepted, and effective climate policy.

City governments often address these challenges by developing formalized urban climate strategies bringing together the major stakeholders and involving broad citizen participation. Urban climate strategies systemize considerations for action directed toward a desired reduction in emissions (Raschke, 2002; Raschke & Tils, 2007; Ebermann, 2020), define the governance concept of the city and establish how the different actors should be steered and coordinated (Süßbauer, 2016). A notable proponent of this approach is the C40 network of mayors,<sup>1</sup> which has identified 66 cities with Paris-compatible strategies (C40, 2020). However, the multi-stakeholder requirements of urban climate policy often clash with the existing IGR structures, which are not primarily designed for cross-cutting policy-making.

Although urban climate strategies offer insights into the challenges of climate IGR at the sub-national level, the tensions arising from their formulation and implementation have not been explored by researchers. Systematic findings on metropolitan climate action from an international cross-country perspective are not widely available. In addition, research on horizontal and vertical IGR in metropolitan climate policy is limited (Bauer et al., 2012; Brasseur et al., 2017: 233; Romero-Lankao et al., 2018). To address this research gap, we ask the following question: *How*

<sup>1</sup>C40 is a global network of nearly 100 mayors of cities that are united in action to confront the climate crisis. The aim is to drive the conversation around climate action and environmental justice to place these issues front and center in local policies and on the international agenda (see: <https://www.c40.org/about-c40/our-history/>)

*do intergovernmental relations play out in the formulation and implementation of urban climate strategies?*

The cities of Berlin and Paris are embedded in two dissimilar institutional frameworks and administrative traditions—the continental European federal type in Germany and the continental European Napoleonic type in France (Kuhlmann & Wollmann, 2019). Yet, both cities face the challenge of aligning urban climate policy with their respective sub-municipal levels (*Bezirke* and *arrondissements*) as well as with the surrounding areas. Berlin is committed to carbon neutrality by 2045, while Paris plans to reach this goal by 2050. Both cities have undertaken significant commitments in developing and implementing their climate strategies to achieve their targets. These commitments place pressure on their intergovernmental relations: the cities must vertically coordinate climate strategy within administrative levels of city government and horizontally with the surrounding metropolitan area. For Berlin, this is the federal state (*Land*) of Brandenburg, and for Paris, the metropolis of Greater Paris. A research strategy based on a most different systems design (Seawright & Gerring, 2008) is used, underpinned by the contrasting institutional contexts, differing approaches to intergovernmental relations and shared objective of achieving climate neutrality of both cities. The case studies draw from the analysis of 21 expert interviews (13 in Berlin and Brandenburg, 8 in Paris and Greater Paris) with key representatives from public administration, politics, and civil society. Data collection took place between February and July 2022 in German and French, respectively. The interview analysis is complemented by a document analysis of the strategies, associated documents, and legal frameworks.

The cases are studied following a framework of intergovernmental relations, which distinguishes between multilayered, centralized, and conflicted policy processes (see introduction in this edited volume; Bergström et al., 2022). The typology of policy processes is operationalized for the purpose of this study in terms of the metropolitan distribution of functional responsibilities (centralized versus decentralized) and policy-making approaches (coordination versus decoupling). Centralized policy processes are dominated by higher government levels, which concentrate control over functions administered by sub-municipal governments. Decentralized policy processes, on the contrary, are characterized by a distributed allocation of responsibilities across government levels. The allocation of functional responsibilities coexists with different approaches to policy-making and conflict resolution. Sub-municipal governments, so the district

**Table 8.1** Types of intergovernmental relations (based on Bergström et al., 2022)

<i>Functional responsibilities Policy-making</i>	<i>Decentralized</i>	<i>Centralized</i>
Coordinated	Multilayered policy process	
Decoupled	Conflicted policy process	Centralized policy process

governments, can be included in policy processes in a coordinated manner linked to established policy-making mechanisms through rights of participation. However, these participation formats can vary in their degree of influence from consultation to actual voting rights. Alternatively, intergovernmental relations can be characterized by a lack of coordination and conflict resolution mechanisms where sub-municipal governments are primarily excluded from participation or are only granted limited rights of consultation. This decoupling of the policy process might lead to contested approaches due to a lack of rights of participation (Table 8.1).

#### INSTITUTIONAL CHARACTERISTICS AND LEGAL FRAMEWORK OF URBAN CLIMATE POLICY IN BERLIN AND PARIS

Berlin is a city-state characterized by a two-tiered administration with a central administration and district administrations. The central administration is responsible for overall functions that involve the whole city, such as finances.<sup>2</sup> The city of Berlin comprises a series of Senate Departments comparable to ministries in the territorial federal states in terms of structure and organization. The second level consists of 12 district administrations responsible for localized tasks. Each district administration has a district mayor, councilors, and an assembly. In terms of the wider metropolitan area, Berlin is located within the federal state of Brandenburg. Both Berlin and Brandenburg, as federal states, collaborate over certain matters within the so-called Berlin-Brandenburg region. Berlin's 2021

<sup>2</sup> See Art. 67 of the Constitution of Berlin (VvB): <https://www.berlin.de/rbmskzl/politik/senat/verfassung/artikel.41514.php> [last accessed 25.11.2023] and Act on Responsibilities in the General Administration of Berlin [Gesetz über die Zuständigkeiten in der allgemeinen Berliner Verwaltung (AZG)]: <https://gesetze.berlin.de/bsbe/document/jlr-VwZustGBErahmen/part/X> [last accessed 25.11.2023].

strategy framework<sup>3</sup> includes cooperation over matters such as, mobility and climate protection with Brandenburg. Paris also has a two-tier local government consisting of the city level and 20 districts. Each district (*arrondissement*) comprises an elected council and an (indirectly) elected mayor. The *arrondissements* have a predominantly consultative function, hardly any decision-making rights and only a few responsibilities (Kuhlmann, 2005: 4).<sup>4</sup> They are not assigned their “own” responsibilities to carry out according to the principles of self-government, given that no legal distinction is made between city-wide and district responsibilities. Hence, all responsibilities are city-wide and are subject to the complete regulatory competence and supervision of the mayor of Paris (Kuhlmann, 2005: 4). This is how the *arrondissements* differ from the *Bezirke*, which fulfill their tasks according to the principles of self-administration.<sup>5</sup> Additionally, the horizontal relationship between Paris and its surrounding metropolitan area is different. Created in 2016, the metropolis of Greater Paris is a multipurpose inter-municipal body that comprises the French capital and over 100 other municipalities in three departments (*départements*). In terms of environmental protection, some functional responsibilities and operational competencies of the municipalities were transferred to the Greater Paris metropolis, such as that for the energy transition. Thus, within the French local system, encompassing the municipalities, departments, and regions (*régions*), the metropolises constitute a de facto fourth level of French territorial authority (Demazière & Sykes, 2021: 34).

The autonomy of the city governments to choose whether to develop a climate strategy and the established obligations regarding rights of consultation and participation vis-a-vis other actors influence intergovernmental relations in Berlin and Paris. Consultation and participation in urban climate strategy policy processes are contested and thus present challenges in the coordination and distribution of responsibilities across governments. Berlin is not obliged by federal laws to develop a climate strategy. The city has far-reaching competencies in climate policy, enjoying significant

<sup>3</sup>Overall Strategic Framework Capital Region [Strategischer Gesamtrahmen Hauptstadtregion]; see: <https://www.berlin-brandenburg.de/zusammenarbeit/strategischer-gesamtrahmen/> [last accessed 23.3.2023].

<sup>4</sup>Law no. 82-1169 of 31 December 1982 [Loi n° 82-1169 du 31 décembre 1982, « Loi Paris-Marseille-Lyon »]; see: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000000880033> [last accessed 25.11.2023].

<sup>5</sup>See Art. 66 of the Constitution of Berlin (VvB).

political discretion in determining the content and procedures of its urban climate strategy as long as these are compatible with federal regulations. However, these functional responsibilities are distributed between the central and district administrations. The latter has significant decision-making power in areas relevant to climate action, such as urban and land-use planning and a substantial part of transport measures. This situation puts pressure on the city administration to involve the sub-municipal level in climate strategy formulation, as their buy-in is required for the successful implementation of climate policy. Paris, on the contrary, is legally obliged to have a climate action plan. Since 2010, municipalities with over 50,000 inhabitants in France are required to formulate a climate plan (Yalçın & Lefèvre, 2012). This requirement also applies to the metropolis of Greater Paris, which geographically surrounds the capital city. Nevertheless, the central government allows cities some political discretion to consider specific local conditions and to determine their plan's perimeter, structure, and operating principles. Additionally, the limited rights of consultation at the sub-municipal level in Paris make stakeholder buy-in less of a priority in urban climate policy compared to Berlin.

## RECENT IGR POLICY TRAJECTORIES IN URBAN CLIMATE STRATEGIES

### *Berlin: the Centralized Formulation and Conflicted Implementation of the Urban Climate Strategy (BEK 2030)*

In 2011, Berlin's governing coalition committed to achieving climate neutrality by 2050. The Senate Department for Environment commissioned a feasibility study in 2014 to work out how the city could achieve this goal. A second scientific study was commissioned in 2015 to elaborate on the Berlin Climate Protection and Energy Transition Act, which was passed in 2016. The act provides the framework for Berlin's climate protection policy and legally anchored climate protection targets and instruments for achieving them. A draft of the strategy, called the Berlin Energy and Climate Protection Program (BEK 2030), was adopted in 2018. The city of Berlin centralized the policy process. The sub-municipal level was formally consulted through workshops and interviews. However, this consultation process was not extensive, nor did it involve instances of binding participation, given that the development of the BEK 2030 was managed



mainly outside the administration by a scientific consortium created for this purpose. This configured a scenario that could be characterized as centralized in terms of the allocation of responsibilities for the development of the strategy and decoupled in terms of limited contact channels between the sub-municipal and municipal level.

Once in place, the responsibility for implementing the BEK 2030 was distributed between the city of Berlin and the districts according to the functional allocation of climate tasks. Through the BEK 2030, the city of Berlin made financial resources available for implementing projects in the strategy's action fields. However, the districts had to develop their own initiatives and submit an application to access these funds. This design led to a series of conflicts, as the district administrations reported not having enough personnel to deal with the additional overheads required in project development and application. Issues such as budgetary restrictions and a lack of know-how reduced the capacity of the districts to make use of these funds. The limited consultation of the districts, furthermore, did not contribute to raising awareness, nor political interest in the submission of projects. Additionally, the city of Berlin faced difficulties in establishing adequate personnel measures and processes within its own administration to manage the funds. These limitations in terms of capacity, both at the city and district level, are one of the reasons for the slow execution of the BEK 2030 budget. In 2020, out of a planned 3,850,000 euros, only 21,119 euros were allocated for public institutions to carry out investments within the framework of the BEK 2030. By October 2021 (last data available), only 16,474 euros were allocated out of a budget of 3,550,000 euros for the year (SenUMVK, 2022; SenUVK, 2021). Other grants to public institutions within the BEK 2030 were more successful, but represented much smaller proportions of the BEK budget. While the COVID-19 pandemic played a role in slowing project applications, the districts demonstrated a rather low interest in the climate policy funds. Beyond issues of capacity, the lack of communication of the BEK 2030 funds and their lack of involvement in formulating the strategy was reported by district officials to be a significant factor. Furthermore, given that climate managers have limited resources, they tend to orient their work toward local requirements of the sub-municipal district council rather than city policy. Accordingly, certain districts began developing their own urban climate strategies. This scenario can be characterized as one of conflicted policy processes. As the policy process shifted from a centralized formulation of the urban climate strategy to a decentralized implementation, the

decoupled approach to IGR remained, creating issues over the execution of the budget. At the same time, the city of Berlin was slow in establishing the necessary processes to ensure that funds were available in a timely fashion.

In 2021, Berlin began to re-elaborate the BEK 2030 for the period 2022–2026. A new feasibility study was developed by a scientific consortium (“Making Berlin Paris-compliant”), and the Berlin Climate Protection and Energy Transition Act was amended to set the objective of climate neutrality by 2045. City government officials attempted to address the pitfalls of the previous version of the program. Compared to the first policy formulation process, the district administrations reported being involved more closely. The primary means of involving the districts remained the use of informal, non-binding workshops. Even so, the city places a stronger emphasis on communicating and ensuring the participation of different actors in order to benefit from the expertise at the district level, as well as increase the policy buy-in to ensure the better implementation of any measures. Consequently, compared to the previous strategy formulation stage, there was a shift toward greater coordination, although some coordination difficulties remained.

### *Paris: Centralization Followed by a Partial Decentralization of the “Plan Climat”*

The city of Paris was one of the first in Europe to adopt a climate action plan in 2007. At that time, forerunner cities competed for leadership on climate issues, which lent impetus to Paris’ efforts (Françoise, 2020). Additionally, a national law providing guidance on the formulation of a climate action plan was not yet in place. Consequently, according to some experts, this delay led to local representatives being “much more proactive and ambitious than simply responding to a text of a law” (Françoise, 2020). The current version of the climate strategy was adopted in 2018 with the goal of achieving carbon neutrality by 2050. The fact that the city of Paris hosted the 2015 global climate conference resulted in a substantial political commitment to include the agreement’s objectives and adopt a strategic vision in the city’s climate action plan. Hence, according to some interview partners, the climate plan has been perceived as a social project rather than a technical planning tool. The formulation of the climate action plan followed a centralized policy process, which did not include the *arrondissements*. Instead, the government levels above the municipal

level come to play an essential role in the policy process and ensure that the strategy is compatible with the metropolitan climate actions and the National Low Carbon Strategy.<sup>6</sup> Thus, before submitting the plan to the Paris Council, the city had to obtain the necessary approval from higher levels by transmitting the draft to the regional prefect, a deconcentrated entity representing the central state. The latter conducted a strategic environmental assessment as prescribed by the Environmental Code. Compared to the previous versions of the climate action plan, the city administration has kept elements of formalized coordination to a minimum in the current version of 2018, thus closing off paths of consultation and representation for the *arrondissements*, configuring a scenario of a strongly centralized policy process.

The revision of the urban climate strategy for the period 2024–2030 marks a significant change from these centralized iterations of the climate plan. In 2021, a city-wide push for reorganizing functional responsibilities between the city and the *arrondissements* led to the Parisian Proximity Act.<sup>7</sup> The act aims to increase the effectiveness of the administration through decentralizing responsibilities and promoting the greater territorialization of policy processes. The revision of the climate plan is part of this territorialization of urban policy, whereby priority challenges are to be agreed upon within each district and residents consulted. For this purpose, the body organizing civic participation (*Maisons de la vie associative et citoyenne*) is no longer attached to Paris' central administration, but is directly subordinate to the *arrondissements*. Thus providing the *arrondissements*, and in particular the general public inhabiting these administrative units, with rights of consultation regarding the climate plan. In addition to the increased involvement of the *arrondissements*, the metropolis of Greater Paris has come to play a more important role in the city's climate plan. The metropolitan area drew up its own climate plan in 2018, the Metropolitan Climate Air and Energy Plan, with which the city of Paris must comply. This requirement takes the form of a mandatory consultation whereby metropolitan officials formally review the city-level climate plan to ensure compliance with the legal requirements. Metropolitan officials may also point out weaknesses and make suggestions for

<sup>6</sup>Stratégie Nationale Bas-Carbone; see: <https://www.ecologie.gouv.fr/strategie-nationale-bas-carbone-snbc> [last accessed 23.3.2023].

<sup>7</sup>Pacte de la proximité; see: <https://presse.paris.fr/pages/19974> [last accessed 25.11.2023].

improvement. On the basis of this process, platforms for joint cooperation have been established, such as the carbon offset platform, a measure included in the climate plans of the city of Paris and the metropolis of Greater Paris. The revision is overseen by a newly created administrative unit, the Directorate of Ecological Transition and Climate (DTEC). This strategic unit exclusively deals with climate transition and addresses the topic transversally across responsibilities and functions. There was a strong political will in Paris, both by politicians such as the mayor and leading officials within the city administration, to create a separate administrative unit for climate transition both to give the subject greater visibility and centralize the functional responsibilities for the strategy revision into one unit. The Directorate of Green Spaces and the Environment (DEVE), where the climate plan was previously located, was seen by the interviewed administration officials as too operational and lacking a strategic vision and effective coordinating function. According to the interviewees, this newly established unit has contributed to decentralizing the strategy through the, albeit rather limited, inclusion of the *arrondissements* and the increased involvement of the metropolis of Greater Paris. Compared to the previous governing arrangements, this has enabled the decentralization of functional responsibilities with an accompanying increase in coordination mechanisms.

## BERLIN AND PARIS IN COMPARATIVE PERSPECTIVE

### *From Centralization to Decentralization and Increased Coordination: Vertical Intergovernmental Relations in Berlin and Paris*

The city governments of Berlin and Paris both initially took a centralized approach to strategy development with very limited consultation with the sub-municipal level. However, the subsequent development of the policy process made leading actors within the administrations realize the limitations of a centralized approach. Berlin's implementation faced problems with stakeholder buy-in at the sub-municipal level, resulting in a much lower execution of the budget compared to expectations. The Parisian strategy was deemed insufficient in terms of visibility and traction, and was furthermore affected by the trend toward territorialization in France and in Paris in particular. In both cities, the politico-administrative response in the re-formulation process took a turn toward more coordination and

decentralization. However, the extent of this turn differs between the two. Berlin's attempt to transition toward a multilayered policy process during the current stage of strategy re-formulation is limited to increased consultation with the sub-municipal level, whereas the Parisian changes to the policy process are embedded in a broader reform process through which the sub-municipal level has been granted new rights of consultation relating to the urban climate strategy. The French policy-making context reflected a sense of generally diminished citizen trust in state institutions and pressures on government officials to demonstrate greater effectiveness. In Paris, the mayor was more committed to territorialization than her equivalent in Berlin. Furthermore, unlike Berlin, Paris saw the introduction of a new, powerful organization in the form of Greater Paris with consultation rights. Notwithstanding, the territorialization efforts in Paris should not be overestimated, as no new functional responsibilities were transferred to the *arrondissements* in terms of climate, despite individual organizational changes. The long-term effects of the Proximity Act can hardly be assessed to date.

It must be noted that the starting situation and motivations for this trend toward more multilayered approaches in both cities are different. In Berlin, functional responsibilities for climate policy are shared between the city and the districts. The centralized strategy formulation process did not consider how the effective distribution of responsibilities would shape implementation. The city did not manage to ensure sufficient support across the districts and did not fully recognize the interdependence of city levels in regards to climate policy implementation. Thus, the districts had little incentive to actively involve themselves in strategy implementation. This resulted in a conflicted implementation stage, strengthened by limited coordination mechanisms between the city and the districts beyond ad hoc working groups created in some policy subfields. On the other hand, in Paris, functional responsibilities for climate policy are mostly centralized at the city level and the *arrondissements* do not have a significant set of tasks linked to climate adaptation and mitigation. The Parisian Proximity Act has ensured that residents are more involved in the revision process, but despite this change, the district's tasks in climate policy are still mainly limited to raising awareness among residents (Fig. 8.1). Generally, vertical conflicts of interest between the central city administration and districts tend to be less pronounced in Paris than in Berlin due to the strong political-personal intertwining of the levels. While the cumulation of offices in Paris allows for the simultaneity of functions in the city

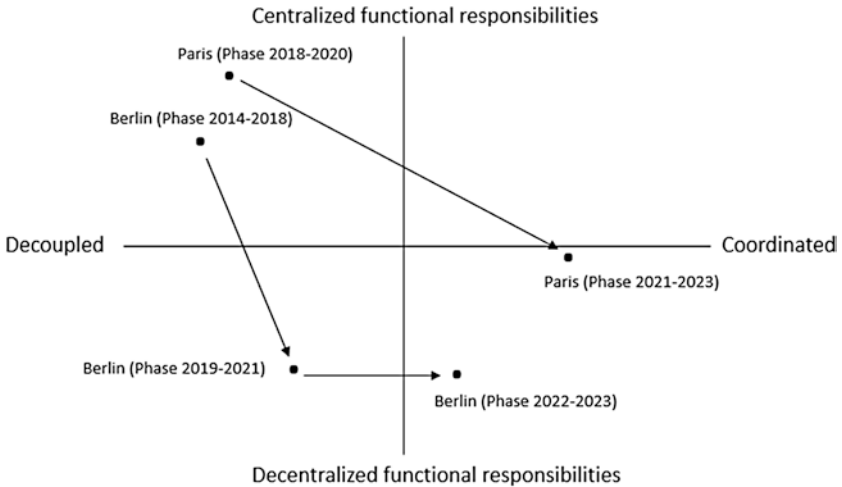


Fig. 8.1 IGR in the field of climate policy

council and the district representation, in Berlin, the cumulation of state and district mandates is excluded by the state election law according to the principle of “incompatibility” (Kuhlmann, 2005: 2).

### *Decoupling or Coordination: Horizontal Intergovernmental Relations in Berlin and Paris*

A notable contrast between Berlin and Paris can be observed in the relations with their corresponding surrounding territorial units. The horizontal IGR between Berlin and the surrounding federal state of Brandenburg can be characterized as decoupled. Thus, a jointly developed cooperative approach to climate adaptation and mitigation did not occur. Consequently, the BEK 2030 and the Climate Plan Brandenburg (Brandenburg’s climate adaptation and mitigation strategy) were formulated independently of each other. Only quite limited cooperation on topics of climate relevance exists between the city of Berlin and the *Land* of Brandenburg, (for instance, forestry, water management, or land use). Even so, the joint Berlin-Brandenburg Region strategy framework of 2021 foresees greater cooperation in areas such as mobility and climate protection. Also, innoBB 2025, the innovation strategy of Berlin-Brandenburg, supports collaboration in relevant clusters such as transport, mobility, logistics, and energy

while focusing on technological innovation. Nevertheless, none of the joint initiatives comprehensively address climate mitigation and adaptation. The main instruments in both federal states, the BEK 2030 and the Climate Plan Brandenburg, were formulated and implemented in a decoupled manner. In contrast, the relationship between Paris and its surrounding metropolitan area has followed a coordinated approach, centered on the metropolis of Greater Paris. The city of Paris is legally obliged to seek the opinion of the metropolis regarding the consistency and compliance with the broader Metropolitan Climate, Air and Energy Plan. Thus, the metropolis has a right of consultation on the city-wide strategy draft. Over the last few years, there has been a close technical exchange between the city and metropolis to formulate common objectives and have a benchmark for the coherence of the plans. The Greater Paris metropolis offers a platform for formulating climate policy and enables inter-municipal coordination through its governance institutions, the metropolitan council, and the metropolitan office. The metropolitan council consists of elected representatives. The city of Paris is strongly represented. Thus, when a decision is taken at the metropolitan level, the elected representatives of Paris are inevitably considered. In addition to these general political instruments, there are technical committees on various topics. Also worth mentioning are the steering committees, which combine political and technical aspects.

*Challenges to a Cross-cutting Climate Policy: Institutional Capacity, Coordination, and Wider Participation*

The cross-cutting character of climate policy appears to require multilayered policy processes to coordinate and integrate policy across multiple politico-administrative levels. The challenges faced by both cities in their urban climate strategy development seem to illustrate this contention. However, the attempted shifts toward decentralization and greater coordination in both cities conflict with pre-existing institutional characteristics. Berlin's two-tiered administration, with distributed functional responsibilities, requires the inclusion of both administrative levels in climate strategy formulation to minimize multi-level conflicts in the implementation of the strategies. However, in the urban climate policy process, this occurred only in a limited manner due to, among other factors, insufficient administrative capacity hindering cooperation between Senate and districts. The department responsible for the BEK at the city level was

created shortly after the strategy was launched for the first time and faced difficulties in terms of staffing in its initial stages. This was compounded by the COVID-19 pandemic, whose effects in 2020 further diffculted staffing, communication, and the establishment of processes in the department. At the same time, climate managers at the district level must deal with demands from both district and city levels with scarce resources. In Paris, the involvement of the *arrondissements* is a long process embedded in a wider push toward more territorialization beginning with the Paris Proximity Act that, according to interview partners, requires a culture change within the involved administrative units to be successful. Most *arrondissements* also face issues linked to administrative capacity as they do not have dedicated climate managers but ad hoc contact persons with bundled responsibilities for different projects. Hence, the distribution of functional responsibilities at the city level and the lack of personnel capacity at the sub-municipal level pose a barrier to coordination.

In terms of horizontal intergovernmental relations, the Greater Paris metropolis shares significant responsibilities for coordinating climate policy across its member municipalities, which in turn have representation rights. No such governance arrangement is present in the Berlin-Brandenburg region. A tentative explanation for this difference can be linked to the institutional framework of both countries. In France, the Paris metropolitan project was formulated at the central national level and the National Assembly passed a law creating the Greater Paris metropolis in 2016. In contrast, in the Berlin-Brandenburg region, the creation of such a governance arrangement would require the bilateral agreement of both states. It can be hypothesized that federal systems present additional challenges to horizontal cooperation between administrative units compared to unitary systems in climate policy. In addition to navigating more complex legal environments, the coordination overheads of two *Land* administrations, plus 12 *Bezirke* in Berlin and a series of municipalities in Brandenburg, might surpass that of the municipalities in the Greater Paris metropolis.

A third challenge is linked to the proliferation of actors involved in climate policy and the corresponding increase in complexity of the policy field. Both Berlin and Paris face pressures to account to other administrative units horizontally and vertically, but policy-makers also face growing pressures to include citizens and the scientific community in order to increase the legitimacy, social acceptance, and effectiveness of their policies. Indeed, the two cities have taken steps to involve citizen participation



in urban climate strategies through initiatives such as awareness raising and citizen conferences in the *arrondissements* or Berlin's Climate Citizens' Assembly, launched in 2022. However, it remains unclear to what extent the recommendations from these non-binding consultations formats are incorporated as inputs in the strategy development process. Additionally, scientific actors have had important roles. For instance, the city of Berlin delegates a significant portion of strategy formulation in a scientific consortium. In parallel to these government-organized consultation formats, local climate demands have gained significant traction in the city of Berlin in the 2022–2023 period, as evidenced in the Berlin 2030 Climate Neutral referendum and the street blockades of Last Generation. This configures a scenario where the city administrations remain the dominant actors structuring climate policy, but it is in their interest to account for a different and growing number of stakeholders. In this context, intergovernmental rights of consultation and participation might compete against the demands of other groups for the limited administrative capacity of the center in a contested policy field such as climate mitigation and adaptation.

### CONCLUSION: CENTRALIZED, CONFLICTED, AND MULTILAYERED POLICY PROCESSES IN URBAN CLIMATE POLICY

This chapter presented a comparative study of the development and implementation of urban climate strategies in Berlin and Paris. Despite the different institutional contexts, both cities have followed a similar trajectory in regard to their urban climate strategies. After an initial phase of strategy formulation centralized at the city level and a conflicted implementation in Berlin, both cities have attempted more cooperative intergovernmental approaches to climate policy to improve policy implementation. The findings are consistent with Bergström et al. (2022), which highlight that centralized approaches to intergovernmental relations are at risk of becoming generally inflexible, with insufficient operational knowledge and insufficient consultation of lower levels. Especially when, as is the case in Berlin, there is a mismatch between the distribution of functional responsibilities across administrative levels and the centralized efforts to steer the policy process. Overly centralized processes can lower the incentives for the sub-municipal level to comply with stipulations from higher levels as feedback flows to the central level are blocked, preventing the alignment of policy objectives and a diminished understanding of operational issues. The city

of Berlin serves as an example in this context, as it provided funds to develop climate policy at the district level. However, it encountered implementation issues related to administrative capacity, in particular insufficient personnel, which presented challenges in utilizing these resources. Additionally, city objectives were not necessarily aligned with the interests of sub-municipal politicians and administrators. This can result in conflicted intergovernmental relations, as observable in this case by the low execution of the budget in Berlin. Both cities seem to have acknowledged the pitfalls of centralized strategy formulation and aim at strengthening coordination in the re-formulation process of their urban climate strategies. Paris, furthermore, decentralized certain functions to its sub-municipal level in the context of a wider push for territorialization amidst a perceived lack of effectiveness and dwindling trust in state institutions on behalf of citizens. Although it must be noted, the institutional framework of Paris is still much more centralized than that of Berlin. Multilayered approaches have the potential to improve policy response in future stages of urban climate strategy implementation, but this merits further research.

This chapter additionally discussed the horizontal dimension of intergovernmental relations. Both cities present different configurations. Berlin follows a decoupled approach to climate policy where coordination with the surrounding state of Brandenburg is limited to a handful of concrete policy areas but without a comprehensive metropolitan or regional approach to climate adaptation and mitigation, whereas Paris, especially after the creation of the metropolis of Greater Paris and the Metropolitan Climate, Air and Energy Plan, cooperates more intensely with its surrounding region. It can be hypothesized that unitary systems face less complex paths for the creation of inter-municipal governance arrangements for climate adaptation and mitigation as decisions can be enforced in a more top-down manner compared to federal systems, which require the political will of a large set of actors at the state and municipal level. Furthermore, the chapter identified a lack of personnel capacity at both the city and district levels in Berlin due to insufficient staffing funds for climate managers and difficulties in establishing processes in newly created departments as influencing factors in the conflicted implementation phase of the urban climate strategy. Parisian *arrondissements* also face similar personnel issues, in addition to the uncertainty regarding the actual influence the Paris Proximity Act will have on climate policy consultation at the sub-municipal level. Finally, challenges to a cross-cutting climate policy from an intergovernmental relations perspective were analyzed. The case studies

show that changes to prevailing structures in intergovernmental relations face significant institutional resistance on multiple dimensions, such as administrative culture, capacity in the field of climate management and politico-administrative institutional changes. City administrations increasingly face demands from civil society, business, and citizens to be more involved in decision-making processes. The proliferation of actors with rights of participation in combination with pressures on behalf of other administrative units may overload city administrations, particularly those with limited capacities for climate action. This can lead to the outsourcing of responsibility and coordination, or to fragmentation of the climate response across different interest groups within the administration. However, it is also important to consider how rights of participation are necessary to achieve the global goals of climate mitigation and adaptation.

The study focused on the intergovernmental dimension of urban climate governance under the conviction that a better understanding of the interplay between institutional setting and intergovernmental relations can lead to a more effective distribution of participation rights across key actors. Thus, improving local formulation and implementation of climate policy and aiding cities in their pioneering role in the fight against climate change. It must be noted however, that intergovernmental relations, particularly in crisis contexts, do not exist in a vacuum but are instead part of broader governance processes. The tensions surrounding rights of participation and obligations in climate policy formulation processes go beyond administrative units and encompass civil society, business, and citizens at large. Decision-makers must navigate complex scenarios between centralization, decentralization, coordination, and decoupling in intergovernmental relations, while also addressing demands for rights of participation from other groups in contexts of limited resources. The struggles for rights of consultation and participation can be observed in initiatives such as citizen conferences in the *arrondissements* or Berlin's Climate Citizens' Assembly, as well as the actions of activist groups such as Klimaneustart Berlin, the organization behind the Berlin 2030 Climate Neutral referendum. The involvement of actors, and the question who participates, is linked to normative goals such as effectiveness, legitimacy, and the social acceptance of measures. Understanding how IGR is linked to broader citizen, civil society, and business rights of participation is a task that should take place in further research.

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# Intergovernmental Relations in Digitalization Policy: German Tax Administration Between Centralization and Decentralization

*Liz Marla Wehmeier*

## INTRODUCTION

There was the problem that too many cooks spoil the broth. There were strategic decisions to be made by all 16 *Länder*, and it is difficult for 16 *Länder* to reach agreement. (KON01)

Not only is digitalization a buzzword on everyone's lips, it also seems to be in everyone's hands. Few other policy areas involve as much coordination and cooperation as public sector digitalization. It cuts across government levels, sectors, and issues, bringing together numerous stakeholders guided by partly diverging rationales and interests. Nevertheless, digitalization holds a common promise for many, ranging from more effective and efficient public service delivery to more participative opportunities for

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citizens and the promotion of democratic values (Fischer et al., 2021; Lee, 2010). Especially in times of crisis, there is an expectation that digitalization can mitigate pressures on the politico-administrative system (Nolte & Lindenmeier, 2023; Shen et al., 2023). Therefore, against the backdrop of increasingly strained public administrations grappling with multifaceted external crises, including the COVID-19 pandemic, climate change, and refugee assistance (see previous chapters in this book), as well as internal constraints stemming from limited economic and personnel resources, digitalization is regarded by many practitioners and politicians as a beacon of hope for the modernization of the public sector. However, its negotiation and implementation pose a challenge for all levels of government (Gauß, 2020). It necessitates extensive vertical and horizontal coordination efforts involving various private and public sector stakeholders. In multi-level contexts, in particular, digital government coordination among national, regional, and local authorities, as well as organizations tasked with executing technical aspects, can be a conflictual endeavour (Di Giulio & Vecchi, 2023).

While coordination challenges are not unique to the policy field of public sector digitalization, they are particularly prominent, making it a compelling and illustrative case for studying intergovernmental relation (IGR) processes. There is an ongoing debate on how to successfully steer and implement digitalization reforms. Especially in federal contexts, digitalization is characterized by a strong tension between the imperative of standardization and concomitant centralization tendencies, on the one hand, and decentralization forces inherent in federalism, on the other hand (Kuhlmann & Bogumil, 2021). A centralized approach to digitalization can promote convergence and interoperability, possibly resulting in a uniform and efficient implementation. However, it may neglect to consider the need for tailoring digital tools and processes to the unique requirements of local contexts—a consideration that a decentralized approach potentially ensures (Di Giulio & Vecchi, 2019). Conversely, the decentralized approach, while accommodating local nuances, carries the risk of fragmentation and duplicate solutions. In practice, a blend of these ideal types is often observed, but a noticeable gap persists in comprehending the intricate intergovernmental relation dynamics involved (Margetts & Naumann, 2017; Rackwitz et al., 2021).

A look at the current state of German public sector digitalization reveals rather critical assessments of its implementation and unanticipated negative consequences affecting both public employees and citizens, despite



the associated potential benefits (Kuhlmann & Heuberger, 2021). Problems in the political steering and coordination of digitalization are mentioned as the main barriers (Kuhlmann & Bogumil, 2021). This underscores the need for a renewed study of the policy process in order to advance our understanding of where and how digitalization policies are effectively negotiated within multi-level systems and the subsequent ramifications for local policy implementation. The following questions thus guide the research:

*How and where is the digitalization of German tax administration located and negotiated within the federal intergovernmental relations context? How is digitalization policy implemented within local tax administrations? How are these elements related?*

Applying the framework of contrasting IGR processes (multi-layered, centralized, and conflicted) to the policy field of public sector digitalization, this chapter presents a case study centred on Germany's tax administration. Drawing on expert interviews conducted with various stakeholders engaged in the strategic and operational steering as well as implementation of digitalization policy, the findings demonstrate that a multi-layered approach to digitalization policy, characterized by "concentration without centralization", positively impacts implementation. Bundling competencies at an intergovernmental level, accompanied by a respective legal framework, has shifted the digital turn from a conflicted to a cooperative, multi-layered policy process. The findings enrich both the academic debate and empirical evidence available to practitioners and policymakers by illustrating the effectiveness, along with the associated challenges, of a "concentration without centralization" approach in a complex federal system like Germany.

Section "Conceptual and Methodological Framework" adapts the conceptual framework distinguishing between the various types of intergovernmental processes to the context of digitalization policy and presents the methodological approach. On this basis, section "The German Tax Administration's Digitalization as Multi-layered Policy" examines the coordination of the tax administration's digitalization, tracing the trajectory from a contested to a multi-layered policy process. The implications thereof for the local implementation of digitalization policy and the respective challenges are then discussed in section "Local Implementation of Digitalization Policy". Section "Discussion and Conclusion" concludes by highlighting further implications of the analysis.

## CONCEPTUAL AND METHODOLOGICAL FRAMEWORK

Conceptually, the policy field of public sector digitalization is related to the broader discourse around e-government, and more recently digital government transformation (Mergel et al., 2019; Tangi et al., 2021), Digital Era Governance (Dunleavy et al., 2006; Dunleavy & Margetts, 2023) being considered a key public governance paradigm (Torfing et al., 2020). Regarding digitalization as a policy field of its own takes into account both the governance and implementation processes of digital tools and services. The digitalization of the politico-administrative system is further understood as an institutional policy (Kuhlmann & Heuberger, 2021). It not only impacts governmental processes and structures but also features distinct governance arrangements.

Given the cross-cutting nature of digitalization policy, it necessitates extensive horizontal and vertical coordination in multi-level federal contexts involving a diverse range of actors, from central to local governments and non-governmental actors. Scholars have noted the challenges posed by this complexity (Di Giulio & Vecchi, 2023). This policy field confronts a tension between the need for standardization of digital infrastructure and the operational requirements of local organizations, potentially leading to friction between a more centralized policy approach and the decentralized nature of federal systems, such as Germany. The discussion mirrors the contrasting types of IGR processes, namely multi-layered, centralized, and conflicted policy processes (Bergström et al., 2022). Applying the framework to digitalization policy, the following arrangements can be imagined:

### (1) *Centralized Digitalization Policy Process*

Certain scholars argue for the need for a centralized digitalization policy process, emphasizing the benefits of hierarchical steering. Digitalization efforts are located at the central level and policy is negotiated by the central government, while subnational governments are largely excluded from both policy-making and IT development. Mechanisms to veto the central government's digitalization policy are practically non-existent, and subnational authorities have very limited discretion regarding policy implementation. In line with this, the notion of *e-Centralism* is proposed to characterize digitalization policy processes with a single national strategy and information infrastructure (Kassen, 2015).

### (2) *Multi-layered Digitalization Policy Process*

Intergovernmental relations and mechanisms for conflict resolution across the layers of government are institutionalized, and the subnational levels are included in the digitalization policy process. This can be expressed in multi-level digitalization networks or other forms of institutionalized cooperation between the various stakeholders. The central level does not have the sole decision-making authority, but must make concessions to the subnational actors, thereby contributing to a multi-level power balance. This may present itself as what can be described as “concentration without centralization” when digitalization efforts are concentrated at an intergovernmental level instead of centralized at the national level (Heuberger, 2022). Thus, intergovernmental collaboration is seen as an influential contributing factor to negotiating and implementing digitalization policy (Rackwitz et al., 2021).

### (3) *Conflicted Digitalization Policy Process*

Digitalization policy processes may be conflicted due to the federal organization of administrative responsibilities complicating coordination (Hustedt & Trein, 2020). Numerous veto points can prevent a centralized and uniform introduction of digital public services, as there is a lack of clear communication and conflict resolution mechanisms between the central and subnational governments. The different actors are reluctant to relinquish responsibilities and, instead, follow their individual interests. As a result, duplicate structures and programming efforts may emerge.

The study emphasizes central-local relations, recognizing that local policy outcomes are influenced by national policy settings (Laffin, 2009). However, rather than viewing this relationship as deterministic, the agency of local administrators as policy implementers is acknowledged (Lipsky, 1980). Evidently, not only the negotiation but also the implementation of digitalization policy requires substantial interagency cooperation, including local authorities and their employees tasked with public service delivery. Implementation, too, is “essentially a problem of cooperation” (O’Toole & Montjoy, 1984). Due to the high complexity associated with digitalization policy, cooperative intergovernmental relations are expected to positively influence implementation performance (Lundin, 2007).

### *Methodological Approach*

The study takes a qualitative approach, treating the intergovernmental digitalization project in the German tax administration as a case study. While the research approach affects the extent to which wider claims can be made on the basis of the analysis, it provides valuable empirical insights about the particular phenomenon, holding value for the research of other public administrations and contexts (Walsham, 1995). The goal is to gain access to data that is thick, nuanced, and descriptive, reflecting the stakeholders' perspective on the coordination and implementation of digitalization policy in a federal intergovernmental relations context. Hence, in conjunction with desk research to analyse official documents, expert interviews constitute the foundation of the empirical analysis ( $n = 29$ ). Through this approach, explanations for specific events and processes as well as insights from personal perspectives, such as attitudes and perceptions, are provided. To ensure a holistic analysis of the phenomenon, a heterogeneous group of experts was interviewed. Interviews were conducted with both public officials from *Länder* ministries and their associated bodies responsible for IT infrastructure, as well as individuals involved in the intergovernmental digitalization network "KONSENS". Additionally, public employees working in local tax offices were selected as interview partners to provide insights into the local implementation of digitalization policy. These interviews encompassed various positions (street-level, management, head of office) and spanned different *Länder*. See Appendix A for an overview of the interview partners. The interviews were conducted in German and took place from April 2022 to May 2023 either in person or via phone/video call. To ensure a sufficient degree of reliability, the interviews were structured following an interview guide, audio-recorded, and then documented in protocols according to standard conventions. The interview guides were based on open-ended questions and tailored to the interviewees' professional position and area of expertise (i.e., focused on either the operations of the KONSENS network or the practical aspects of using digital tools at the local level). In total, data from expert interviews with 29 interviewees were analysed based on qualitative content analysis using MaxQDA software and following an abductive coding approach.

## THE GERMAN TAX ADMINISTRATION'S DIGITALIZATION AS MULTI-LAYERED POLICY

In order to contextualize the research, it is worth taking a look at how the digitalization of the tax administration relates to the general state of digitalization in German public administration. When comparing the digital performance to other member states of the European Union, Germany usually ranks towards the middle at best. In 2022, Germany took 18th place in the Digital Economy and Society Index (DESI) for its digital public services, below the EU average (European Commission, 2022). However, recent years have witnessed a surge in digital reform activities at both federal and *Länder* levels. This is reflected, inter alia, in the implementation and revision of the 2017 Online Access Act (*Onlinezugangsgesetz—OAA*), as well as the e-government laws on the federal and *Länder* levels. The adoption of the OAA was seen as a milestone at the time and created momentum for digital government transformation (Bundesministerium des Innern und für Heimat, 2016; National Regulatory Control Council, 2021). It obliges the federal government and the *Länder*, firstly, to offer their administrative services online and, secondly, to create a single access point to these administrative services, the so-called portal network (*Portalverbund*). In the meantime, there has been some reform disappointment: at the end of the implementation period in October 2022, only 33 out of 575 administrative services were available nationwide. In the context of later efforts towards revising the OAA, it is highlighted that its implementation has been perceived as successful where the federal government and the *Länder* have worked jointly and with a division of labour (Bundesregierung, 2023).

While the introduction of the OAA may have accelerated digitalization efforts in many administrative areas, it is important to recognize that the tax administration's digitalization process began much earlier, dating back to the early 1990s. This extended timeline of digital development not only included setbacks but also allowed for learning loops that other administrations may not have experienced (yet). In the meantime, the tax administration is considered to be among the most digitally advanced public administrations in Germany, as it is “continuously working towards the digital transformation of its internal procedures and external offers” (National Regulatory Control Council, 2018, p. 36).

### *Structure and Actors of the (Digital) Tax Administration*

Governance structures within tax administrations exhibit variations across jurisdictions, typically featuring one or multiple directorates or units situated within the country's Ministry of Finance or its equivalent, or functioning as a unified semi-autonomous body. Germany presents an exceptional case where tax collection responsibilities are largely devolved to regional (*Länder*) administrations, with a comparatively small central body assuming a key coordinating role. In the European context, a centralized tax administration is the norm, with Switzerland being the other exception due to its 26 subnational "cantons" handling tax collection on behalf of the federal government (OECD, 2019; Schaeb, 2022). In concrete terms, the German tax administration is divided between the federal and *Länder* governments responsible for levying and assessing taxes. The federal financial administration is structured in two tiers and that of the *Länder* in three tiers, in principle, although a two-tier structure is possible. The Federal Central Tax Office (*Bundeszentralamt für Steuern*) is the higher federal authority operating under the auspices of the Federal Ministry of Finance. Its responsibilities include, inter alia, providing information to and for the data exchange with authorities, specifically maintaining the tax identification number database. The *Länder* tax administrations include the *Land* Ministry of Finance as well as tax offices as local authorities, functioning as deconcentrated *Land* administrations. In some cases, a *Land* Office for Taxation or Regional Finance Office exists as an intermediate layer. Additionally, computer centres or technical tax offices can be found as local or intermediate *Land* authorities, either within public administration or outsourced to external service providers. In the case of taxes whose revenue accrues at least in part to the federation, the *Länder* act on behalf of the federation (*Bundesauftragsverwaltung*). The tax administration is still very strongly hierarchically organized, which is also due to the fact that taxation must be uniform throughout the entire federal territory as the taxation procedure is based on the constitutionally secured principles of uniformity (*Gleichmäßigkeit*) and legality (*Gesetzmäßigkeit*) (§ 20 (3), § 3 (1) German Civil Code; § 85 AO). This uniformity of taxation in administrative execution is to be ensured while preserving the decentralized administrative organization and independent competencies of the *Länder*.

The cooperation of the federal and *Länder* governments for the provision of digital administrative services in the tax administration is bundled

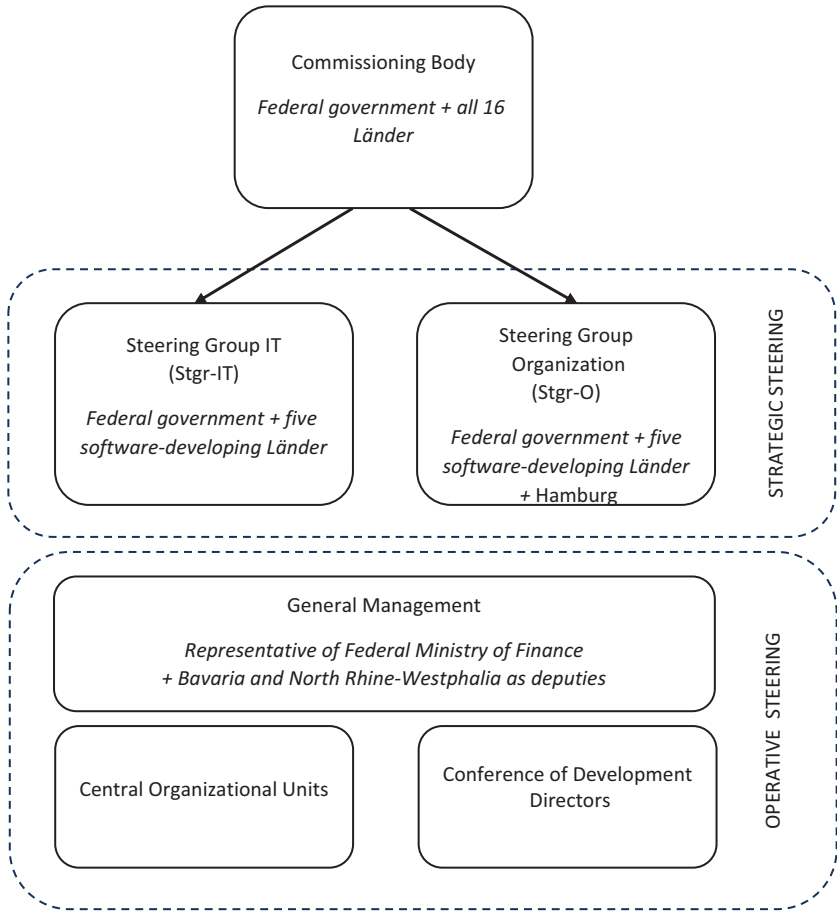
in an intergovernmental network called “KONSENS”. It was created jointly by all *Länder* and the federal government. KONSENS (English: consensus) is an acronym translating to “coordinated new software development of the tax administration” (*Koordinierte neue Software-Entwicklung der Steuerverwaltung*). As previously discussed, the point of departure was the inherent tension between uniform administrative procedures and decentralized structures, encapsulated by one interviewee’s statement: “Of course, the entire KONSENS network is a response to federalism. We say, okay, on one hand, we have uniform tax laws, but on the other hand, we have 16 different tax administrations. How do we bring that together, how can we harmonize it?” (KON01). In order to institutionalize intergovernmental coordination in the context of digitalization, an administrative agreement was introduced in 2007. Since 2019, it is complemented by the so-called KONSENS Act to regulate the joint development, procurement, and maintenance as well as the use of the software in a binding manner. Despite the KONSENS Act being a federal law and therefore only pertaining to taxes that the *Länder* administer on behalf of the federal government, its regulatory content also applies *mutatis mutandis* to original *Länder* taxes (Heller, 2022). Five *Länder* (Baden-Wuerttemberg, Bavaria, Hesse, Lower Saxony, and North Rhine-Westphalia) are in charge of programming software based on the principle of one for all (*Einer für Alle*—EfA), meaning that under the leadership of one *Land*, specific tax procedures and the corresponding software are developed and used in all 16 *Länder* (Bayerisches Landesamt für Steuern n.d.; KONSENS Steuerungsgruppe IT, 2021). The other *Länder* have to co-finance programming, maintenance, and servicing and have a say through various KONSENS bodies, but are not involved in the development itself (KONSENS Steuerungsgruppe IT, 2021).

In the case of the German tax administration’s digitalization, we can identify a multi-layered policy process. Specifically, a concentration of competencies at an intergovernmental level is observed. This characteristic, while rather exceptional, is shared with some other areas of German public sector digitalization, where an intergovernmental body is established and jointly staffed by the involved units of government (Behnke & Kropp, 2021). In contrast, a centralized digital policy process, resembling the concept of *e-Centralism*, is deemed unviable by interviewees within the German federal framework. This is primarily attributed to the historical path dependence of ICT infrastructure within the *Länder*, encompassing varying computer centre capacities and operating systems. Furthermore,

the perceived benefits of decentralized structures, particularly in regard to accessing personnel resources, will be elaborated upon in the subsequent chapter.

To gain clearer insight into the workings of this concentrated process and how it aligns with the dynamics of central-local relations, an examination of the organizational structure within the intergovernmental digitalization network KONSENS is informative (refer to Fig. 9.1 for a visual representation). At the top of the network is the commissioning body, which is made up of representatives from all the *Länder* and the federal government. The five software-developing *Länder* are designated as Steering Group *Länder*, meaning that representatives from each of these *Länder* participate in the so-called steering group “IT” (Strg-IT). This body is responsible for the strategy and architecture of the overall digitalization project and is chaired by representatives of the federal government. Moreover, the so-called steering group “Organization” (Stgr-O) is responsible for the structural and procedural organization. It is also made up of the five software-developing *Länder*, as well as the federal government and the city-state of Hamburg (in order to take into account the specificities of the city-states). The remaining *Länder* not included in the steering group participate in the decision-making process by giving approval to the project plan for the upcoming years, and can assert *Land*-specific requirements after the specifications have received approval from the Steering Group. Finally, the operative steering is done by the General Management comprising three actors: a representative of the Federal Ministry of Finance plus representatives of Bavaria and North Rhine-Westphalia as deputies. Their work is assisted by multiple central organizational units (i.e. for project management) that are distributed across the *Länder*. The General Management has the role of a management board: “If the General Management says it has to be done this way, then it has to be done this way” (KON04), even if interviewees felt that this role could be even more enhanced. Therefore, we observe a mechanism previously described as “concentration without centralization”. The cooperation in the multi-layered policy process is based on bundling competencies, both strategic and operative, in specialized units of the network. This is considered to be one of the crucial points as to how the intergovernmental network can overcome obstacles of lengthy and conflicted coordination. Due to the legally enforced organization of the KONSENS network, individual *Länder* cannot interfere with the decisions made by the Steering Group “because then we would be back to too many cooks spoiling the broth”





**Fig. 9.1** Organizational structure of the KONSENS network. Source: own representation based on KONSENS (2019), see also Gräfe et al. (2024)

(KON01). Despite this, horizontal coordination, both in the commissioning body and the steering groups, is characterized by a collegial atmosphere according to involved interviewees. It is emphasized throughout that the stakeholders generally have the bigger picture in mind and that *Land* interests can play a role, but usually a subordinate one. This is succinctly summarized by one interviewee:

We aim for a voting ratio of 17 to 0. Sometimes there are abstentions, but we have almost no constellations where there are dissenting votes. This can sometimes lead to long discussions in advance, but is usually helpful. The KONSENS network is also called KONSENS because we want consensus. (KON02)

While horizontal coordination at the subnational level is generally marked by minimal conflict, vertical coordination between the *Länder* and the federal government presents a more intricate dynamic. The different levels of government are often described as having disparate perspectives and pursuing divergent interests, leading to heightened tensions in communication and cooperation. The creation of the General Management unit reflects the federal government's attempt to "try to guide and direct a little, which is also sensible and necessary" (KON02). Additionally, the federal government possesses the de jure authority to issue IT directives, although, in practice, it has never exercised this prerogative. It must be emphasized that the federal government relies on the *Länder*, given that the programming capacities are predominantly located at the subnational level and implementation is done locally. On the contrary, the federal level can also face difficulties asserting their software interests, e.g. in tax auditing, against the five other steering group *Länder* "because they naturally prefer to develop software for 120,000 tax office employees than for 1500 or only 500 auditors at the federal level" (KON06). When conflicts arise, there are formalized mechanisms for discussing and resolving them. An additional issue presents itself due to the fact that specific federal government-led programming initiatives do not fall within the purview of the KONSENS ecosystem and therefore remain exempt from the corresponding regulatory framework. This divergence results in deviations from the standardized KONSENS processes, necessitating increased levels of coordination when these programmes incorporate interlocking interfaces.

It's regrettable that, despite our consistent demands, they continue to resist complying with the KONSENS rules. [...] I would say that the cooperation there is nowhere near as good as in the steering group. This can be attributed to the federal government's stance, as they seem to consider their programming for the German tax administration more like an external service provision for KONSENS; they don't have to follow the rules; that is very obstructive. (KON04)

It is evident that the concentrated approach cannot completely resolve all conflicts arising from the federal organization of administrative responsibilities. However, the imposition of clear legal mandates and the precise allocation of operational and strategic competencies ensure a multi-layered policy process rather than a conflicted one. An examination of the historical trajectory of the tax administration's intergovernmental relations in the context of digitalization illustrates its shift from a conflicted process to one characterized by multi-layered collaboration.

*History of Digitalization Policy in Tax Administration:  
From Contested to Multi-layered*

Even before the establishment of the KONSENS network in 2007, there had been attempts by the federal and *Länder* governments to cooperate with regard to digitalization policy (Schaebis, 2022). Starting in the 1960s, there were various digitalization initiatives that, however, could not achieve the goal of a nationwide standardization of IT procedures and software, and were ultimately terminated. In 1991, "FISCUS" was founded as an IT service provider for the tax administration with the objective of implementing uniform software across all *Länder*. However, there were multiple intergovernmental programming networks concurrently developing IT solutions. Bavaria, which was already advanced in terms of their tax IT, initiated the "EOSS" network (Evolution-Oriented Tax Software) in 2002 together with Saarland to further develop and share their existing *Land* procedures. The newly reunified *Länder* of Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt, and Thuringia, lacking their own software development, adopted numerous procedures from Bavaria and joined the EOSS network. As one interviewee put it, "The old *Länder* courted the new ones, and Bavaria [...] successfully persuaded the new *Länder* that the Bavarian procedures were the most suitable for them" (KON04). Over time, additional *Länder* joined, though not all, resulting in incompatible procedures and duplicated structures. During this period, the digitalization policy process could be characterized as conflicted, with horizontal coordination presenting a significant challenge. Nevertheless, these early advancements

partly served as the foundation for KONSENS.<sup>1</sup> “Eventually, one *Land* after another joined. [...] The turning point came with Baden-Wuerttemberg; at that moment, everyone conceded that, despite any reservations, this was the correct path forward, leading to the recruitment of KONSENS on that foundation” (KON04). Subsequently, the Conference of Finance Ministers decided in several rounds between 2004 and 2005 to jointly pursue the digitalization of taxation procedures. They agreed on a new organizational structure and established steering groups. The decision was made to entrust software development to the five large *Länder*, each already equipped with substantial development departments. In 2006, the FISCUS project was officially terminated, and a draft administrative agreement was prepared to advance KONSENS.

In summary, a shift from a conflicted to a multi-layered policy process occurred in the context of the German tax administration’s digitalization. A key mechanism fostering more cooperative intergovernmental relations can be described by the aforementioned notion of “concentration without centralization”. An intergovernmental digitalization network was established that encompasses both the federal and *Länder* governments, securing the representation of the subnational level. Concurrently, the strategic and operative steering was bundled at the intergovernmental level enabling a top-down commitment to the policy process.

## LOCAL IMPLEMENTATION OF DIGITALIZATION POLICY

The described policy process influences the implementation of digitalization in local tax offices. In Germany’s public administration, executive functions primarily fall under the jurisdiction of the *Länder* and local authorities (Behnke & Kropp, 2021). The establishment of the KONSENS network has shifted the responsibilities of the *Länder* in terms of ICT development, but it has not absolved them of their roles. The subnational level continues to be responsible for areas involving technical, organizational, and personnel aspects: it has to provide the personnel resources as well as the hardware and computing infrastructure to the local authorities,

<sup>1</sup>For instance, one of the most frequently used and digitally advanced public services in Germany today, the electronic tax return, is based on early development in Bavaria. In 1994, a pilot project was launched in two Bavarian tax offices for the transmission of electronic data in structured form as part of the income tax return (Schröder, 2018). By 1999, it had become the official procedure for the electronic submission of income tax returns.

requiring millions of funds to be allocated annually. One interviewee succinctly captures this dynamic: “The actual operation in the *Länder* is not part of KONSENS. That is still a matter for the *Länder*, and it is true that it costs energy and sometimes time because you have to wait until each *Land* is ready to use the software” (KON03). Therefore, the local level, including its public employees, plays a pivotal role in the implementation of digitalization policy. The interplay between the multi-layered policy process and local-level practices in engaging with the digitalization policy is crucial in understanding the emerging challenges. Additionally, the impact of crises on the local implementation of digitalization policy is noteworthy. The COVID-19 pandemic acted as a catalyst, accelerating the adoption of digitalization practices.

A first set of challenges relates to resistance to change. Introducing KONSENS software often necessitates replacing existing procedures, which can be met with resistance, as local administrators have grown accustomed to their established routines. Newly developed KONSENS software “is always in competition with the previous procedures that have been used so far. When new KONSENS procedures are introduced in the tax offices, it is always a question of conversion. [...] When existing procedures are replaced, the effects are, of course, relatively great and not always positive, because the administrators have got used to what they had before” (KON06). Such resistance is further compounded by a sense of restriction and external control, as digitalization and decision-making competencies are located at superior levels. Many employees at the local level perceive their role as essentially non-existent, with limited opportunities for meaningful participation in the digitalization process. From their perspective, it appears that digital changes are predominantly implemented in a top-down fashion, or even “imposed from above” (TAX05). As one interviewee stated, “We are told: Tomorrow there will be an update and then the program will suddenly look different. Have fun!” (TAX09). This sentiment highlights a common challenge where employees feel that digitalization policies are often presented as a *fait accompli*. It is repeatedly mentioned that there seems to be a gap between theory and practice with regard to the involvement of the local level. In theory, there are channels for input and feedback, but in practice these mechanisms are often perceived as having limited impact. An illustrative example of this gap is a time when a programme update was found to be particularly faulty during a pilot phase. Stakeholders at the Computer Centre were contacted and asked not to release the update until the issues were resolved. However,

the interview partner revealed that updates, driven by legal requirements or financial considerations, are often released despite employees' reservations. This sense of limited influence leads to a state of resignation at the local level, described by one head of department as, "those were the early days, when people still tried to change things. In the meantime, we know that it is relatively difficult to exert any influence at all" (TAX06). The principle that organization adapts to IT, rather than the reverse, was emphasized by interviewees across all levels of administration.

In response to these challenges, local administrators employ various coping mechanisms. These mechanisms include pragmatic solutions and workarounds to navigate the constraints they face. Sometimes, digital tools are not implemented or used as intended, often due to perceived technical deficiencies. For instance, one interviewee explained, "I'm still from the old school. [...] There are different ways of working. And I think with this electronic file, I'm the generation that says, no, I still know the other one and as long as it works, I'll take it" (TAX12). The role of the head of office within local tax authorities is particularly critical in this context. While these heads may have limited decision-making authority regarding digitalization due to the concentrated process, the interviewees pointed out that their approach and attitude towards digitalization policy implementation significantly impact the local dynamics.

Despite these implementation challenges, there is compelling evidence that the described mechanism of "concentration without centralization" serves to facilitate the local implementation of digitalization policy. In particular, the formal legal agreements introduced alongside the KONSENS network are instrumental in limiting local discretion regarding the implementation of digital tools. *Länder* are required to implement newly developed tools and software in the local tax offices within one year of their development. Additionally, citizens are mandated to engage with the digital public services of the tax administration through partial legal obligations, such as filing tax returns electronically. The rule-bound approach of the multi-layered policy process thus extends to the local implementation, effectively enforcing the adoption across local authorities and citizens. Further, there are indications that "concentration without centralization" serves as a mechanism to achieve equilibrium in the context of resource allocation. The approach consolidates competencies while leveraging the advantages of decentralized structures. In light of personnel shortages in the public sector, decentralized programming units are deemed advantageous, allowing access to specialists from a broader geographic area.

Concurrently, smaller *Länder*, which may otherwise lack the financial and personnel resources to adequately implement digitalization policy, benefit from the concentration of programming capacities.

In addition to the arrangement of the policy process, there are indications that external pressures in crisis situations exert a substantial influence on the local adoption of digitalization policy. According to the interviews, the COVID-19 pandemic played a pivotal role in prompting a relaxation of tax secrecy regulations to facilitate digital remote work and expediting local IT procurement processes, which became imperative with office work restrictions in place. As one head of office emphasized, the utilization of laptops and video conferences was previously inconceivable pre-COVID-19, underscoring that the tax offices owe their current state of digitalization significantly to the impact of the pandemic.

In summary, while it is essential to acknowledge the aforementioned implementation challenges, they should not overshadow the overall positive dynamic of the multi-layered policy process enacted through the intergovernmental digitalization network in German tax administration. As expressed by an interviewee from a *Land* ministry, “that doesn’t mean we have highly satisfied staff in the tax offices. You will find that out no matter who you ask. Everybody complains about KONSENS. I can say that right away, yes. But at what level? That is the question” (TAX02). Considering the relatively high digital maturity of procedures and services in the German tax administration, the specific intergovernmental relations described as “concentration without centralization” function as a driving force for local digitalization policy implementation.

## DISCUSSION AND CONCLUSION

The study investigates intergovernmental relations in the policy field of public sector digitalization by examining how and where the German tax administration’s digitalization is situated and negotiated within the multi-level system and how digitalization policy is implemented within local tax administrations. It further seeks to understand the interconnectedness of these elements in the broader context of digitalization policy. The findings reveal a multi-layered, interdependent system characterized by the shared yet clearly delineated responsibilities of the federal and *Länder* levels. The negotiation of digitalization occurs at the crossroads of these levels, within an intergovernmental network characterized by a “concentration without centralization” mechanism to consolidate competencies. The results

illustrate that accommodating a concentrated digitalization process within the politics of central-local relations in a way that ensures effective governance and cooperation does not come without challenges. Nevertheless, this approach has played a role in facilitating a transition in the course of the German tax administration's digitalization from a conflicted to a more collaborative, multi-layered policy process, acknowledging the influence of other contributing aspects. It encompasses substantial vertical and horizontal cooperation between federal and *Länder* governments, anchored in legal frameworks. The study's findings resonate with prior insights, emphasizing the pivotal role of both political commitment and trust relationships in intraorganizational interdependencies (Di Giulio & Vecchi, 2023). The results also highlight the challenges and opportunities that surface during the implementation phase. There is strong evidence that the way digitalization is negotiated in the federal intergovernmental context has profound implications for the actions and attitudes of the local implementers. The empirical finding that local administrators employ various coping mechanisms resonates with the broader literature emphasizing the diverse strategic responses to institutional constraints (Oliver, 1991). Resistance to change at the local level, stemming from perceived limited influence, underscores the need for more inclusive strategies. However, the mechanism of "concentration without centralization" has proven crucial in achieving a balance between bundled competencies and decentralized structures (Heuberger, 2022). Beyond that, it is vital to acknowledge the challenges and ambiguities linked to digitalization, especially within the evolving discourse on Artificial Intelligence (de Sousa et al., 2019). Navigating the complexities of public sector digital transformation requires a nuanced understanding that recognizes both the opportunities and challenges posed by advancing technologies. To address potential dilemmas and unintended problems regarding the adoption and utilization of digital technologies, this study aligns with previous research highlighting the necessity of placing a central focus on institutional arrangements (Kuhlmann & Heuberger, 2021; Luna-Reyes & Gil-Garcia, 2014).

The findings carry implications for both research and practice. In terms of the empirical case of digitalization policy, there is reason to believe that the German tax administration's experiences are not unique and can serve as a valuable case study within the broader landscape of digital government transformation. For policymakers and practitioners engaged in public sector digitalization, the research provides practical insights into optimizing the interplay between different levels of public administration.



The success of the multi-layered approach underscores the importance of legally consolidating competencies, fostering collegial atmospheres, and establishing formalized mechanisms for conflict resolution. The insights into the challenges faced at the local level provide a foundation for change management strategies and policies that account for local administrative practices. Moreover, this research contributes to the broader academic discourse on the governance of digitalization in public administration, empirically enriching the concept of “concentration without centralization”.

In terms of future research, there is value in conducting comparative studies that examine similar digitalization projects in different federal systems. Building upon this study’s insights, further investigation into the dynamics and implications of concentrating both operational and strategic digitalization responsibilities within intergovernmental networks is needed. In brief, delving deeper into the mechanisms of multi-layered policy processes in the context of public sector digitalization, both across issues and cross-nationally, holds promise for future research.

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# Building Digital Capacity in the Face of Crisis: Exploring the Impact of Municipal Amalgamations in an Intergovernmental Context

*Inke Torfs and Ellen Wayenberg*

## INTRODUCTION

In the realm of public policy, the words of Richard Serino<sup>1</sup> (2011) hold true: *All disasters are local*. During times of crises, local governments are indispensable when it comes to setting priorities and making critical policy decisions (Crow & Albright, 2019). This significance has been evident in various crises such as the financial crisis from 2008 and the refugee crisis from 2015, but also, more recently, in the approach to the Covid-19

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pandemic and the migration flows due to the war in Ukraine (Bergström et al., 2022; Vargo et al., 2021). Successfully addressing these complex challenges requires substantial capacity of local governments. In the current societal context, this predominantly concerns digital capacity, denoting a government's proficiency in deploying digital technologies effectively (Fountain, 2005; Gil-Garcia et al., 2014; Kim & Bretschneider, 2004). For example, the Covid-19 pandemic showed that digital technologies proved to be imperative. During the pandemic they enabled to continue working, to contain the spread of the virus and to speed up vaccinations (Zaki & Wayenberg, 2021). After the pandemic, they were still a crucial enabler for recovery strategies in various European countries: "*The coronavirus crisis has demonstrated how crucial it is to be connected and to be able to interact with each other online*" (Margrethe Vestager,<sup>2</sup> 2020).

Recognizing that local digital capacity is not only vital for managing current crises but also for preparing for future challenges and unforeseen circumstances (Ferket et al., 2014), there is an ongoing imperative to enhance it (Zhao et al., 2018). In many European countries, this drive is reflected in a trend towards municipal amalgamations (Ebinger et al., 2019; Karkin et al., 2019). However, the effectiveness of this approach has not been sufficiently demonstrated (Boogers & Reussing, 2018; Steiner et al., 2016; Torfs et al., 2024). Empirical research in this area is limited and inconclusive (Blom-Hansen et al., 2016; De Ceuninck, 2017; Ebinger et al., 2019), and often falls short in adequately considering the impact on intergovernmental relations (Feeney et al., 2020; Kuhlmann & Bogumil, 2021). Therefore, the primary objective of this chapter is to assess the extent to which municipal amalgamations can effectively enhance local digital capacity while taking their intergovernmental context into account. This inquiry is pursued by addressing two associated research questions: How do municipal amalgamations impact upon local digital capacity; and which type of intergovernmental relations<sup>3</sup> is most conducive to building this capacity?

In the following and second section, we elaborate on the concept of local digital capacity, exploring its characteristics and assessing the potential value of municipal amalgamations for its enhancement. The third

<sup>2</sup>Executive Vice-President of the European Commission.

<sup>3</sup>We hereby refer to the three types or processes of intergovernmental relations as presented in the introduction of this book: multi-layered, centralized, and conflicted.

section is devoted to the research framework, wherein we introduce the Technology Enactment Framework as a theoretical lens, present Flanders as the selected case, and outline our data collection and analysis strategies. Subsequently, we present the findings, culminating in a conclusion where we critically assess the significance of the amalgamation to enhance local digital capacity in an intergovernmental context.

### AMALGAMATIONS AS LOCAL DIGITAL CAPACITY-BUILDING REFORMS

Local digital capacity refers to a local government's proficiency in deploying digital technologies effectively to attain a desired outcome (Fountain, 2005; Gil-Garcia et al., 2014; Kim & Bretschneider, 2004). This capacity comprises both objective and enacted technologies (Fountain, 2001; Zhao et al., 2018). Objective technologies encompass the digital tools within the organization, such as hardware devices and software applications. Enacted technologies focus on how these objective technologies permeate the organization, exhibiting varied deployment approaches. For instance, an email system can be configured to break down siloed barriers, but equally as well to enhance internal control mechanisms (Fountain, 2005). Thus, local digital capacity does not only hinge on technological presence, but also on how technologies are employed and by whom (Fountain, 2005; Gil-Garcia et al., 2014; Kim & Bretschneider, 2004).

The development of local digital capacity typically falls within the responsibilities of local governments themselves. Nevertheless, they frequently seek support from other governmental entities, given the multilevel governance structure in which they operate (Bergström et al., 2022; Crow & Albright, 2019; Jüptner & Klimovský, 2022). Local governments generally prioritize the development of the enacted technologies, as technology enactment happens throughout the organization and depends on factors such as management perception, IT department's design, the implementation of digital decisions, and the use by employees within the organization (Fountain, 2001, 2005). Simultaneously, intergovernmental relations, encompassing both vertical connections with central governments and horizontal collaborations in intermunicipal or regional partnerships, tend to contribute to the establishment of the objective technologies (Fountain, 2001, 2005). Despite these diverse perspectives and opportunities to build digital capacity, the digital capacity of local government remains limited (Hanelt et al., 2021; Haug et al., 2023; Kuhlmann & Heuberger, 2021; Mergel et al., 2019). Recent cross-country research shows that desired



outcomes from digital technologies are effectively achieved in only 10 to 33 per cent of the cases (Padwalkar et al., 2023). This is primarily attributed to local governments' failure to deploy the existing objective technologies in an enacted manner (Kim & Bretschneider, 2004). To address this challenge, several central governments contemplate municipal amalgamations—reforms aimed at reducing the number of multifunctional local government units through consolidation (Bish, 2001, p. 14). The underlying rationale for such reforms is the belief that larger local governments could potentially yield greater (digital) capacity (Tavares, 2018).

However, focusing on municipal amalgamations to bolster local digital capacity poses a twofold problem. First, there is inadequate empirical evidence supporting the assumption that municipal amalgamations positively impact a local government's digital capacity. Studies on the general effects of municipal amalgamations yield inconclusive results (Blom-Hansen et al., 2016; De Ceuninck, 2017; Ebinger et al., 2019). For example, there are studies indicating positive impacts on financial resources and staff professionalism, while other studies reveal negative impacts on service proximity, citizen participation, and cost efficiency (Boogers & Reussing, 2018; Steiner et al., 2016; Torfs et al., 2024). Moreover, studies specific to the effects of municipal amalgamations on digital capacity are largely absent, with only indirect research linking the size of a municipality to its digital capacity (Kuhlmann & Heuberger, 2021; Flemish Government and VVSG, 2016). Second, there persist uncertainties regarding the ramifications of municipal amalgamations on the intergovernmental relations that underpin local digital capacity. While research addressing the impact of municipal amalgamations on the type of intergovernmental relations is lacking, existing empirical studies suggest that intergovernmental relations face strain following amalgamations (Feeney et al., 2020; Kuhlmann & Bogumil, 2021). Given that local digital capacity heavily relies on intergovernmental support (Kim & Bretschneider, 2004), changes in these relations might not be as favourable and could potentially even be counterproductive by eroding local digital capacity.

In summary, municipal amalgamations hold the potential to enhance local digital capacity, but this potential is not sufficiently proven. Empirical studies supporting this claim are inadequate and uncertainty surrounding the type of intergovernmental relations introduces doubt. Therefore, the objective of this research extends beyond evaluating the impact of municipal amalgamations on local digital capacity; it also seeks to identify the most conducive type of intergovernmental relations for fostering local digital capacity-building.

## RESEARCH FRAMEWORK

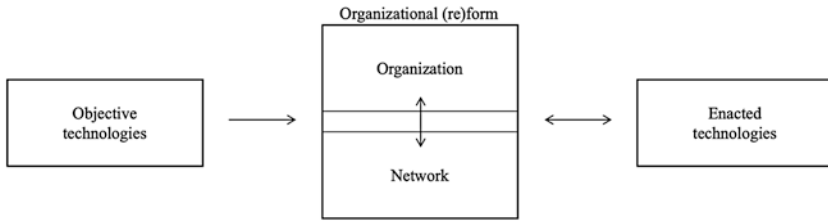
### *Technology Enactment Framework (TEF)*

In pursuit of this dual objective, we adopt the Technology Enactment Framework (TEF) developed by Jane Fountain in 2001 as a conceptual lens (Fountain, 2001; Gil-Garcia et al., 2014; Zhao et al., 2018). The TEF is widely recognized as one of the most valuable avenues to investigate the interplay between digital technologies and organizational forms within a governmental context (Cordella & Iannacci, 2010; Danziger, 2004; Mergel et al., 2019; Zhao et al., 2018).

To begin, the TEF classifies digital technologies into objective and enacted categories, aligning with the distinction outlined in the previous section of this chapter (Fountain, 2001, 2005). The framework starts from the identification of the objective technologies in the organizational environment. Subsequently, the organizational form selectively adopts some of these objective technologies and shapes the perception, design, implementation, and usage related to these objective technologies, thereby transforming them into enacted technologies. Finally, these enacted technologies can, in turn, impact the functioning of the organization form (Cordella & Iannacci, 2010; Danziger, 2004; Fountain, 2001, 2005; Zhao et al., 2018). Consequently, the TEF reveals a recursive connection between the organizational form and enacted technologies, while only establishing a unidirectional link with the objective technologies. Changes in the organizational form do not alter the objective technologies in the environment but may impact interactions with enacted technologies (Zhao et al., 2018).

Moreover, the organizational form results from a dynamic interplay between the organization and its surrounding networks. The organization is a governmental entity shaped by its structure, size, personnel, and resources. The networks refer to the relationships in which the organization is engaged (Fountain, 2001, 2005; Zhao et al., 2018). This interaction between the organization and its network is influenced by the type of intergovernmental relation in which they function. In the TEF, a reciprocal relationship positions the organization and its network as equal partners, jointly influencing the transformation of objective technologies into enacted technologies (Bergström et al., 2022).

Building upon this Technology Enactment Framework (Fountain, 2001, 2005) and prior research leveraging it (Cordella & Iannacci, 2010; Gil-Garcia et al., 2014), we present our research model as illustrated in



**Fig. 10.1** Technology Enactment Framework applied to the research-context. (Source: Fountain, 2005)

**Fig. 10.1.** The model serves as a tool for exploring the impact of a municipal amalgamation (change in organization) within its intergovernmental context (network) on local digital capacity (objective and enacted technologies). From this model, we derive two testable hypotheses, each contributing to the study's objectives. The first hypothesis suggests that a municipal amalgamation enhances local digital capacity exclusively through its impact on enacted technologies. This assumption aligns with the relationships identified by the TEF (Fountain, 2001, 2005) and is supported by empirical findings, indicating that government reforms influence the choices behind enacted technologies but not the presence of specific objective technologies (Cordella & Iannacci, 2010). The second hypothesis suggests that a multi-layered type of intergovernmental relations is most conducive to digital capacity-building. This assumption is rooted in the reciprocal relationship between organization and network posited by the TEF, emphasizing intergovernmental relations characterized by minimal conflict, the right of representation and participation, and agreed-upon rules as most suitable for digital capacity-building (Bergström et al., 2022).

### *Case*

The investigation of both hypotheses is conducted through a single case study focusing on a Flemish amalgamated municipality over a five-year period (2017–2022), coinciding with the municipality's requirement to bolster its digital capacity due to the challenges posed by the Covid-19 pandemic. Flanders, the northern region of the Nordic Napoleonic country Belgium, is selected due to its extensive history of municipal amalgamations and its acknowledgement of the critical necessity for local digital capacity. The amalgamation history, as outlined in Box 10.1, dates to 1977 and has

witnessed shifts in both responsible governmental levels (from federal to regional) and strategies of amalgamation (from top-down to bottom-up). Essentially, Flanders has experienced a transformation in the type of inter-governmental relations in which municipal amalgamations transpire. The former approach was mainly centralized, while today's amalgamation approach is characterized by a multi-layered system involving numerous horizontal and vertical intergovernmental relations (Bergström et al., 2022; De Ceuninck, 2017). The recognition of significance of local digital capacity is prominently articulated through the 'Flanders Radical Digital' programme, emphasizing a comprehensive and organization-wide strategy where local governments hold pivotal roles (Flemish government, 2015, 2021). This acknowledgement is not unique to Flanders. Intergovernmental bodies such as the European Commission, the OECD, and the UN demonstrate that countries globally are making digital advancements, albeit at different paces (Kuhlmann & Heuberger, 2021). However, Flanders is set apart by its pronounced struggle during the Covid-19 pandemic, being one of the most affected European regions (Zaki & Wayenberg, 2021), which further underlined the urgent need for local digital capacity.

In Flanders, there are currently seven recently voluntarily amalgamated municipalities. To guide our selection for the single case study, we employ

#### **Box 10.1 Flemish Amalgamation History**

The Flemish amalgamation history began in 1977 with a series of amalgamations that are described as the most far-reaching reforms in the history of municipalities in Belgium (Ackaert & Dekien, 1989). By means of a Royal Decree, the Belgian government opted for a mandatory reform, reducing the number of Belgian municipalities from 2359 to 589. In Flanders, the number of municipalities decreased from 906 to 308, which is equivalent to a reduction of 66 per cent (Ackaert & Dekien, 1989). According to evaluation studies, the Belgian government fell short with this centralized policy focus (e.g. Bergström et al., 2022). The municipalities received little support and there was no systematic follow-up (Ackaert & Dekien, 1989). This mandatory reform led to friction and conflict between the central and local governments. Even to an extent that municipal amalgamations were off topic for a long time (De Ceuninck, 2017). Only decades later, they reappeared on the agenda. By this time,

*(continued)*

**Box 10.1 (continued)**

amalgamation policy had become a regional matter because of the state reform in 2001<sup>4</sup> (Hondeghe et al., 2022). In 2010, the Flemish government started to develop its own amalgamation policy. From then on, amalgamations were voluntary and bottom-up, albeit still within a central framework (De Ceuninck, 2017; Wayenberg et al., 2018). In 2014, the Flemish government strengthened its amalgamation policy by developing a script for amalgamations and an amalgamation decree. These initiatives led to the first voluntary amalgamations in 2019 where fifteen municipalities amalgamated into seven (ABB, 2022). Today, several amalgamations are in progress, which will result in 13 new municipalities from the amalgamation of 28 existing ones, effective January 1, 2025 (VVSG, 2024).

two specific parameters. First, we choose an amalgamation involving equal partners, as research suggests that amalgamations with less equal partners often result in absorption rather than organizational reforms (Ebinger et al., 2019; Tavares, 2018). This criterion is based on the population size of the municipalities involved. Second, we opt for an amalgamated municipality that demonstrated a certain level of digital proficiency at the beginning of our period of analysis (2017). This proficiency is assessed through the outcomes of i-Monitor, a tool developed by the Flemish government for evaluating municipalities across various e-government domains. Municipalities scoring three or higher out of five<sup>5</sup> are considered sufficiently proficient in digital technology to provide valuable insights (Flemish Government and VVSG, 2016).

These criteria lead to two potential options, and ultimately, the selection is based on choosing the amalgamated municipality with the highest

<sup>4</sup>As a result of several rounds of state reform, Belgium is a federal country with three regions and communities, each with their own autonomy. The regions are responsible for matters related to the territory, while the communities are accountable for personal matters. The federal state remains in charge for everything that is not explicitly assigned to the regions or communities, such as the judiciary, social security, and the army.

<sup>5</sup>The maximum score of five has only been awarded once (Flemish Government and VVSG, 2016).

population. This decision is supported by empirical research linking the size of local governments to their digital capacities (Kuhlmann & Heuberger, 2021; Flemish Government and VVSG, 2016). The chosen amalgamated municipality is the result of the amalgamation of two municipalities with a combined population of 33,600 inhabitants and a digital maturity rate of 57 per cent in 2016 (Flemish Government and VVSG, 2016). The principal decision for the amalgamation was made in June 2017, followed by the final decision in December of the same year. Ultimately, the new amalgamated municipality commenced operations on 01 January 2019 (Audit Flanders, 2022).

### *Data Collection and Analysis Strategy*

The data collection strategy combined a document analysis and semi-structured interviews to gather in-depth information about digital technologies within the municipality (Yin, 2018). First, we performed a document analysis of the multi-year plans and annual accounts. For the period from 2017 to 2019, we analysed the documents of the pre-amalgamated municipalities. For the period from January 2019 onwards, we analysed the documents of the amalgamated municipalities. Second, we interviewed actors involved in the use of digital technologies in the amalgamated municipality, selected via the snowball method (Van Thiel, 2021). All interviews were conducted during the spring of 2023 and lasted between 56 and 74 minutes. We used a semi-structured questionnaire that probed the evolution of digital capacity over the period from 2017 to 2022, and to the potential role of the municipal amalgamation or other decisive factors therein. All the interviews were conducted and recorded via MS Teams and subsequently transcribed using MS Word. After that, we systematically analysed the transcripts via an iterative coding scheme using Nvivo 14 software (Gehman et al., 2018).

## DIGITAL CAPACITY OF AN AMALGAMATED MUNICIPALITY IN AN INTERGOVERNMENTAL CONTEXT

The analysis is structured in alignment with the two primary objectives of this research. The first part focuses on the impact of municipal amalgamations on local digital capacity, while the second part contributes to the identification of the type of intergovernmental relations mostly suited for the enhancement of local digital capacity in an amalgamated municipality.

Both parts entail a comprehensive examination of respondents' responses, complemented by a reflective analysis of the implications inherent in their perceptions.

### *Enhancing Digital Capacity via Municipal Amalgamation*

In this first part of the analysis, we examine the potential influence of a municipal amalgamation on the digital capacity of a local government. Drawing upon the definition of digital capacity and the first hypothesis articulated in the theoretical section of this chapter, we differentiate between the objective and enacted technologies within the amalgamated municipality.

The objective technologies in the amalgamated municipality have experienced a significant increase over the past few years, as outlined in the multi-year plan for 2020–2025. However, it is important to note that this upward trend commenced well before the 2019 amalgamation and can be attributed to various factors, including technical and societal evolutions. The surge in the number of hardware devices in both pre-amalgamated municipalities was already noticeable in the annual accounts of 2017–2019 due to the growing workforce and the expansion of employee profiles utilizing digital devices. Traditionally, only administrative profiles required digital devices, but in recent years, hardware has become essential across various organizational functions. For instance, the amalgamated municipality currently provides digital equipment for their cleaning staff. The increase in software applications was primarily driven by the societal shift towards an increasingly digital environment. Municipalities are compelled to align with this digital trend as citizens expect more digital services, and local partners increasingly offer their services exclusively in digital formats. However, the sharp increase in software applications is not universally viewed positively, unlike the increase in hardware devices. One respondent noted: “*Unfortunately, the number of software applications has increased exponentially*” (respondent 2). The amalgamated municipality faces the challenge of managing a multitude of diverse and uncoordinated software packages, leading to insufficient support. This situation has reached a point where the need for reduction and simplification is becoming apparent.

The enacted technologies encompass four key elements, as discussed in the second section of this chapter: management perception, IT department design, digital decision implementation, and employee usage within

the organization (Fountain, 2001, 2005). We begin by examining the evolution in the **perception** of the management team. In the case at hand, the perception has remained consistent over the past few years. Both pre-amalgamated municipalities already prioritized information technologies: “*The vibe has always been there*” (respondent 2). Today, the amalgamated municipality continues to demonstrate a willingness to invest in digital technologies: “*ICT is a basic condition for a good management of the organization*” (multi-year plan 2020–2025).

Aligned with the stability observed in the perception, the **design** of the IT department also remained relatively consistent. In both pre-amalgamated municipalities, the IT department was perceived as a supportive entity and held a central position within the municipal organizational framework. Reflecting the enduring and shared vision of the two pre-amalgamated municipalities, the amalgamated municipality retained the same central position for the IT department. Respondents assert that this decision emerged from a comprehensive discourse during the preparatory phase of the amalgamation where the importance of centralization was reaffirmed. Here, respondents emphasize that the amalgamation process could just as well have led to a repositioning if there had not already been a shared sustainable vision. While the position remained unchanged, the capabilities of the IT department did undergo a transformation. In the pre-amalgamated municipalities, the IT department primarily focused on IT support. In contrast, the IT department in the amalgamated municipality now serves as a full partner in various projects. When a local project involves a significant IT component, the IT department assumes responsibility for planning and budgeting. The respondents attribute this strengthened position of the department to the amalgamation, stating: “*The amalgamation certainly played a part in the opportunities [the IT department] experiences today*” (respondent 1). According to the respondents, the IT department of the amalgamated municipality has been assigned more responsibilities due to the amalgamation, which led to increased professionalization and a higher number of employees within the department. For instance, one of the pre-amalgamated municipalities had only two employees in the IT department, making it challenging to effectively play a supporting role from a central position. With the amalgamation, there are more IT employees, allowing the department to develop expertise and fulfil the requirements of a central and supportive position more effectively. In short, the amalgamation did not alter the position of the IT



department within the municipal organization, but it did strengthen its role and professionalism of the department.

This enhanced role of the IT department also creates a more favourable environment for the **implementation** of digital decisions. The evolution allows for greater space to prepare, substantiate, and justify digital proposals, while also facilitating the integration of digital components in other policy proposals: “*The organization is well versed in making the reflex to come to the IT department when they have a project where even the smallest component is IT related*” (respondent 2). Moreover, the amplified role of the IT department enables the provision of adequate support during and after the implementation of digital decisions. Therefore, the amalgamation enhanced the efficacy of preparation and monitoring mechanisms for the implementation of digital decisions, turning the IT department into a crucial source of technical expertise and collaboration.

Finally, **the use** of digital technologies by the employees within the organization merits consideration. In line with the proliferation of objective technologies, their use and integration within the organizational framework has also grown. The respondents even indicate that the hardware devices are optimally used: “*The municipality is working optimally in terms of hardware*” (respondent 2). In contrast, there exists an untapped potential for the expansion of software application use. Respondents attribute this suboptimal use of software applications to two primary causes, both of which were at least exacerbated by the 2019 amalgamation. First, suboptimal use can be attributed to inadequacies in the design of the municipality’s software architecture. The amalgamated municipality currently uses over 200 applications that lack effective communication and coordination, and even partly overlap. The amalgamation intensified these architectural challenges, resulting in a complex structure sourced by applications from both pre-amalgamated municipalities and entirely new ones. Second, suboptimal software application use is also linked to the limited digital maturity and adaptability of the employees. The amalgamation prompted the replacement of a range of familiar and trusted software applications with new counterparts serving identical purposes: “*None of the software applications from one of the pre-amalgamated municipalities are used in the amalgamated municipality*” (respondent 2). Consequently, employees with lower digital maturity minimize their usage and necessitate extended periods for adjustment: “*Staff members had to adapt, which led to the necessary frustrations and even burnout*” (respondent 2). This sentiment is further corroborated by various statements from local

employees, exemplified by expressions such as “*I could have done it faster in Word*” or “*If I could have printed the document, it would have already been signed*” (respondent 1).

Taken together, the respondents perceived a discernible influence of the municipal amalgamation on local digital capacity: “*The amalgamation created the opportunity to make a turnaround and take a big step forward*” (respondent 1). The analysis of the five-year evolution of digital capacity within a Flemish municipality unveiled notable changes, which respondents attributed to the municipal amalgamation of 2019: “*The amalgamation did create some buzz*” (respondent 2). Important to note is that the respondents only observed an impact on some elements of the enacted technologies, and not on the objective technologies: “*The amalgamation played a role in the way digital technologies are enacted today*” (respondent 2). While not every element of the enacted technologies exhibits uniform impact in this case, the respondents did emphasize the potential influence of municipal amalgamations under different circumstances. They suggested that their experienced stability in certain elements could be ascribed to the effective functioning in the pre-amalgamated municipalities. From this, it can be inferred that the extent to which a municipal amalgamation influences local digital capacity depends on two factors: (1) the digital capacity and maturity at the beginning of the amalgamation process and (2) the equality in population size of the amalgamating partners. In conclusion, this part of our analysis substantiates the first hypothesis: municipal amalgamations can only enhance local digital capacity through their impact on enacted technologies.

### *Building Digital Capacity via Intergovernmental Relations*

In this second part of the analysis, we inquire into the intergovernmental relations conducive to the flourishing of digital capacity-building in an amalgamated municipality. Guided by the conceptualization of intergovernmental relations and the second hypothesis expounded in the theoretical section of this chapter, we delineate between the horizontal and vertical intergovernmental relations in which the amalgamated municipality is involved.

The horizontal relations within the amalgamated municipality exhibit minimal divergence from the relations established by the municipalities prior to the amalgamation. According to the respondents, the amalgamation only affected the horizontal relations between the two

pre-amalgamated municipalities. Apart from these discontinued relations, the amalgamated municipality remains actively involved in all other horizontal relations related to digital capacity-building. These relations predominantly exist within a provincial partnership, where various municipalities collaborate to enhance the efficiency and cost-effectiveness of acquiring objective technologies. This collaboration allows for the pooling of specialized knowledge and experience, and economic benefits through bulk purchasing. Here, the respondents emphasize the reliance on these horizontal intergovernmental relations for certain aspects of their digital capacity-building: “*We would not be able to set up such things ourselves*” (respondent 2). While acknowledging their significance, the respondents also express reservations and delineate limitations. Firstly, they argue that horizontal intermunicipal partnerships become less effective when involving too many partners. From this perspective, a municipal amalgamation is seen as advantageous, reducing the number of stakeholders at the table. Secondly, the respondents express their assumption that the value of the horizontal relations may be contingent upon the size of the government and thus diminish after amalgamation. With a total population of 33,600 inhabitants after the amalgamation, the respondents contend that their municipality remains sufficiently compact to derive benefits from horizontal relations, contrasting with larger amalgamations that may not experience similar advantages. The absence of larger municipalities in the provincial partnership further bolsters the notion of a correlation between municipal size and the necessity for support from horizontal intergovernmental relations.

The vertical relationships in which the amalgamated municipality is involved exhibit no change compared to the relations of the municipalities prior to the amalgamation. According to the respondents, during the strategic deliberation of digital capacity-building preceding the municipal amalgamation, the municipality realized that the vertical relation with the Flemish government would remain indispensable even after the amalgamation. The respondents even express a need to expand the vertical relations, both in supporting objective and enacted technologies. The objective technologies are already partly provided via intergovernmental relations. However, the respondents indicate that the supporting role of the central government is not sufficient, and advocate for the Flemish government to take on a regulatory role as well. This suggestion is rooted in the perceived oligopolistic dominance of software suppliers, with respondents positing that regulatory intervention could foster a more

competitive market environment and align the software more effectively with local needs: “*It would be an improvement if the Flemish government would take more directive action when it comes to the supply of software applications*” (respondent 2). The enacted technologies primarily fall under the purview of the municipality itself. The first part of the analysis demonstrated that the amalgamation is strengthening certain elements of those technologies. However, the respondents also call for support from the central government to enhance the enacted technologies. For instance, they highlight the value of the digital building blocks supplied by the Flemish government (objective technologies) but stress the need for additional guidance in successfully implementing and using them (enacted technologies).

Taken together, the intergovernmental relations implicated in digital capacity-building have undergone minimal alterations because of the municipal amalgamation. However, the respondents observed a decrease in the importance of horizontal relations since the 2019 amalgamation, while the significance of vertical relations continues to grow. They advocate for an expanded vertical relation that supports digital capacity-building not only in terms of objective but also in terms of enacted technologies. In other words, respondents perceive a greater efficacy in adopting a more centralized approach to digital capacity-building than what is currently in place. Given these findings, we are compelled to reject the second hypothesis. According to respondents, a multi-layered type of intergovernmental relations is not considered most conducive to digital capacity-building.

## CONCLUSION

This research aimed at gaining a deeper understanding of the impact of municipal amalgamations on digital capacity(-building) at the local government level. We conducted a comprehensive analysis of digital capacity evolution in a Flemish amalgamated municipality over a five-year period (2017–2022), during which the Covid-19 pandemic heightened the demand for local digital capacity. As local digital capacity is built from both local government’s own initiatives and the support from intergovernmental relations, we analysed the impact of a municipal amalgamation on both. The results show that the 2019 amalgamation exclusively enhanced local digital capacity through its influence on enacted technologies (i.e. management perception, IT department design, digital decision

implementation, and employee usage within the organization). The amalgamation did not impact the objective technologies (i.e. hardware and software), necessitating continued support through intergovernmental relations. The respondents even argue for strengthening intergovernmental relations to address future challenges and unforeseen circumstances in the current societal context. They particularly advocate for reinforcing vertical intergovernmental relations to enhance both objective and enacted technologies, relying on central government support. These findings align with Jane Fountain's Technology Enactment Framework (Fountain, 2001, 2005), emphasizing that local digital capacity is influenced not only by objective and enacted digital technologies but also by the context surrounding the local government such as its amalgamated organization and network of intergovernmental relations.

The answers of the respondents show that it is feasible to engage in digital capacity-building within various types of intergovernmental relations, but they express a preference for a more centralized approach. In comparison to the prevailing multi-layered approach, a heightened level of centralization in digital capacity-building could effectively address constraints perceived by respondents. This includes the potential for more rapid policy responses aligning with the pace of evolving technologies and a more coordinated approach fostering collaboration through horizontal relations with numerous partners. It is crucial to clarify that the discussion revolves around a 'more centralized approach' rather than a complete shift to a fully centralized model. Respondents emphasize the significance of maintaining the right of representation, participation, and creating space for mutual feedback within the realm of digital capacity-building.

In conclusion, we can state that municipal amalgamations offer a valuable means to augment local digital capacity, but their efficacy as an organizational reform is contingent on the specific context in which they unfold. The success of this endeavour for digital capacity(-building) is intricately tied to the needs of the local government (objective and/or enacted technologies), as well as the nature (horizontal and/or vertical) and type (centralized, multi-layered, and/or conflicted) of intergovernmental relations. Enhancing these aspects necessitates a strategic and integrated approach that aligns internal efforts with intergovernmental initiatives. While a municipal amalgamation can serve as a platform for such endeavours, it cannot simply be applied as a universal solution to the digital capacity challenges at the local level, as succinctly articulated by one of the respondents: "*A municipal amalgamation is an ideal opportunity to*

*address digital capacity-building, but both changes are so intense they require central support”* (respondent 2).

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## Conclusions: Intergovernmental Relations: Merits and Limits of the Policy-Focused Approach

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and Tomas Bergström*

Our book has taken a distinctive, policy-oriented approach to IGR in analysing both specific crisis-driven problems and new, longer-term, and emerging policy issues confronting European governments. We have explored the shifting balances of power within IGR systems focused on the challenges of vertical and horizontal coordination within cross-country, comparative perspectives. In order to position the country cases and policy issues analytically, we have developed an IGR typology (see

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Laffin et al., in this volume) that distinguishes between three types of policy processes (centralized, conflicted, and multi-layered). The authors were requested to apply this typology in their studies and consider crises and new policy issues which have tested the stability and functionality of IGR systems. A crisis is “commonly identified as an extraordinary situation, which results in escalated but temporal instability and uncertainty compared to the pre-existing status quo” (see Wojtowicz, in this volume; Sahin-Mencutek et al., 2022). Crises are challenging. But are they necessarily catalysts for change? Especially in the realm of historically grounded IGR? After all, changes do not occur all at once but rather in stages, or phases, according to various models and theories developed to put transitions into (a temporal) perspective. A classic and well-known example is Kurt Lewin’s change management model (1947) that divides the process of organizational change into the stages of unfreeze—change (or transition)—refreeze. A more recent example is Normalization Process Theory (NPT) in which coherence, cognitive participation, collective action, and reflexive monitoring are the four phases through which innovations are embedded and integrated (May et al., 2020). Of course, these stages and phases should be seen as iterative and interconnected in practice, rather than in a linear form as they are usually presented.

The studies presented in this book confirm this contention. In some cases, crises have opened new windows of opportunity for implementing changes in IGR which would not have been possible otherwise (Kuhlmann et al., 2022). This was, for instance, the case in refugee reception and migrant integration “turning local” in France and Poland (see Kuhlmann and Oehlert, Wojtowicz, in this volume). However, there is also evidence from other cases of institutional stability in the face pressures arising from a public health crisis, as exemplified by the Nordic countries. After a short-term shift in IGR, under the influence of an acute pandemic emergency, towards a more centralized IGR in Denmark, and Sweden, IGR returned to the Nordic normalcy of resilient “cooperative decentralization” (see

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Baldersheim and Haug, in this volume). According to the mayors surveyed in this five-country comparison, the intrinsic feature of the Nordic model of cooperative decentralization remained largely intact. Moreover, the authors claim that it will continue to do so as COVID, in their words, was “a disaster in slow motion” to change central–local relations around. Likewise, Oehlert and Kuhlmann (in this volume) nuanced the partially observed cross-country convergence in IGR related to migrant integration by emphasizing how strongly inter-administrative relations still vary among the historical-administrative traditions (Napoleonic/France; Federal-cooperative/Germany; Nordic/Sweden) of the three countries under study. The same applies to pandemic management in Germany (not included in this book), where, after some ups and downs in IGR, the normal multi-layered, decentralized policy process came to be reaffirmed (Kuhlmann and Franzke, 2021).

The majority of countries studied here showed multi-layered IGR processes, at least during certain phases of a crisis. Countries showing exclusively centralist IGR processes during the entire crisis period are exceptional. The corresponding conflict levels are highly varied and context-dependent. England is undoubtedly the most prominent example of a centralist and conflicted IGR process (see Diamond and Laffin, in this volume), while most other cases correspond to the multi-layered type. Interestingly, we also observe shifts in IGR policy processes over time, driven by specific policy actions in response to changes in crisis affectedness and/or the intensity of intergovernmental conflicts. This is evidenced, for instance, by the French case of migrant integration, where a shift from a pronouncedly centralist to a multi-layered policy process took place (see Oehlert and Kuhlmann, in this volume), also referred to as a “localist turn” in French migration management. In Poland, too, the strong centralist stance on (a rather restrictive) migrant policy and the general trend towards centralization were attenuated by local governments informally taking the initiative and addressing the refugee crisis, thus avoiding a humanitarian catastrophe in the border regions after the outbreak of the war. This shift from centralist towards more multi-layered patterns of IGR processes is not least because, in some cases (e.g. Poland, France), central government actors have proved slower and more bureaucratic in their crisis responses than local ones, which increased pressure and conflict in the intergovernmental setting. Furthermore, local governments frequently drew on the informal resources of their local communities and were better able to bundle and coordinate local resources across different policy sectors to

mitigate the crises. The advantages of multi-layered and decentralized policy processes, which allowed local governments to take the initiative in territorial coordination and cross-sector emergency assistance were present across all crisis issues covered in this book (migration, pandemic, and climate change), albeit to different degrees, depending on the various country contexts and crises periods.

Policy actors in the Nordic countries benefited from a historically ingrained pattern of “cooperative decentralization” (see Baldersheim and Haug, in this volume) which “survived the pandemic stress” and “will probably remain the order of the future” (ibid). Yet despite the common administrative tradition and largely convergent IGR pattern of the Nordics, varied implementation regimes emerged, with Denmark, Iceland, and Sweden responding in a more centralized manner, while more decentralized modes of pandemic management emerged in Finland and Norway. Here, again, the policy-focused explanation comes in, pointing to policy actors’ different perceptions and solution strategies despite similar administrative cultures. In the group of Continental European Federal countries studied here, multi-layered flexibility in IGR combined with local pragmatism and crisis experience were key characteristics of crisis management and strategy formulation, as demonstrated in the field of migrant integration and climate policies by Germany (see Oehlert and Kuhlmann, Vellani et al., in this volume). However, the variation in specific policy responses to similar problems emphasizes, once again, the explanatory power of the different understandings and handlings of policy issues by different actors. The study on digital capacity-building through amalgamations in Flanders, too, revealed that—despite local actors’ request for a heightened degree of centralization—the preferred IGR process was that of vertical coordination, multi-layered collaboration, and policy support from both local governments’ own initiatives and IGR sources (see Torfs and Wayenberg, in this volume).

However, the preference for or move to multi-layered IGR in times of crises was not only to be found in decentralized settings (Nordic group, federal countries, some Central Eastern European countries), but also in country contexts shaped by pronouncedly centralist administrative traditions, such as France. Pressures arising from the refugee crisis and the lack of an effective conflict resolution mechanism in the intergovernmental setting prompted French local governments to protest against the predominantly centralist approach, and to proactively respond to the emergencies in their territories even—initially—without major formal competencies

and sources. Moreover, in the case of urban climate strategy formulation in Paris, Vellani et al. (in this volume) identified a notable shift from a highly centralized to a decentralized, multi-layered IGR process.

In general, countries appear to have moved towards more coordination, organizational coupling, and involvement of sub-national actors, mirroring a certain convergence towards the multi-layered IGR type. Yet there are also some exceptions to this trend such as England, with its local governments currently facing an existential crisis (see Diamond and Laffin, in this volume), and Flanders, with its highly centralized financial IGR during the pandemic (see Descamps and Smolders, in this volume). Moreover, in some policy issues, local actors even expressed a preference for a more centralized approach in order to enhance speed, standardization, and institutional alignment. This was particularly the case in the digital capacity-building studied in the two federal countries of Germany and Belgium. The request for a “more centralized approach” (see Torfs and Wayenberg, in this volume) or for “concentration without centralization” (see Wehmeier, in this volume) in the digital transformation of local public administration does not advocate for, however, completely centralizing the task. Yet maintaining participation, mutual feedback loops, and collaboration in the multi-layered process appears to be key to maintaining a “balance between bundled competencies and decentralized structures” (*ibid.*).

While in most of the studied issues and countries, multi-layered IGR processes appear to be predominant for managing major crises and new policy issues, or at least a turn towards this type of IGR could be noticed over time, the level of conflict and contestation in IGR obviously showed more variation across countries and issues. The studies presented in this book have revealed that high conflict levels can occur in both centralized as well as multi-layered (including decentralized) policy processes. This supports the importance of policy factors, actor strategies, and the particularities of specific crisis issues, which can lead to similar conflict levels despite different administrative contexts. Hence high levels of conflict and tension can arise not only in centralist IGR processes but also in more institutionally fragmented and layered settings, where the management of conflict is embedded in a power balance between central/federal and sub-national levels. On the one hand, parts of the empirical analyses presented in this book support the hypothesis that multi-layered and decentralized policy processes are associated with lower levels of IGR conflict intensity (e.g. digitalization in Germany, pandemic management in the Nordic

countries, climate strategy formulation in Berlin and Paris), as compared to centralist policy processes (e.g. England). On the other hand, there are also cases deviating from this pattern such as the example of fiscal IGR in Flanders during the pandemic, where only low conflict levels were recorded despite a centralist IGR process. Conversely, regarding migrant integration in Germany, France, and Sweden, high conflict levels were embedded in multi-layered IGR processes. Thus, the institutional characteristics of IGR (centralist/multi-layered/decentralized) can be associated with varying levels of conflict depending on the policy issue at stake, the country-specific implementation arrangements, the power constellations, and the particular type of crisis to be resolved.

There are some policy issues, such as migrant integration and the refugee crisis, which have produced rather high levels of IGR conflicts in some countries (e.g. Sweden, Finland, Germany, France). This is, on the one hand, due to the urgency, the redistributive character, and the socially as well as politically and ideologically contested nature of this policy field. On the other hand, the analysis of inter-administrative relations (IAR) as a hitherto neglected element of IGR has revealed that specific characteristics of public administration tend to fuel conflicts in IGR processes. For climate policy (Berlin, Paris; see Vellani et al., in this volume) as well as for migrant integration (Finland, France, Germany, Sweden), it was shown that the cross-cutting and multi-level nature of these task areas leads to multi-faceted coordination requirements, entanglement of levels, and ultimately to a high potential of inter-organizational conflicts. Furthermore, in the field of migrant integration and language training vertical IGR pathways, through which tensions could be resolved, were largely missing (see Rauhut and Kettunen, in this volume). Finish and Swedish IGR processes in language training for refugees have, since 2015, thus proven highly controversial (although the IGR-setting in Finland has been more stable than in Sweden). After all, while Sweden has had a long history of generous reception of refugees, Finland has accepted them in only very low numbers (Laine and Rauhut, 2018), thus tempering the magnitude of a (potential) crisis shock and its resulting intergovernmental tensions.

However, the empirical evidence presented in this book also shows that conflict- and issue-driven IGR in some countries might be contrasted with low conflict levels in other countries, which re-emphasizes the activities of policy actors as a major explanatory source. Thus, the case study on Poland revealed that the initial conflicts among different administrative levels regarding the task allocation and responsibilities for the reception of

Ukrainian refugees were soon addressed by various actors in the intergovernmental setting, resulting in cooperative, multi-layered IGR processes with low conflict levels (see Wojtowicz, in this volume). The major reason for this shift was seen in the Polish local governments' swift adaptation to the emergency by way of transcending their formal prerogatives and pragmatically complementing the central government's activities. This ultimately fostered a synergistic and collaborative IGR process rather than a conflicting one. Accordingly, the actions undertaken by the central administration were positively evaluated from the bottom-up as local government representatives fully appreciated their speed and effectiveness. Poland had little experience with handling emergencies related to the extraordinary influx of migrants in an intergovernmental setting, yet the crisis management turned out well, with clearly more cooperation than conflict amongst central and local governments.

Collaborative IGR processes were also perceivable in Belgian/Flemish fiscal grant allocation during the pandemic. Though these processes were classified as centralized IGR because decisions on which grant schemes to install and how to distribute them were highly concentrated at the regional level, "no tensions were reported between the distributing and receiving authorities" (see Descamps and Smolders, in this volume). Because Flemish local governments were seen as responding effectively to the crisis challenges, increased decentralization initiatives were announced by the regional government for the years to come. These discourses mirror the trustful and collaborative relation between the regional and the local levels in Flanders—despite a high degree of centralization in fiscal IGR during the pandemic. This example shows that even in centralized IGR processes, where local governments are excluded from the respective policy decisions, conflict levels are not necessarily high. Under certain circumstances mutual consent and cooperation might prevail. While for Flanders a centralized yet collaborative fiscal IGR process was characteristic, England represents an opposite case because it exemplifies a highly centralized IGR process with high level of conflicts. English local government continues to be the subject of a deepening existential (governance, fiscal, and policy role) crisis. At the same time, the mistrust and the loss of central–local links "has damaged central–local cooperation" (see Diamond and Laffin, in this volume), resulting in increasing conflicts, tensions, and contestation in IGR.

In our sample of countries and issues, we also have evidence of shifting conflict patterns over time. Thus, after an initial phase of climate strategy



formulation centralized at the city level and a conflicted implementation in Berlin, the city has moved towards a more cooperative intergovernmental approach (see Vellani et al., in this volume). The initial overly centralized IGR process had become more and more inflexible, being insufficiently based on operational knowledge and lacking the consultation of lower levels. This tended to lower the incentives for the sub-municipal level (districts) to comply with stipulations from higher levels, as feedback flows to the central level were blocked, preventing the alignment of policy objectives. The subsequent shift towards multi-layered IGR processes contributed to mitigating these shortcomings. As a result, the conflict intensity in IGR was reduced and the overall approach of formulating climate strategies for the City of Berlin turned more collaborative, consultative, and consensus-oriented.

Overall, the policy-focused approach of this book has added a new perspective to IGR research. It has proven to be a viable explanatory scheme for how different actors understand conflict constellations, respond to crises, and cope with new policy challenges. While institutional factors and PA traditions remain crucial variables of comparative IGR analysis, they do not help explain policy *change* and the varying policy responses within PA country clusters. This is where a particular strength of the policy-focused approach comes in. It is true that territory, place, and PA traditions continue to be important categories for IGR analysis, in particular at explaining path dependencies and historically ingrained cross-country-differences in IGR. Yet the contributions of this book have shown that policy actors, in their search for power to achieve specific substantive policy goals, clearly shape IGR too (Hacker and Pierson, 2014). We have seen that countries belonging to the same administrative tradition have not responded in a similar way to crises challenges, but rather deviated from their neighbours, as the example of the Nordic countries in the fields of pandemic and migration management has shown. In order to address particular policy issues and crises, examining actor choices and power-seeking strategies is therefore an analytical necessity. Restraining IGR studies to (traditional) institutional and place-related factors, which analytically privilege different PA-traditions and territorial variables, does not appear to be a promising strategy for explaining policy change under the pressure of crises. Though we are aware that our focus on policy issues, crisis challenges, and policy actors tends to diminish the significance of place and territorial distinctiveness, we argue that the policy-focused approach shows considerable potential for future IGR research in revealing how conflicts and actors' power-seeking strategies affect policy outcomes in crisis management.

The findings of this book undoubtedly make a case for more research on IGR and crises. On the one hand, future studies should investigate in greater depth the extent to which administrative traditions and contexts shape and influence conflicts arising from different types of policy issue, and particularly how IGR are transformed by new crises and policy challenges. Another future research challenge is to move beyond the single-crisis focus, as each chapter of this book only examines IGR in relation to a single crisis. In reality, crises do not emerge and evolve in isolation. Rather, as Diamond and Laffin argue (in this volume), local governments are increasingly confronting intersecting and entangled crises, perhaps best understood in terms of the new challenge of tackling polycrises. Questioning the intersection of contemporary crises and their effects is typical when recognizing the so-called polycrisis environment, wherein governments at different levels are and will be operating and unrolling their interrelations today and tomorrow.

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