

REGIONAL GOVERNMENT IN EUROPEAN COUNTRIES

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ABSTRACT

The following report begins by giving brief descriptions of regional government in six member states of the E.U.. Accompanying each is a general commentary on their history and development. The second section of the report focuses on the relevance these examples of regionalism have to any future developments in the U.K., specifically England.

It is my opinion, that regional governments can aid democracy through decentralisation of the central state. European regions are evidence of this. However, it is not clear from the English proposals what the actual purpose of the region is to be. Regions are a method of government, suitable for the achievement of certain goals. These goals must first be clearly established before any discussion of structure or form can take place. The English proposals seem to have emerged from a need to answer the "West Lothian Question", raised in relation to Scotland. This they can never do and the example of Spain, which is often given as the model for such a solution, in fact emphasises its inadequacies.

English regionalism if it is established for the purposes of decentralisation must truly decentralise power from the centre. Failure to do so will leave the regions without a role and with little rationale. This was the case in Italy. They must also be endowed with significant financial autonomy to allow their meaningful operation independent of the state. These two criteria will allow regions to develop policies independently from the centre, more suitable to wishes of the regional electorate. It is far from clear, however, whether a Westminster government would be willing to tolerate such divergence of policy within England. If it cannot, then there seems no rationale, in my opinion, for the regional level.

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INTRODUCTION

Over the last fifty years, Europe has seen a burgeoning of federal or regional systems of government, yet the U.K. has remained unitary. In fact by 1995, the U.K. is the only large state in the E.U. not to operate a regional level. Debate over regional government is not new to Britain, but it has generally been restricted to the Celtic periphery. However, the Labour Party's recent proposals have now placed the issue on the English political agenda. The following report examines the experiences of six European regional governments in the light of the debate in the U.K..

There are two parts to the report. Firstly, a brief description of the regional structures in the six countries examined (Belgium, France, Germany, Italy and Portugal).[†] These are each accompanied by a general commentary. The second part examines some particular issues of regional government on a Europe wide basis.

By necessity, this work is rather subjective in its choice of subject matter. Time has limited my analysis to those areas which I feel have relevance to the U.K.'s debate. For this reason, the content of the commentaries varies from country to country. I have attempted to use an identical style in the basic descriptions. The need for this subjective approach is due to the nature of regional government as a subject. Those who study regional governments are often asked to comment on their "success" or failure but this misunderstands the concept. If a scholar comparing the governance of Britain and France, the question "was Britain a success" would be meaningless. The variables involved make the operation of the country dependent on much more than the structures of national government. This is also true of regions. It is an impossible (and pointless) task to define regional success or failure without looking at specific policies in great depth. I am no scholar of health management or education, so for this reason I restrict myself to the *possible* benefits of regional government in general government terms.

[†] There are actually eleven "regional" systems, of various types, within the E.U.. These six were chosen for their similarity in size to the U.K.. The exceptions to the latter are Belgium and Portugal, but their interesting characteristics, make them worthy of mention.

PART I

The financial portions of the following descriptions use standard terminology in this field, as well as some typologies used in my own work. To aid the reader, these are clarified below.

Regional taxation refers to taxes collected in the region where the individual region controls tax rates. These do not include taxes collected by the region or taxes shared out between levels if the centre retains control over their rate and application.

Block funding includes taxation raised in the region or shared between levels but controlled nationally. This is because the region has no control over the yield and must rely on changes at the national level to increase or decrease it. In practice these taxes are a specific type of block funding, less open to national interference than grants, but nationally controlled nonetheless.

The latter type of taxes can be divided into two further categories. Ceded taxes are those granted to regions within their own territories. Shared taxes are those shared between levels and may involve a degree of equalisation between individual regions. All figures are 1992 unless stated otherwise.

I.1 BELGIUM

Geographic Information

No.	-	3 Regions (Brussels, Flanders, Wallonia)
		3 Communities (Flemish, French, German)
		(non contiguous boundaries)
Population	-	Brussels 0.96 Million
(Regions)		Flanders 5.77 Million
		Wallonia 3.26 Million
Population	-	Figures not readily available and difficult to calculate
(Communities)		Flemish 6.25 Million (approx)
		French 3.40 Million (approx)

German 0.07 Million

Size - Brussels 161 km²
(Regions Only) Flanders 13,522 km²
Wallonia 16,844 km²

Structure

Deliberative Bodies

Each Region or Community possesses a parliament (or council) consisting of between 25 and 124 members (Regional Councils vary between 75 and 118). The Flemish Community and Flanders Region have amalgamated their structures and their assemblies are now known collectively as the Flemish Council. Even in Wallonia where the French and Walloon Councils remain separate, the same representatives sit in the two chambers, (although the Brussels members only sit on the Community Council). The Brussels representatives to the Flemish Council have the status of non-voting observers on regional matters.

Executives

The executives of these bodies are limited under the Constitution to the following maximum numbers. All are elected by and from the relevant council.

Region/Community	Maximum Executive Size
Flemish Region/Community	11
Walloon Region	7
Brussels Region	5
French Community	4
German Community	3

Status

Belgium is a federal state and as such the Regions and Communities are equal to the national level. Together, they comprise the highest tier of government.

Inter-Governmental Relations

Local Government

Regions have competence over local government supervision and may exercise such power within the limits of the constitution. Certain powers are guaranteed and local government continues to receive the bulk of its finance from local taxation and central grants. The structure may not be altered by the Region but due to the regions' extensive legislative role, local government can be severely effected by regional policy decisions. There are some linguistic exceptions to this such as the German speaking communes, which are supervised directly by the federal authorities.

Central Government

Unlike many other federations, the equality of status enjoyed by the Regions and Communities is practical as well as theoretical. Regional decrees (or ordinances in Brussels) are equal to federal laws. When such decisions overlap and both have been passed legally (which in theory should rarely occur), the problem will go to arbitration, a function of the Federal Senate.

Second Chamber

As with most federations the Belgian parliament includes second chamber to represent the federal units. Of the total composition of seventy one, forty members are directly elected from the relevant language areas (25 Flemish and 15 French), twenty one are appointed by the Communities (10 Flemish, 10 French and 1 German) with a final ten being indirectly elected by the senators of the major language groups (6 Flemish and 4 French).

The role of this body is mainly advisory, except in issues of linguistic legislation, constitutional amendments, international relations and changes to the Belgian state structure. In all other matters the Senate may delay, amend and propose legislation but the final say always lies with the Chamber of Representatives. Its primary role lies in the area of resolving conflicts of interest between federal units (including the federation itself). When such conflicts arise, the senate must focus on compromise as any agreement will

need the co-operation of all parties.

Regional Institutions

There are no separate regional structures, (although some police are administered locally). The extent of regional legislative power means that the legal regime in one Region/Community can differ from that in another.

It is my understanding that the regions operate separate civil services but I have been unable to confirm this.

Functional Powers

Economic Functions	Social Functions	Culture & Education
Economic development	Health (c)	Education (c)
Public works	Conservation	Sport (c)
Energy (not nuclear or rates)	Environmental Protection	Language Policy (c) (limited in German)
Employment	Water	Libraries (c)
Agriculture	Help for disabled (c)	Museums (c)
Spatial planning	Child care & protection (c)	Regional culture and language (c)
Transport (not rail or air)		

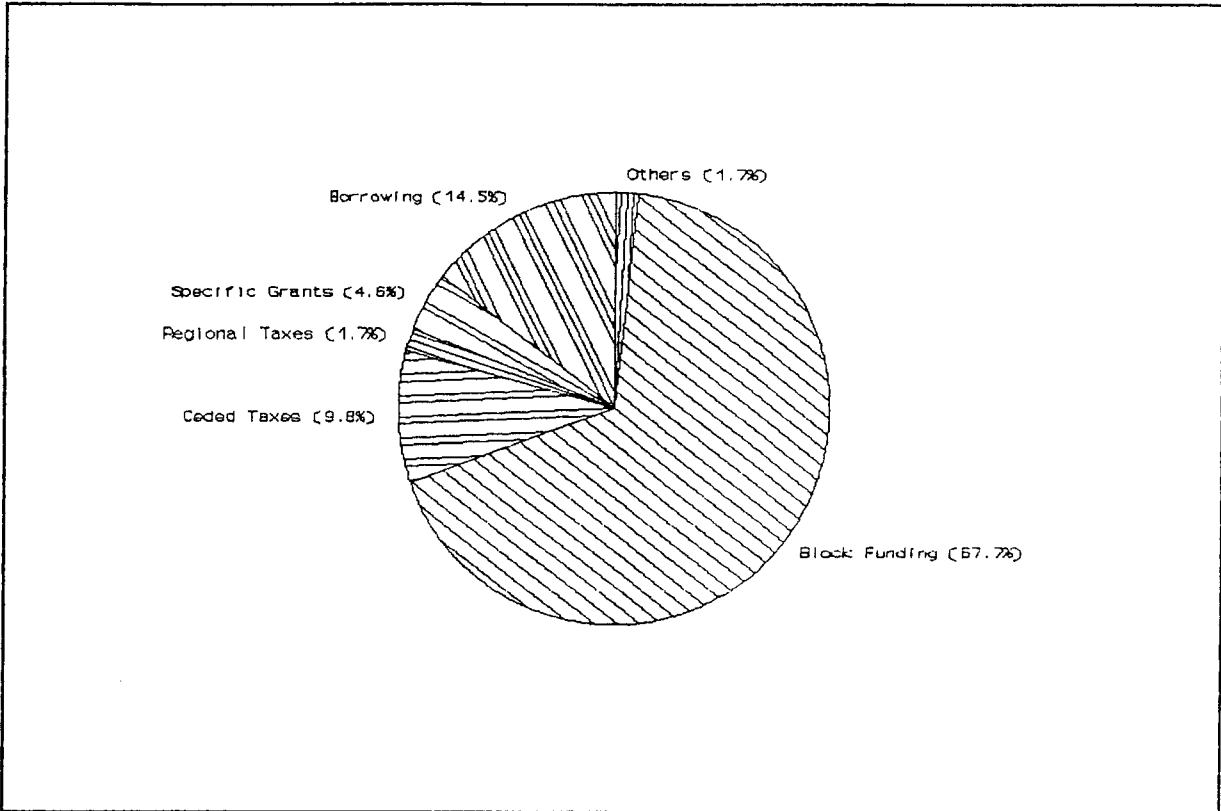
(c) - Community function

All competences are legislative though in many areas the federation retains a supervisory role in co-ordination structures across Belgium. These are restricted to an absolute minimum and include school leaving ages and minimum degree standards. In general the Regions undertake economic policy while the Communities deal with "personal" matters. The federation remains

Justice!

responsible for areas in which a national approach is deemed desirable. These include Defence, Police/Monetary and Fiscal policy, Rail transport and Social Security. International relations is divided between the Regions/Communities and the Federation according to domestic functions.

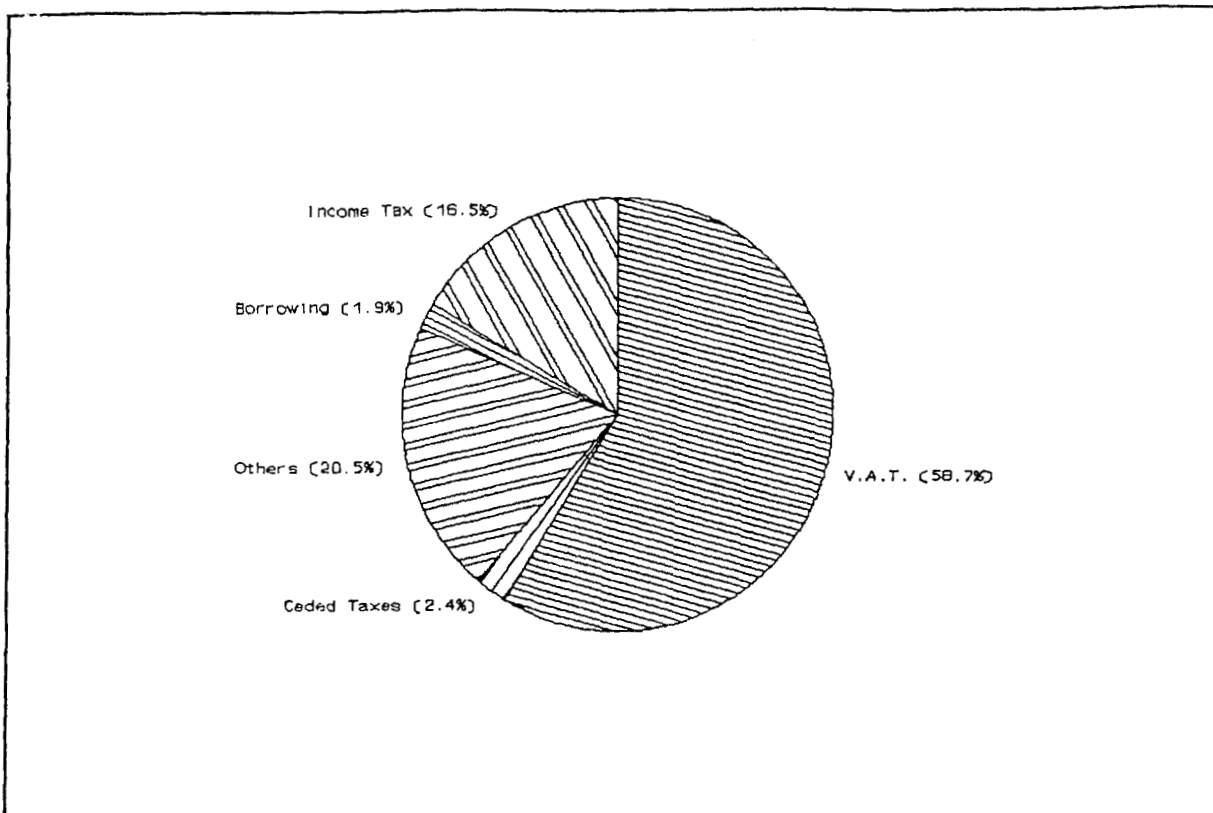
Financial Resources



Regional Finance (Walloon)

- | | |
|--|---|
| <p>Regional Taxes</p>
<p>Ceded Taxes
(Regional unless
stated otherwise)</p> | <p>- Environmental Taxes</p>
<p>- Gambling and betting tax
Tax on gambling machines
Tax on licensed premises
Inheritance tax
Real estate tax
Property sales tax
Road tax
T.V. & Radio licences (Communities)</p> |
|--|---|

An optional regional surcharge may be added to these taxes.



Community Finance (French)

Block Funds - Income tax (Regions and Communities)
 (shared taxes) V.A.T. (Communities only)

A basic equalisation mechanism (included in the income tax share) works between Regions and the Federation dependent on their tax base. The Communities have no such scheme as their V.A.T. share is awarded per capita.

Specific Funds - Minimal specific funds for employment programmes.

Commentary

The development of the Belgian regional system is rooted in the language divisions that divide the country. As a unitary state, Belgium was always an unlikely entity, straddling the ancient language divide of Europe as it does. For centuries, the romance and germanic languages have met along a border which dissects modern Belgium. When the Belgian state was established in 1830, principally by French speakers in Brussels, this cultural

fact was ignored and a unitary state was established. The language divisions within the country were further exacerbated by the addition of several German speaking areas after the first world war. From this period onwards, existing tensions within the country steadily intensified. First, the extension of suffrage gave the majority Flemish control over the national parliament, which they used to end discrimination against their language and establish a language border in 1963. However, the Walloons (French speakers of the south) now felt their economic interests were being ignored by the Flemish. Wallonia, as one of the first areas of Europe to industrialise, faced serious economic problems by the 1960's. Flanders, in contrast had been largely agricultural until much later allowing it to expand into newer industries, less susceptible to the recessions of the 1970's and 80's (Thomas, 1990). Quite naturally, the Flemish are very liberal in economic views while the Walloons traditionally favour left-wing proto-Keynesian policies.

The result of these problems were the riots and disturbances of the 1970's. Some predicted a very dark future for Belgium but happily these doomsday predictions were wrong. That they proved inaccurate is due largely to the innovative and complex system of regionalism that now exists in the country.

There are a few important points that should be noted in relation to the Belgian conundrum. Firstly, the vast majority of Belgians (of all cultural groups) do not favour the independence of their region. There is a widespread (and justifiable) view that small "independent" states of Wallonia and Flanders would be vulnerable to domination by France and the Netherlands respectively. The Belgian regions have thus more to lose by splitting entirely, than they have to gain. Secondly, the devolutionist aspirations of the individual regions differ markedly. Despite their majority in the Belgian parliament, the Flemish continue to fear language domination, due to the strength of the French language as a whole. The Flemish complaint has thus been based on cultural issues. The Walloons, despite their minority status do not fear language discrimination but instead call for economic policies in their region which differ fundamental_{ly} from those expressed by the Flemish. Their claims were thus based on economic matters. Finally, the German speakers wished a degree of control over their own affairs, principally in cultural matters. The claims from all three language groups prompted one Belgian Prime Minister to describe Belgium as "a happy country composed of three oppressed minorities" (Swan, 1988). To answer

these varied wishes and the problem of Brussels a unique system of dual regionalism was devised.

The three Regions and three Communities comprise, with the federal level, the highest level of government in Belgium. Unique to the Belgian federation, the regional units are not contiguous and in some cases have authority over overlapping territories. This occurs because the Communities and Regions are responsible for different areas of policy and in theory at least their constituencies are different. Regions are territorially based authorities while the Community represents the individuals who are part of it. At least in legal terms neither unit is superior to the other. The Communities were established/1970 to implement the policy of "cultural autonomy" (Alen A & Ergec R, 1990, p10) mostly to appease the Flemish majorities' fears. The concept of "cultural autonomy" was subsequently extended to "community autonomy" as these units became responsible for "personalised" issues. Broadly speaking this comprises large areas of social policy such as Health and Education as well as more "minor" policies, such as sport and heritage.

The Flemish speakers, French speakers and German speakers make up these three Communities. In practice the two largest Communities cover Flanders and Wallonia respectively. Brussels is divided between the French and Flemish while the German Community covers a small area in the east of the Walloon region.[†]

The regions, also established in 1970, were introduced mainly to satisfy the interests of the Walloon minority. The Walloons (though not the French speakers of Brussels) feared the policies of the majority Flemish government discriminated against their traditional industries and wished to pursue their own strategy. To satisfy this demand, the Regions were assigned authority over large areas of economic policy, though not monetary and fiscal matters. The distinction between Community and Region has lessened over time. Flanders and the Flemish Community have amalgamated and French Community and Walloon Regional Councillors, are the same individuals (delegates from Brussels sitting in the French Council).

There can be little doubt that the regional structure in Belgium has achieved its immediate aim. The fact that there still is a Belgium is evidence of this. There are enough links between the various Belgian peoples (the royal family, a common social security system and the football team to name but

[†] A good map of this structure is included in Delmartino's chapter.

three) to ensure that the state will continue. The regions, in turn, have given a feeling of security to the "oppressed minorities" that allows the frustrations that threatened the peaceful co-existence of the people in this area of Europe to be vented through the decentralised structure. There is certainly a feeling among some Belgians that they avoided a potential Bosnia. For this, the new state structure must take credit. However, the ability of the regions to actually deliver policies different from the previous unitary state is not quite as clear.

The Walloons hoped that the creation of the economic regions would allow them to address their economic difficulties more effectively. In practice, the Socialist dominated Walloon region finally abandoned its policies of state intervention in 1985. These had been followed contrary to the national government's wishes. The national centre-right government was certainly the winner in this battle. However, was the failure of Wallonia's proto-Keynesian policy due to the policy itself or the regional structure it operated within? Covell has argued that the latter certainly played a part. Her view has been that the type of economic devolution granted to the Regions meant the Regional government was always unlikely to succeed in operating such a markedly different policy from the centre. This was due to a lack of financial resources which prohibited a co-ordinated policy on any workable scale, combined with the fragmentation of control between the Regional and national levels (Covell, M, 1986, p274). Since then, the economic policy pursued by the Regions and the Federal level has been strikingly similar. This trend is something Covell has also noted in the Canadian federal system. Since her study in 1986, the final two phases of Belgian federalisation have been completed and wider economic powers (notably in the major "national" sectors originally reserved by the centre) are now available to the regions. Whether this now makes them capable of pursuing a policy contrary to the national one, is a moot point but as the regional tier collectively accounts for around half of total government expenditure (excluding loan repayments etc.) such a case could be argued.

The by word of Belgian federalism is co-operation. More than any other regionalised state, the regional tiers must negotiate with the federal level and vice versa (Deelen, 1994). This is due principally to the equal status of laws passed by the different tiers of government and the impossibility of dividing competences between regions so they do not overlap. One example in Belgium, is the continuing role of the national level in regulating immigration.

Although this field would seem to be of no interest to the regions, the fact that Community competences include the integration of such people into Belgian society, means they will foot a proportion of the bill caused by the national decision. The importance of co-operation is emphasised in the situation as regards the European Union.

When the Council of Ministers meets, the Belgian delegation is likely to consist of representatives of more than one level. When a policy area is exclusively regional, the delegation will comprise regional representatives only, with the chief delegate alternating. If the issue under discussion is shared between levels, the Regional/Community ministers will sit with the Federal minister. In these cases, the chief delegate will depend on role each level plays. If the Federal government takes the primary role (eg. transport) then this minister will take the position. Importantly, despite these musical chairs, the position presented, will still be "Belgian", agreed by the ministers in advance. Again, the Belgian system although allowing strong regional influence forces co-operation on the parties concerned. The result of this reliance could be a lack of accountability to the regional electorate. This prospect is examined in more detail below, in relation to Germany.

I.2 FRANCE

Geographic Information

No.	-	22 Régions	
		(including Corsica)	
Population	-	Average	2.35 Million
		Smallest	0.74 Million (Corsica)
		Largest	10.66 Million (Ile de France)
Size	-	Average	24,000 km ²
		Smallest	8,280 km ² (Alsace)
		Largest	45,348 km ² (Rhone-Alpes)

Structure

Deliberative Bodies

Two Chambers. One directly elected primary chamber of between 31 and 197 seats. This chamber is styled the "Regional Council" except in Corsica where it is given the title of "Assembly". A second, Economic and Social Chamber, acts in an advisory capacity, in tandem with the directly elected assembly. This is appointed from trade union, professional and employer organisations.

Executive

Officially, the President elected from the Council, is the only executive. In practice, the bureau of the President, consisting of a number of councillors acts as a Regional "cabinet". The vice-presidents of this bureau are allocated specific responsibilities.

Status

Created under ordinary statute. No constitutional protection. The region is a form of local government.

Inter-Governmental Relations

Local Government

Regional government is not superior to other forms of local government. It has no involvement in their structure, supervision or finance. Although the regions are not superior, regional policy in land use and economic planning will restrict *Département* options. Financial support for *Départemental* projects may be withheld if the regional priorities are not addressed.

Central Govt.

Central government does not exercise an *a priori* tutelle. Restrictions on regional policy are limited to breaches of law. These can delay the implementation of a regional decision but the final arbiter is the administrative

court. The Regional Prefect remains the national representative in the region. They operate the post facto tutelle as well as running most deconcentrated state services.

National Policy Involvement

Regions have no official input into national policy

Regional Institutions

Civil Service - Regional officers belong to the "territorial service". This service covers all those civil servants working for local government. Members of the territorial service may transfer to the state service and vice-versa.

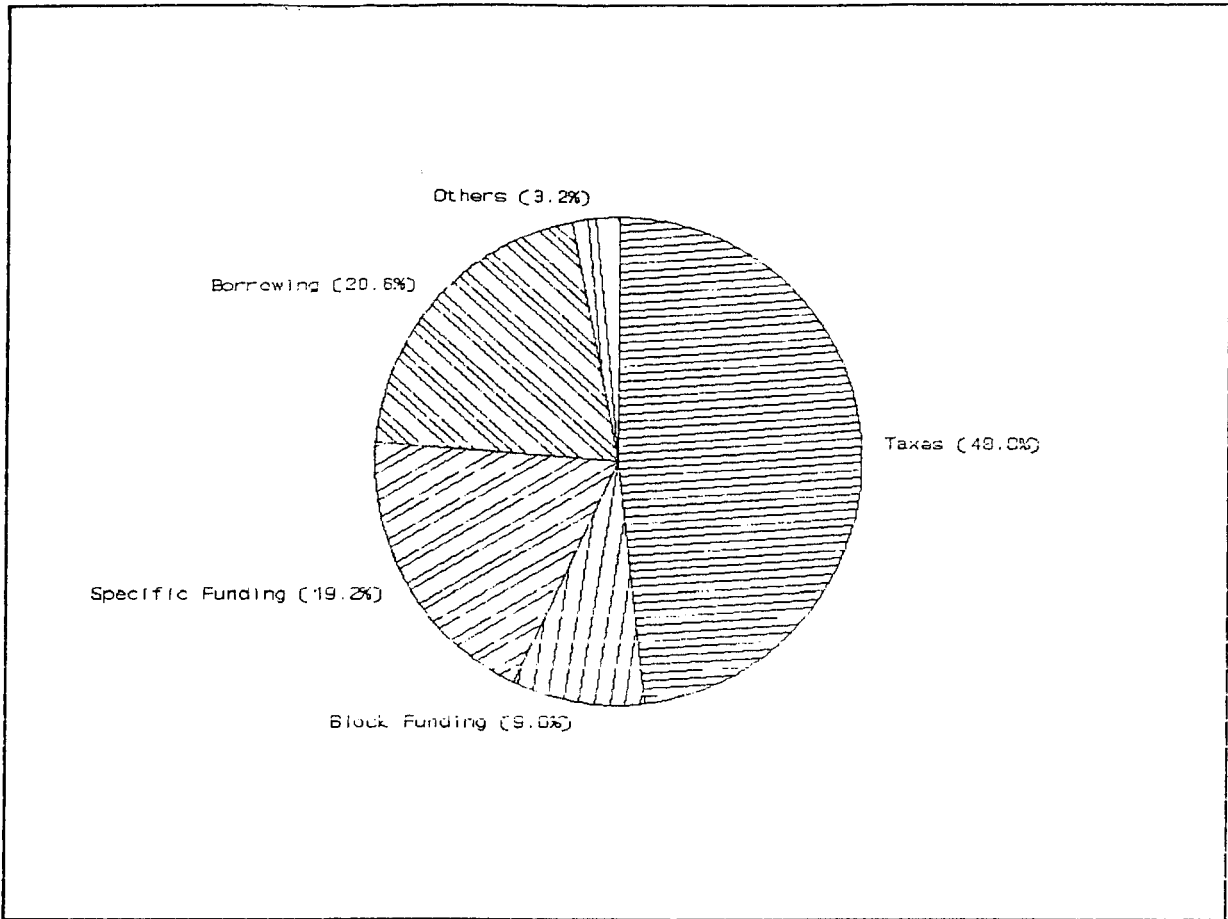
Functional Powers

Regions have no legislative power but may direct policy (within varying constraints) on the following matters. Few regional functions are carried out without the involvement of other tiers of authority.

Economic	Social	Culture & Education
Regional economic plan	Spatial planning (approval of local plans)	Secondary education infrastructure
Economic aid	Regional parks	Professional education
Regional railways		Universities
Regional transport schemes		
Regional airports		
Inland waterways		
Research		
Tourism		

Regions also possess a general competence to act, unless another level of government has exclusive competence. The broad interpretation of this

concept has allowed Regions to operate in areas not originally envisaged by the central state. The state has recognised some of these activities in statute (e.g. universities).



French Regional Revenue (1992)

Financial Resources

Regional Taxes - Car registration fee
 Property tax
 Land tax
 Business tax
 Residence tax

Regional Surcharges - House sale registration tax
 Driving Licences

Borrowing - No borrowing restrictions except on loans above certain level (outlined in national statute)

- Block Funds - V.A.T. reimbursement (for tax incurred by regional authority)
Grant for cost of decentralised services (index linked)
- Specific Funds - Professional education Grant
Educational infrastructure grant

Commentary

The development of regionalism in France has a long and tortured history. Since the revolution, the concept of a decentralised France has been debated between those of the Jacobin (centralist) and Girondin (decentralised) but it is only in the last fifteen years that the latter view has prevailed. Nevertheless, during this brief period the pace of change has been quite remarkable, considering the traditional opposition to such concepts amongst the French elites.

Since the formation of the French state in the sixteenth century, its rulers have wished for a high degree of control over the area within their realm. This applied as much to the *ancien regime* as it did to the republican era. The only difference was that the latter were immeasurably more successful. The highly centralised state envisaged by the Jacobins, was further enhanced by Napoleon who created the Prefectural system, much copied by centralist regimes in other countries. This handed the administration of local affairs handed over to an official, appointed by Paris, who presided over an artificial construct, (the *Département*). This had as little in common with the previous loyalties of the populace as possible. In France, the legend suggests that boundaries were drawn on the principle that the Prefect should be able to ride from his seat of administration to the *Départemental* boundary and back in a single day (though in some areas, one suspects his horse would have died of exhaustion).

The highly centralised structure of sub-national government in France continued relatively unchanged for the best part of two centuries. This had much to do with the success of the national authorities in imposing their culture on the population of France (around half the population did not speak

French at the time of the revolution), a model again duplicated across the globe. Yet despite their best efforts, regional sentiments remained, most notably in Corsica, Breton and the regions of Occitania. By the turn of the century movements defending regional culture and languages were achieving greater popularity (Beer, 1980).

It was economic changes in the 1960's that laid the foundations for the subsequent reforms. Regional leaders began to organise into lobbying bodies incorporating businessmen, trade unionists, politicians and other representatives. In response to this, the government created centrally appointed advisory bodies (C.O.D.E.R.), primarily as a method of controlling these "forces vivres" movement (Keating, 1983). This was followed in 1972, by indirectly appointed Regional Councils in 1972 and a Regional Prefect to administer certain functions now handled regionally. Most notably the new Regional Prefect completed the regional portion of the national plan. In all cases, the "democratic" element in the regions acted only in an advisory capacity.

The growth of regional movements throughout France and the worsening violence in Corsica encouraged the left to incorporate democratic regions as part of their programme for government. The lack of control over the existing regional bodies and the feeling that their economic planning had been incompetent led to widespread support for their democratisation. By creating the regions, the central government had recognised that such a level should exist but they had no plausible excuse for the lack of regional accountability. When these regional bodies encouraged economic developments opposed by the local populace (such as the commercialisation of areas of the Mediterranean coast) the resentment and perceived need for democratic control was increased (Keating & Hainsworth, 1983). The insensitivity of the central government to certain regional issues also helped the mood for reform (eg. closing the Corsican rail network). Indeed Boisvert has suggested that such blunders committed by the centre are inevitable in a centralised regime today, leading inexorably to calls for greater local and regional autonomy (Boisvert, 1988). The left capitalised on these views and incorporated many regional movements into the new P.S.. The success of this new party in 1981 ensured that France's history of centralised government would change.

The plans of the French Socialists encompassed a broad programme of decentralisation the most radical of which was the creation of a tier of democratic regions with special status for Corsica. At the heart of the project

was the creation of democratic Regional Councils as the representative bodies of the region. This body would gain control over areas of government previously handled nationally or by national appointees and not by local governments. The sectors transferred to the regions (and to local governments) were intended to be self standing "sectors" or easily definable areas of them. For instance, education was to be divided between all levels. The maintenance and construction of schools was to be handled by local governments, while the national tier was responsible for curriculum, staff salaries and universities. Within local government Communes were given control of primary, *Départements*, secondary and Regions, *lycées*. However, although this division was relatively straightforward in education, in other areas the divisions proved more difficult to define.

In parallel with these reforms, the role of the prefect changed drastically. Firstly, the concept of the *tutelle* was removed from all levels of local government. This had previously given the Prefect the ability to veto local decisions on policy grounds. In the Region, the Prefect was replaced by the elected Regional President (of the Council) as the executive body. The Regional Prefects' new role was to head the nationally run services in the Region and act as a post-facto constitutional watchdog over the decisions of the Council and its organs.

Implementation of this reform was remarkably swift, considering its controversial and radical nature, but this was a deliberate policy of the programme's architect, Gaston Defferre. He reasoned that the formidable opponents to the reforms should not be given time to re-group after their defeat in the general election. Furthermore, there were enough opponents within his own ranks to cause trouble, should the opportunity arise. Most opposition came from the "notables". These political magnates hold power through the *cumul des mandats* system used in the French Republic. This allows one person to simultaneously hold several senior elected posts from local to European level. These powerful individuals could lose power in any decentralisation package especially if the *Département* (their power base) lost out to the new Regions. Their influence originated from their ability to fight for local issues in the national arena. If the local/regional councils could achieve this, their influence would diminish. To buy off the bulk of these opponents, the reform of the *cumul* system was watered down (Schmidt, 1990).

Many other areas of the policy saw compromises and the final legislation left many regionalist disappointed with the outcome (Kofman, 1985). This was

nevertheless, the best Defferre felt he could achieve. Further criticisms surrounded some of the technical aspects of the laws. Their speedy passage saw minor flaws enshrined in the law as well as controversy over the exact division of powers. Again, Defferre had realised this and specifically made the laws vague and a mere framework, which could be altered later. The important issue for Defferre was to pass the basic legislation to set up the regions (the most controversial part of his proposals). In this he succeeded where countless previous attempts had failed.

Ironically, the actual establishment of the Regional Councils took until 1985 as the Socialists kept delaying the election date. This was primarily because their mid-term unpopularity was likely lead to a poor result in the regional elections. In fact it was disastrous, with only two of the twenty one mainland regions returning P.S. majorities. The previously vociferous opponents of the regional reforms now claimed they were being implemented too slowly. The only significant regional reform the right actually introduced, when they returned to power, was to give the *Commissaires de la Republic* (the Socialists' new title for Prefect) their old title back (Keating, 1983).

In practice, the operation of French Regions has differed somewhat from original intentions. The major economic rationale for the region had been their involvement in the national economic planning. The abandonment of this programme was potentially a serious problem for the new regions. In fact, it merely led to a shift of emphasis, away from direct investment and towards encouragement of public/private infrastructural projects, the encouragement of inward investment and loan guarantees for the improvement of businesses. The ability of the regions to undertake this role, relies largely on their independence of finance. Since around 80% of regional funds are free to be spent according to regional priorities this is not a problem. However, as regions account for less than 2% of government spending, their financial muscle is limited to say the least. This means the regions must fulfil a co-ordinating role, using state and local government finance as well as private enterprise to ensure the development of the region. One example of this lies in their role in constructing regional transport networks, based largely around the networks of S.N.C.F., which the regions have authority over (with the exception of trunk routes). The region has given a natural focus for the development of local infrastructures beyond the *Départemental* level, yet without needing national organisation. This latter example is indicative of the regions' role in France. As Michel Rocard said in 1982;

"Dans la domaine économique, la région exerce, en principe une fonction de pilote" (Le Monde, 1982)

Overall, the regions are widely regarded as a success in France, despite their financial irrelevance. Opinion polls suggest that most French wish the regions to exercise more power and regard them as the government of the future (Brehler, 1992). Why have French regions received this popularity? Firstly, their role in education is perceived as a success, almost without exception. Despite inheriting a neglected education infrastructure in danger of collapse under increasing student numbers, the regions were able to revitalise it through innovative investment and tax rises. In the latter case the population of most regional electorates, whatever their political complexion were willing to accept such increases, as long as they were for the educational structure. The obvious link between the regions and the maintenance of the *lycées* may have helped this process. Further success has been seen in their apparent thrift. With the exception of their much criticised investment in new assembly buildings, (ironically, to increase their profile) the regions have been efficient in their use of public funds. Bureaucracies are small and direct running of projects is rare. Instead, regional initiatives are commonly undertaken through joint boards, chaired by the regional representatives but representing local government and private business.

I.3 GERMANY

Geographic Information

No.	-	16 Länder
Population	-	Average 4.9 Million
		Lowest 0.7 Million (Bremen)
		Highest 16.7 Million (N. Rhine-Westphalia)
Size	-	Average 22.312 km ²
		Smallest 404 km ² (Bremen)
		Largest 70.552 km ² (Bavaria)

Structure

Deliberative Bodies

Each *Länder* is free to decide on its own system of parliamentary government, as outlined in their constitution. In practice, all opted for a single chamber assembly, with the exception of Bavaria which has a bi-cameral system.

Executive

This is also outlined in the respective regional constitutions, but cabinets generally comprise between nine and fifteen ministers. The cabinet is directly responsible to the regional parliament.

Status

As part of a federal system, the *Länder* are part of the highest tier of government. This equality is partly theoretical, however, as the principle of *Bundesrecht bricht Landesrecht* underpins the constitution (Federal law overrides Land law). The distribution of powers is intended to keep such conflicts to a minimum.

Inter-Governmental Relations

Local Government

Local government is entirely under the control of regional government. For this reason its structure varies extensively between *Länder*. National governments' involvement in Local government affairs is severely restricted.

Central Government

There is no institutionalised central government control over regional government.

National Policy Involvement

The second chamber of the German parliament (*Bundesrat*) is appointed entirely by the regional governments. This body plays an important role in German policy making, including a veto over statutes affecting *Länder* rights.

Regional Institutions

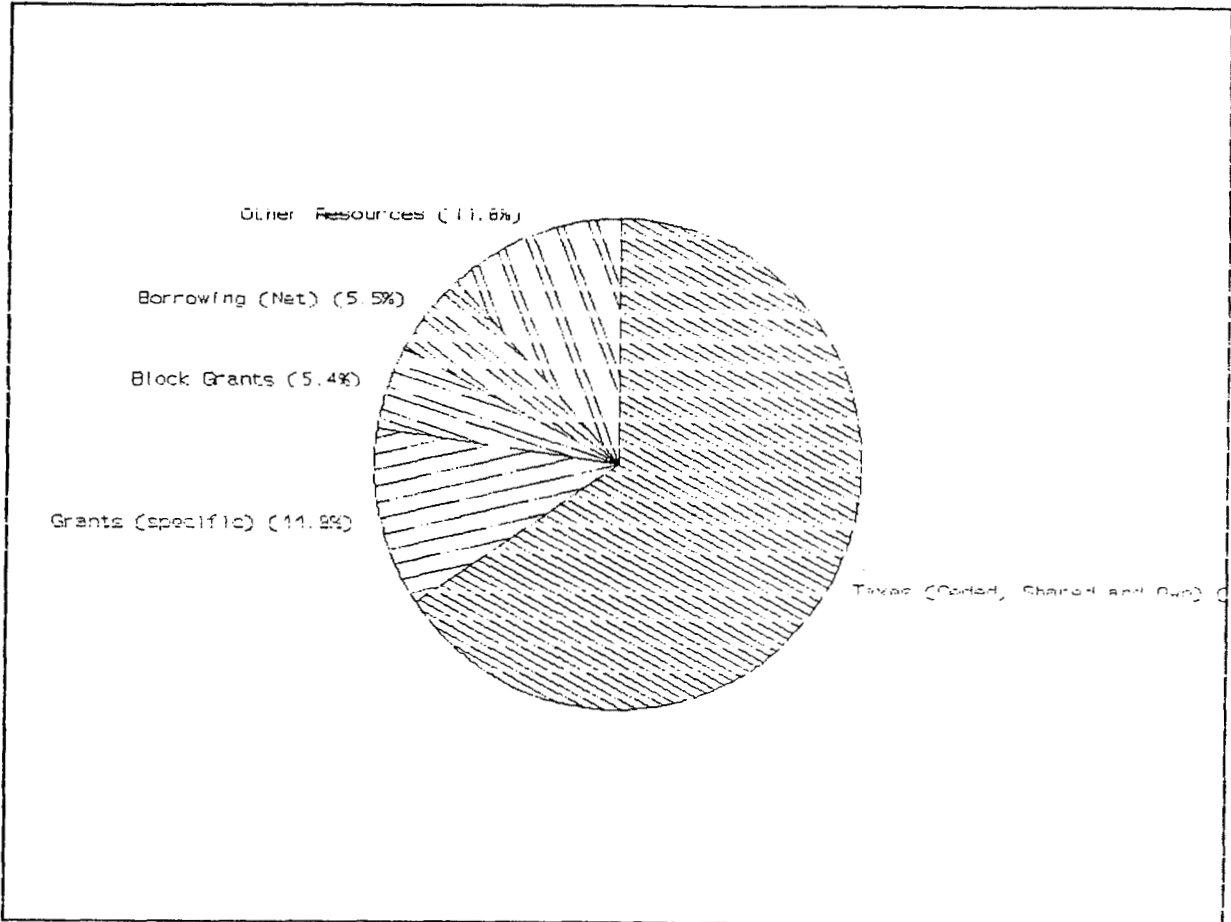
- Regional Banks - Each *Länder* has a regional bank. Representatives of each sit on the board of the *Bundesbank*.
- Regional Civil Service - Each region operates its own civil service.
- Government Offices - The role of government representatives in Germany is merely to act as a conduit between the national and regional levels. There are no national field services, with the exception of the Post Office and the Deutsche Bahn.
- Police - Each region possesses an independent police force (Bavaria also controls its own border police). There is no national force.
- Legal System - The extensive nature of regional competences ensures differences of legal regime between regions.
- Legal Structure - The court structure is entirely regionalised, with a final tier of appeal and constitutional courts operating at the federal level.

Powers

Unlike other regional systems, there is no definitive list of regional functions. The constitution gives regions powers, not specifically allocated to the federation (the famous subsidiarity clause). In practice this means police, education, cultural affairs and local government are exclusive regional

competences. In all other areas, the *Länder* are responsible for the administration of national policy (only limited by legal restrictions). In most areas of domestic policy therefore a culture of co-operation is necessary.

Financial Resources



German Regional Finance (1991)

- Regional taxes - Local government taxes which accrue to the city states only.
- Ceded taxes - Property tax
Inheritance tax
Vehicle tax
Beer tax
- Shared taxes - Income tax (50%)
Corporation tax (50%)
V.A.T. (35%)

Professional tax (7.5%)
Funds for Eastern *Länder*

- Specific funds - Restricted funds for capital investment
Grants for infra-structural improvement in Eastern
Länder
- Borrowing - There are no national restrictions on regional
borrowing

Commentary

The present German structure dates from the post-war constitution of 1948, however German regionalism has a much longer history. Since its inception in 1864 and with the exception of the period 1933 to 1948, Germany has always operated a regionalised structure. Nevertheless, the constitution of 1948 saw many differences on those that had gone before. Primary amongst these differences was the dismemberment of Prussia into several smaller states and the creation of regional units with limited regional identities. The exceptions to this were Bremen, Hamburg and Bavaria. Surprisingly, the creation of these artificial regions led to a wide discrepancy in size and population. The constitution did give mechanisms for the reform of the territorial divisions, but apart from a few minor adjustments the boundaries have remained constant. The constitutional amendment of 1976 which removed the *Bund's* duty to initiate reform of *Länder* boundaries in the light of economic realities and replaced it with a voluntary ability to do so effectively removed the issue from the political agenda. It is now almost inconceivable that the regional boundaries will be reformed.

The permanence of the present state of affairs is quite remarkable in considering the situation in the 1950s. Opinion polls in this period found a distinct lack of support for the federal states (Cole, 1975). However, since this time, popular support has risen steadily and the present system has become firmly established in the minds of the electorate.

The allies' purpose in encouraging the new German structure was to divide sovereignty between centre and region to ensure no single government could accumulate enough power to repeat the events of 1933. This American concept was not entirely forced upon the German delegation at the London

conference and in most areas, the Basic Law reflected the preferences of the regional presidents themselves (Johnson, 1990).

In fact the German federal system has not led to a clean division of legislative authority between levels. As with all other attempts at federalism, the overlapping of functions has led to the blurring of the boundaries between regional and national authority. In Germany, the position is exacerbated by the question of "concurrent powers". These extensive powers, listed under Article 74 of the Basic Law allow the *Länder* to legislate until the *Bund* exercises its right to do so. However, the German constitutional court has been unwilling to involve itself in this area, instead seeing this as a political decision. Furthermore, once the *Bund* has "occupied the field" the *Länder* are excluded from further participation (Blair, 1981). This leaves regional legislative powers primarily in the areas of education, police and local government.

The weak legislative position of German regions is often overlooked and is often assumed that their impressive status comes from this source. As we have seen, however, this is not the case. Regional power in Germany is based upon two other areas of authority. Firstly, the extensive executive power afforded to the *Länder* and secondly their authority in the *Bundesrat* or German Senate.

Under German constitutional law, the national government is forbidden from operating field services in all but a few specific areas, namely:

- Foreign affairs
- Federal finance administration
- Federal Railways
- Federal Post Office
- Armed Forces (Article 87, Basic Law)

In all other areas, the *Länder* exercise executive authority. The ability of the national government to supervise this authority is limited by constitutional restrictions. In most cases, the supervisory provisions must be made by law and receive the consent of the *Bundesrat*. In practice therefore, the regions must collectively agree to them. In most areas, the federal statute lays out the policy (often after *Bundesrat* approval) which the regions must then implement according to law. The methods of implementation are left to the regional executives.

Executive autonomy, could be a very weak freedom for the German regions were it not for their protection through the *Bundesrat*. This body, comprising representatives of the German *Länder* has taken on an importance perhaps not envisaged by the framers of the Basic Law. Under this, the *Bundesrat* must give its consent to laws which effect the interests or duties of the regions. The *Länder* interpreted the concept of interest broadly. In a series of cases, the Federal Constitutional Court gave its blessing to this approach and thus ensured a *Länder* veto over many areas of policy. It has been this power that has allowed the regions to retain power in the face of many centralising processes (Blair, 1981, p71).

One further aspect of this veto power has been the entrenchment of co-operative federalism. This sees decisions taken increasingly by *Länder* acting collectively and presenting a "position" to the *Bund*, as the basis for negotiations. This means regional opinions are likely to get compromised in the "national" *Länder* position, leading to a reduction in regional autonomy, and an increase in the power of regional elites. This problem has been raised by Bulmer who notes the lack of accountability caused by this increase in co-operative procedures (Bulmer, 1990). More famously, Scharpf's discussion of this trend pointed to the inefficiency and continued operation of joint co-operative bodies even when task has been completed as the administrative mechanisms had become entrenched. Perhaps most worrying of all, the *Länder* parliaments have become increasingly irrelevant to these inter-executive discussions, often being placed with a *fait accompli* (Scharpf, 1992).

Despite Germany's federal nature and its obvious differences with the U.K., some of its experiences are relevant to the debate in England. Regional devolution has brought new problems of accountability and democracy. These are not insurmountable, but must be recognised if a successful structure is to be achieved. Any system which involves more than one level of government (and this includes the U.K. today) will by definition involve inter-level bargaining. The important point is to accept this and ensure parliamentary/council involvement in the process and perhaps most importantly, openness. It is the lack of these mechanisms which have led to the democratic difficulties facing Germany today. Nevertheless, one should not get carried away in criticism of the German structure. It is popular and seems to have delivered an economic miracle. The power of regional governments to address regional issues is substantial and in contrast with France or Italy has apparently made a difference.

I.4 ITALY

Geographic Information

No.	-	20 regioni (15 ordinary regions) (5 special regions)		
Population	-	Average	2,887,381	
		Lowest	115,996	Valle d'Aosta
		Highest	5,853,902	Campania
Size	-	Average	15,063 km ²	
		Smallest	3,262 km ²	
		Largest	25,708 km ²	

Structure

Deliberative Bodies

A single regional council (of between 30 to 80 members) is the legislative body of the region.

Executive

A *Giunta* is elected from the regional council in each region. Sizes are outlined in the regional statutes according to population.

Status

Italian regions are inferior to the national level, but the regions do enjoy a degree of constitutional protection. Special Regions each have an individual constitutionally protected, statute which outlines their powers and operation. Ordinary regions also have separate constitutional documents, although their powers are identical and their constitutions are founded in ordinary law.

Inter-Governmental Relations

Local Government

All local government (provincial and communal) comes under the supervision of the regional authorities through the Regional Control Commission. This comprises experts appointed by the regional council. As the commission only assesses the legality of acts, the members are predominantly jurists and civil servants.

Central Government

Central government no longer operates an *a priori* tutelle over the Italian regions. Instead, the state appointed regional commissioner may ask a regional council to reconsider a proposal. The commissioner may then submit such a proposal to the constitutional court, should he or she still feel it is illegal. If it raises a potential conflict of interest (with another region or the central government) it may be submitted to parliament but this process has never been used.

Influence on National Policy

Although the second chamber of the Italian Parliament was intended to represent territorial cleavages, its direct election makes it part of the national political scheme and of little importance to the regions. Regional influence on national policy is instead directed through the Conference of Regional Presidents. This body is officially recognised by the government and is especially important when treaties or European legislation affecting the regions are under discussion.

More formalised links exist between the Presidents of the special regions and the central government. They have the right to speak in cabinet when issues of importance to their regions are discussed. The Sicilian President may even vote in such meetings. In practice, this privilege is rarely enforced. Other formal powers include the right of all regions to place bills before the national parliament. In practice, however, such approaches are rarely fruitful.

Regional Institutions

- Civil Service - A separate civil service operates in each of the twenty regions. Pay and conditions are set nationally but are not connected with the state civil service. Staff mobility between national and regional services is possible and managed centrally.
- Government Offices - A Regional Commissioner sits in each region. His main role is to oversee the operation of the regional authority and act as liaison between them and central government.
- Police - There are no regional police forces, but local police are under the authority of the region.
- Legal Structure - The legal structure is uniform throughout Italy, with the exception of Sicily, where a separate high court operates.

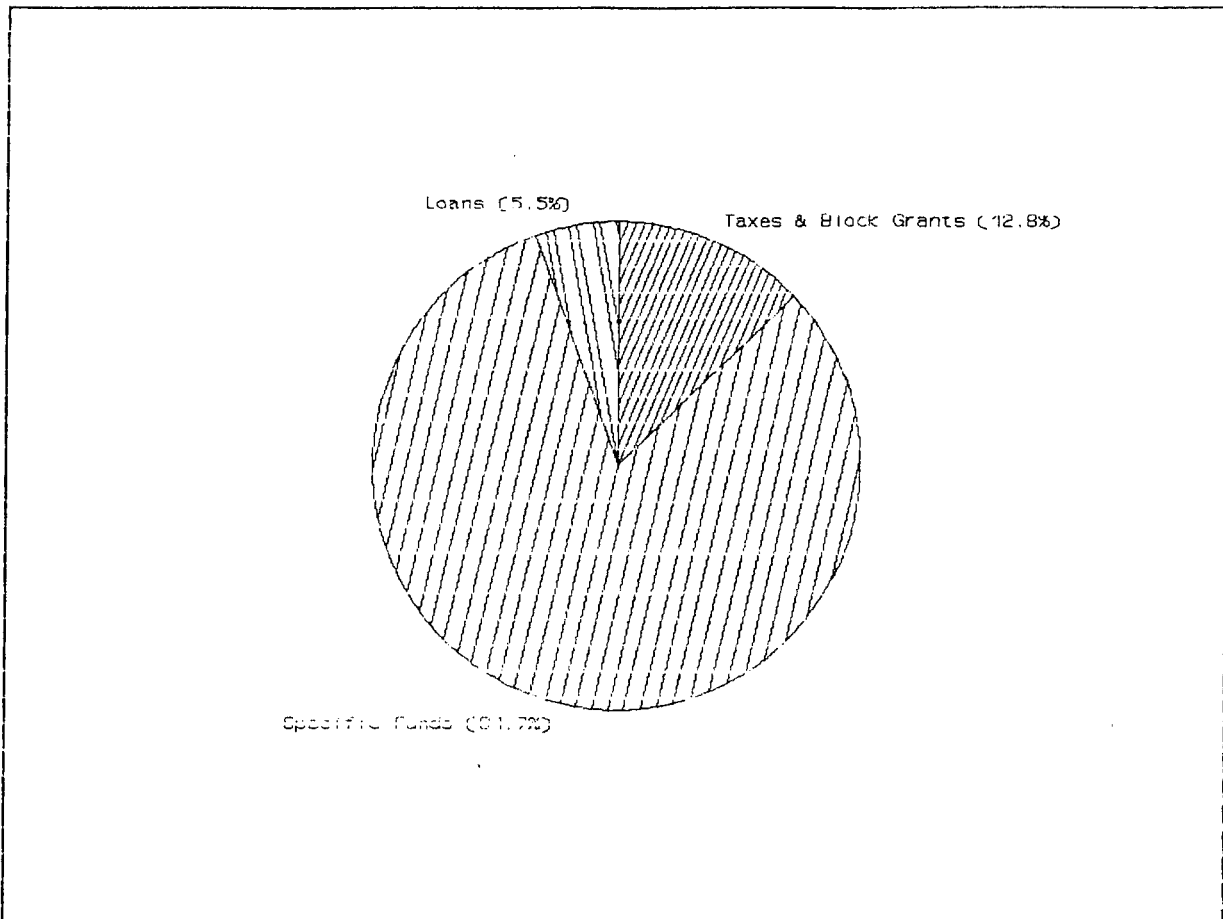
Powers

Economic	Social	Culture & Education
Economic planning	Health	Museums & Libraries
Employment	Spatial planning	Education (Sicily)
Public works	Environmental protection	Regional languages (special regions only)
Electricity	Social assistance	
Industry & commerce		
Agriculture		
Tourism		
Transport		

The ordinary regions enjoy no exclusive legislative authority. Instead they exercise "concurrent" powers which are limited by framework legislation passed at the national level. In addition, some legislation outside these areas is passed by the national parliament, to which the regions are empowered to

add their own specific amendments.

Special regions have exclusive legislative authority in all the areas listed above (with the exception of inland waterways and electricity). Constitutional wrangling has restricted the Special regions in the exercise of their authority.



Italian "Ordinary" Region Finance (1987)

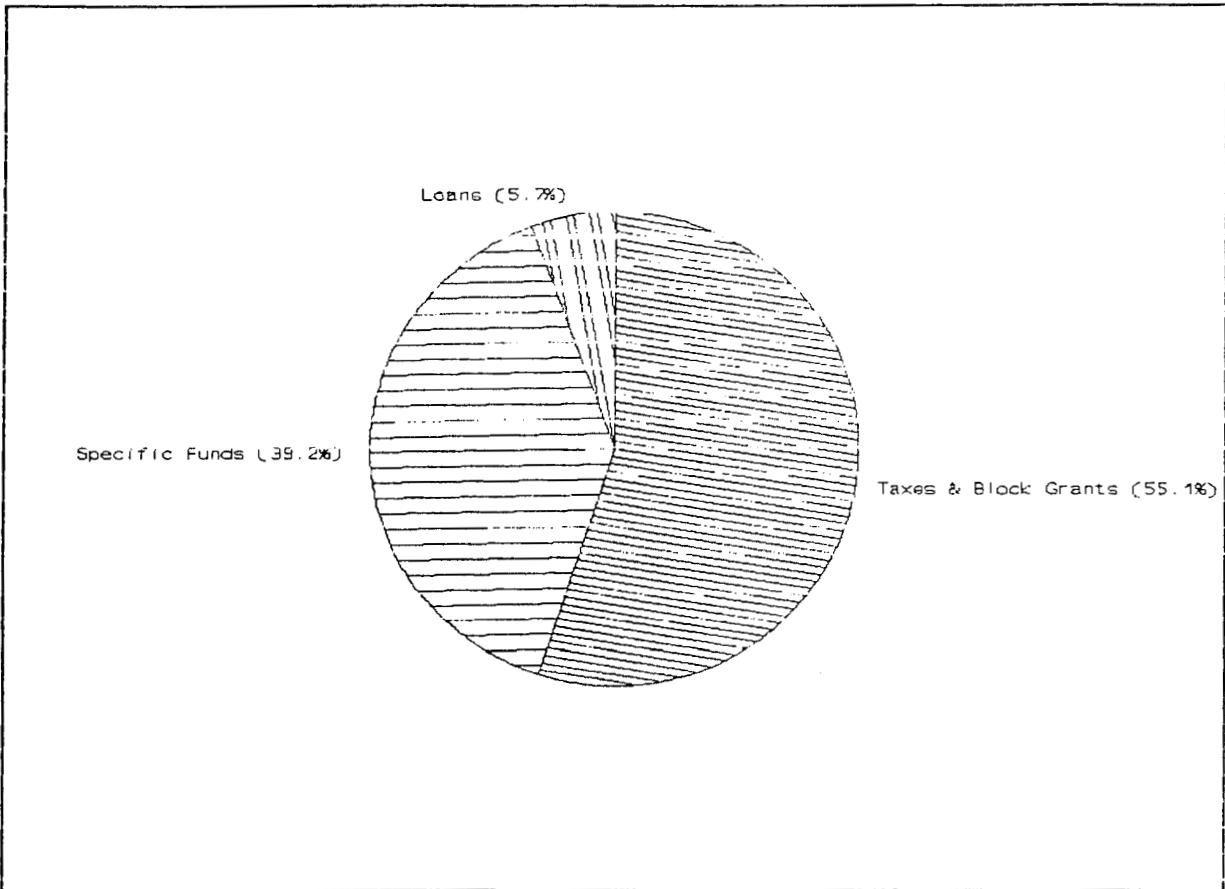
Financial Resources

Regional Taxes - Circulation tax (electricity & gas)

Ceded Taxes - Motor vehicle tax
Tax on state concessions
Tax of regional concessions
Tax on use of public land
Health service contributions

Block funds - Block grant from central government

Specific funds - Finance allocated to pay for specific services eg. transport and health.



Italian Special Region Finance (1987)

Commentary

The development of regional government in the Italian state dates from the establishment of the second republic, after World War Two. Prior to this, Italy had been ruled by a unitary structure based on the constitution of Piedmont. This was despite strong regional identities within the Italy, caused in part by its late establishment. It must not be forgotten that until 1870, Italy was nothing more than a geographical expression. The "unification" which was achieved at this date was really the expansion of Piedmontese power throughout the peninsular and those who favoured a federal or region structure for the new state were unsuccessful.

By 1945, attitudes had changed. It was generally accepted, as in Germany, that decentralisation would protect the fledgling republic from a repeat of 1921. An important part of this division of sovereignty was to be the institution of a regional level. In fact regional government was already

in existence in much of the country. The resistance, who were administering the country, organised themselves regionally. More seriously for the unitary state, peripheral areas such as Sicily and Sardinia were operating governments independently of Rome. The strength of regional identities in these areas meant some feared they would opt for secession.

In response to this situation, the new constitution allowed for the immediate establishment of "special regions" in those peripheral areas where regional identities were particularly strong. In 1948 individual statutes were negotiated between the Italian state and Sicily, Sardinia, Valle d'Aosta and Trentino-Alto Adige (although Sicily had already been granted a special statute in 1946). In 1963 Friuli Venezia Giulia was also granted special status and in 1971, Trentino-Alto Adige was divided into two autonomous provinces.[†] The two autonomous provinces undertake most regional responsibilities.

The wider development of regions throughout the country was not to occur until the 1970's. The delay was caused primarily by the opposition of those political parties in power to any dilution of their authority. During the negotiations for the post-war constitution, the Christian Democrats had championed the regional cause, while the left had been much more sceptical. However, the unexpected victory of the centre-right in the first elections changed their stance. Unwilling to decentralise power from the central institutions which they controlled, the government constantly postponed implementing the legislation necessary for the "ordinary regions" to become reality (Evans, 1977). Furthermore the success of the left in local elections made the right even less likely to devolve power to Communist controlled regions, in a "red belt" across the country. Unsurprisingly, the left's (and particularly the Communists') initial scepticism changed to support when they realised their exclusion at the national level had become entrenched but their power in individual regions remained very strong. By the 1970's the chance to exercise power at a regional level looked very enticing (Zariski, 1987, p105).

The stalemate was broken by the "opening to the left" of the 1960's. This brief experiment in consensus politics led to the long overdue establishment of "ordinary regions" in 1970, although the extensive reforms of seven years later changed their operation markedly. The decision to

[†] The German speaking Tyrolese argued, with some justification that the artificially constructed region (with an Italian majority) did not protect their interests and was being used to continue a policy of discrimination towards them.

establish a regional structure produced "Messianic" hopes amongst many Italians (Leonardi, Nanetti and Putnam, 1981, p103) but these were not to be fulfilled. Those arguing for regional government highlighted the need for decentralisation in an over centralised bureaucratic, the regional diversity within the country and the need for the democratisation of many services. In practice, the national government saw regionalisation having only one purpose, to democratise the planning process. This led to the granting of minimal regional authority in most areas and led one commentator to liken them to "giant municipalities", though endowed with legislative powers (Giannini, 1984). The lack of authority granted to regions was further affected by the failure of local government reform to accompany the regional legislation. This led to an inevitable overlapping of functions and rivalries between all levels of local government, looking to maximise their powers (Cassese and Torchia, 1992, p99).

The modern system of Italian regions was finally established in 1977. In this year, the Presidential 616 gave a large swathe of powers to the regions, allowing them, at least in theory, to undertake policy outwith the control of the centre. This differentiates them from the local government units which are not seen as units of policy making, but rather local administration. The areas granted to regions are listed above but the ability of regions to actually undertake policy in these areas is still open to debate. Ordinary Regions are subject to framework laws which can be very strict in the leeway they grant to the regional level. This has led to Sanantonio to conclude that the regions suffer from a distinct lack of autonomy. In the area of health he argues that the national ministry, through these framework powers, has actually "increased and regained" powers theoretically lost to regional or local levels (Sanantonio, 1987). This analysis would be supported by Hine who described Italian regionalisation as, "merely...the devolution of the administration of centrally-determined policies" (Hine, 1993).

The legislative restrictions of the Italian regions are compounded by their financial weakness. Although they account for around 20% of government expenditure, very little of this is free for regions to spend (Enael & Ginderachter, 1993). In 1987, nearly 82% of ordinary regional expenditure was allocated to specific areas by the central government. Although "special" regions were in a much better situation, relying on specified grants for only 39% of expenditure, voluntary nature of the hypothecated grants means regions must follow national policies or risk serious financial difficulties

(Cassese & Torchia, 1993). Much depends on the restrictions the centre places on these grants.[†]

The opposing view has been expressed by Leonardi, who has consistently argued that the Italian regions have been a dynamic force in Italian economics. His work on Emilia-Romagna argues that innovative regional policies in the spheres of economics and environment in particular have been responsible for the success of the region (Leonardi & Nanetti, 1991).

With such divergent opinions on the Italian regions it is difficult to come to any synthesis on their overall operation. There are nevertheless some comments that can be made. Firstly, few doubt that the Italian state has treated the regions as irritants rather than democratic partners. The state has attempted to limit the role of regions by several means, notably financial but also by bypassing them and granting powers to local authorities directly. This prima-facie support for local democracy obscures the centre's ulterior motive which recognises that local governments are less able to resist grants in aid pressures than are the regions. The result was tighter control of policy rather than decentralisation. The centre's attempts to restrict regional action has meant that regions have relied on ingenuity to achieve any policy autonomy. This has been aided by the powers devolved to the regions in 1977, which although believed to be irrelevant at the time, have turned out to be of vital importance, (notably professional education and spatial planning) (Cassese and Torchia, 1993; Leonardi, Nanetti & Putnam, 1981). Overall, any regional "success" has been achieved in spite of the central government not because of it.

I.5 PORTUGAL

Geographic Information

No.	-	2 Autonomous Regions
Population	-	Azores 236.709
		Madeira 253.045

[†] 1991 saw the reform of the Italian regional finance scheme. The new scheme grants Health Service contributions to the region. In practice this changes little except for ensuring more stable finance than when regions rely on government grants.

Size	-	Azores	2,334 km ²
		Madeira	759 km ²

Structure

Deliberative Bodies

Madeira possesses a single, directly elected, legislative council. The Azores has a bi-cameral system, with the second chamber representing individual islands. This advisory chamber (further powers can be delegated to it) is appointed by the island executives, although elected councillors may also attend as non-voting observers.

Executive

Officially, executive authority lies in the Minister of the Republic, a central government appointee. In practice, the Regional President, elected from the regional parliament undertakes this role. He or she appoints the regional cabinet and runs most executive functions.

Status

The Portuguese regions are guaranteed by the national constitution but remain inferior to the national level. Each possess a separate constitutional statute which cannot be altered without the consent of the individual regional government.

Inter-Governmental Relations

Local Government

Local government is supervised by the regional tier. Basic legislation on finance and organisation is dealt with nationally.

Central Government

There is no central government control, but the Minister of the Republic may

delay regional legislation. To overturn such a decision requires an overall majority of the regional assembly.

National Policy Influence

There is no institutionalised mechanism for the elected regional representatives to influence the national government. Nevertheless, the Ministers of the Republic are Cabinet Ministers and are expected to represent regional opinion and interests in Cabinet discussions.

Regional Institutions

Regional Civil Service - Each region has an independent civil service. Minimum conditions are regulated by national legislation and it is possible to transfer between state and regional services.

Government Offices - The Minister of the Republic operates as the governmental representative in the region and administers the few powers not allocated to the regional level.

Powers

Economic	Social	Culture & Education
Agriculture	Health	Education
Nationalised industries	Spatial planning	Regional culture
Monetary & foreign exchange policies	Environment	Museums & Libraries
Economic development	Social security	
Regional industries	Housing	
Transport		
Fisheries		
Mineral resources		
Employment		
Water		

The above list is not exclusive. Regional governments also have a general right to legislate on matters of regional interest. The above powers are

(among others) specifically mentioned in the regional statutes. The only restrictions on regional laws concern freedom of movement (except on health grounds), equality and workers' rights.

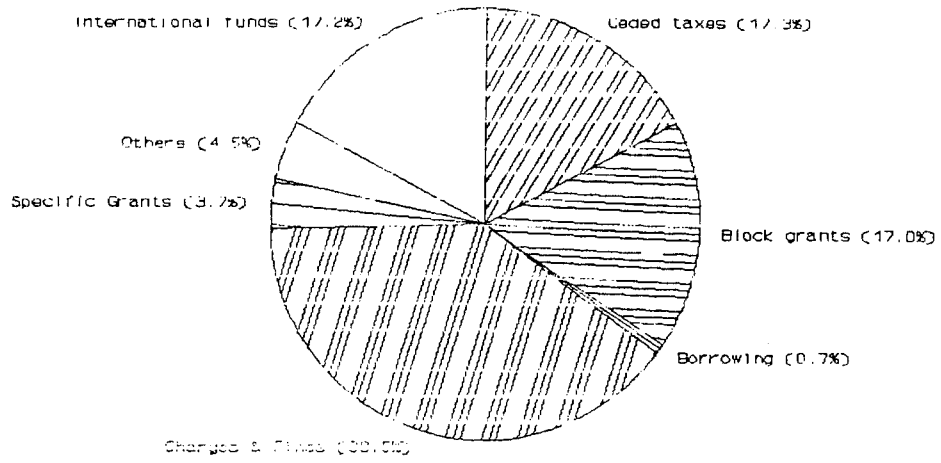
Financial Resources

- Ceded Taxes - Income tax
Stamp duty
V.A.T.
Tax on vehicle sales
Tobacco taxes
- Block funds - Block transfers from central government
- Borrowing - There are no borrowing restrictions on regions for domestic loans except that they may only be used for capital projects. International borrowing may be vetoed by the national parliament.
- Specific funds - Grants to cover the operation of national services in the regions.
- Others - Charges, fines and penalties.

Commentary

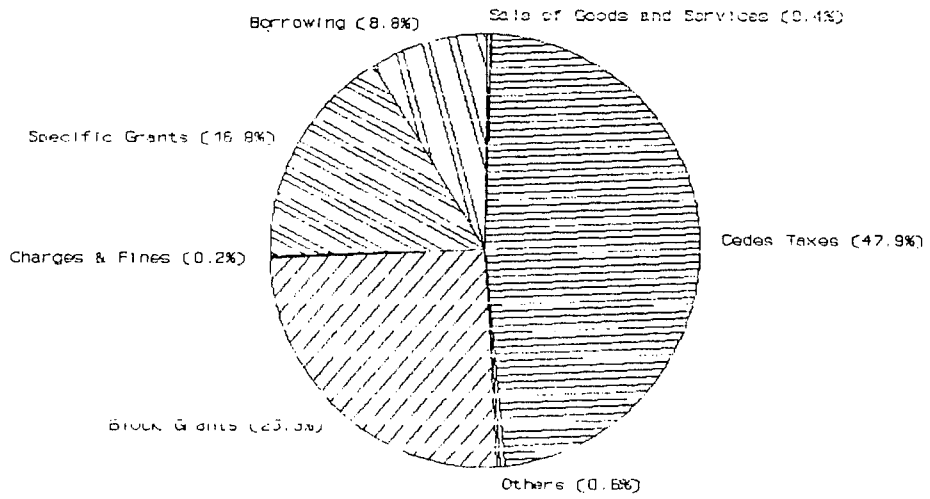
The Portuguese island regions are among the most independent in Europe. This results from their extreme isolation and the strong regionalist (and separatist) sentiments present amongst their populations. Despite their unusual geography, the region structure used to incorporate them into Portugal has two points of relevance to the U.K.. Despite the high autonomy granted to the archipelagos, the Portuguese mainland remains unitary. The fact that 5% of the Portuguese population have a completely different system of government to the rest does not cause a strain within the constitution as a whole (Scotland and Wales make up around 15% of the U.K.'s population). Secondly, the government appointed Minister for each island still represents the territories in cabinet, rather like the Secretary of State in the U.K.. That

Finance of Azores



Finance - Azores

Financing of Madeira



Finance - Madeira

the Minister has a role in a devolved structure is a precedent for the continuing role of a Secretary of State for Scotland or Wales, post devolution.

These points are obviously more relevant to Scotland and Wales than England. However, the mainland of Portugal is intended to be split into democratic regions according to the constitution, though this section has never been implemented. The recent election of the Socialists is unlikely to change this.

One final point of interest concerns taxation. Although some taxes vary on the islands (notably V.A.T.), the rates continues to be set in Lisbon.

I.6 SPAIN

Geographic Information

No.	-	17 Autonomías	
Population	-	Average	2,279,297
		Lowest	263,434 (Rioja)
		Highest	6,940,522 (Andalusia)
Size	-	Average	26,691 km ²
		Smallest	5,014 km ²
		Largest	87,268 km ²

Structure

Deliberative Bodies

Although not stipulated in the constitution, each Autonomous Community (A.C.) has opted for a single legislative chamber. The size of these chambers ranges from thirty three (Rioja) to one hundred and thirty five (Catalonia).

Executive Body

The *Junta* consists of a number of ministers appointed by the President, who is himself elected by the regional parliament. The largest executives exists in Catalonia and Euskadi (17 members) but elsewhere the number rarely

exceeds ten.

Status

Each A.C. has a separate constitution or statute, negotiated between the national and regional levels at the outset of autonomy. These documents vary widely depending on the specific region. As statutes are "organic law" they need to pass through a specified system to be altered. In practice, this makes them extensions of the national constitution. Although not classed as local government, the regions are still inferior to the national level, despite their constitutional protection.

Inter-Governmental Relations

Local Government

Local government in Spain comprises of at least two levels (provinces and municipalities), although some regions have additional tiers. Many also have special authorities more suited to their own needs (eg. island councils or metropolitan authorities). Local government levels are supervised by some regions (with the exception of the Provinces), including their boundaries and structures. In addition, regions may introduce new levels of local government/administration (eg. Comarcas in Catalonia).

Regional government involvement in local government affairs must adhere to the national constitution (and statutes associated with it). In practice this ensures local authorities retain a general competence and are funded mostly through their own taxes and shares of central taxes.

Central Government

Although the A.C.s are not of equal status with the national level, in areas where they have exclusive power, the central government cannot intervene. It may only take matters before the constitutional court if it feels the legislation of an A.C. has infringed its statute. A national representative is present in each region but remains only to administer those services still

under direct state control and to liaise with the institutions of the A.C..

National Policy

Regional influence on national policy is institutionalised through the Spanish Senate. However, as the regionally appointed members of this body account for only 47 members (out of present total of over 270), their influence is minimal compared with the directly elected members.

Regional Institutions

Civil Service - Each region has an independent civil service. The national level lays down minimum conditions of service.

Police - Euskadi and Catalonia have their own police forces (in addition to the national force).

Legal - The court structure is regionalised. Catalonia has a separate judicature (though appeals can be made to the Spanish system).

Legal System - Catalonia has a limited Civil Code which applies in the territory and uniquely to citizens of Catalonia in other regions or countries (if they wish it to). This applies mostly to personal issues.

Government Offices - Each A.C. has a government office to liaise with the regional government and administer the remaining functions of central government.

Powers

Economic	Social	Education & Culture
Public works	Health	Education (h)
Railways & roads	Spatial planning	Regional language
Ports and airports (non-commercial)	Environmental protection	Sport
Agriculture & forests	Social assistance	Museums & Libraries
Water		
Mineral resources		
Hunting & fishing		
Economic development		
Research		
Tourism		

(h) - high autonomy regions only

Although all A.C.s enjoy some authority over these fields (with the exception of education), the degree of autonomy varies considerably between regions. Broadly speaking there are two types of Spanish regions, those with high autonomy (Andalusia, Catalonia, Euskadi, Galicia and Valencia) and those with low autonomy. The former group run their own health and education systems with minimal involvement of the central government (national minimum standards and comparability of educational awards). Some of these regions also run their own police force. The latter generally have less legislative authority even, in the general areas listed above.

Financial Resources

Regional Taxes may be established in any area not already granted to another level of government. Those already established are:

REGIONAL TAX	AUTONOMOUS COMMUNITY
Bingo	Catalonia, Galicia, Murcia, Cantabria, Valencia, Castilla-La Mancha, Balearic Islands
Water Civil Engineering Projects	Catalonia
Petrol	Canary Islands
Hunting	Extremadura
Environment (Clean-up Levy)	Balearic Islands

A land tax, introduced in Andalusia (and then Extremadura and Asturias) has been the subject of lengthy litigation and has not yet been implemented.

Ceded taxes - Gambling taxes
Stamp duties
Death duties
Wealth tax
Property transfer tax

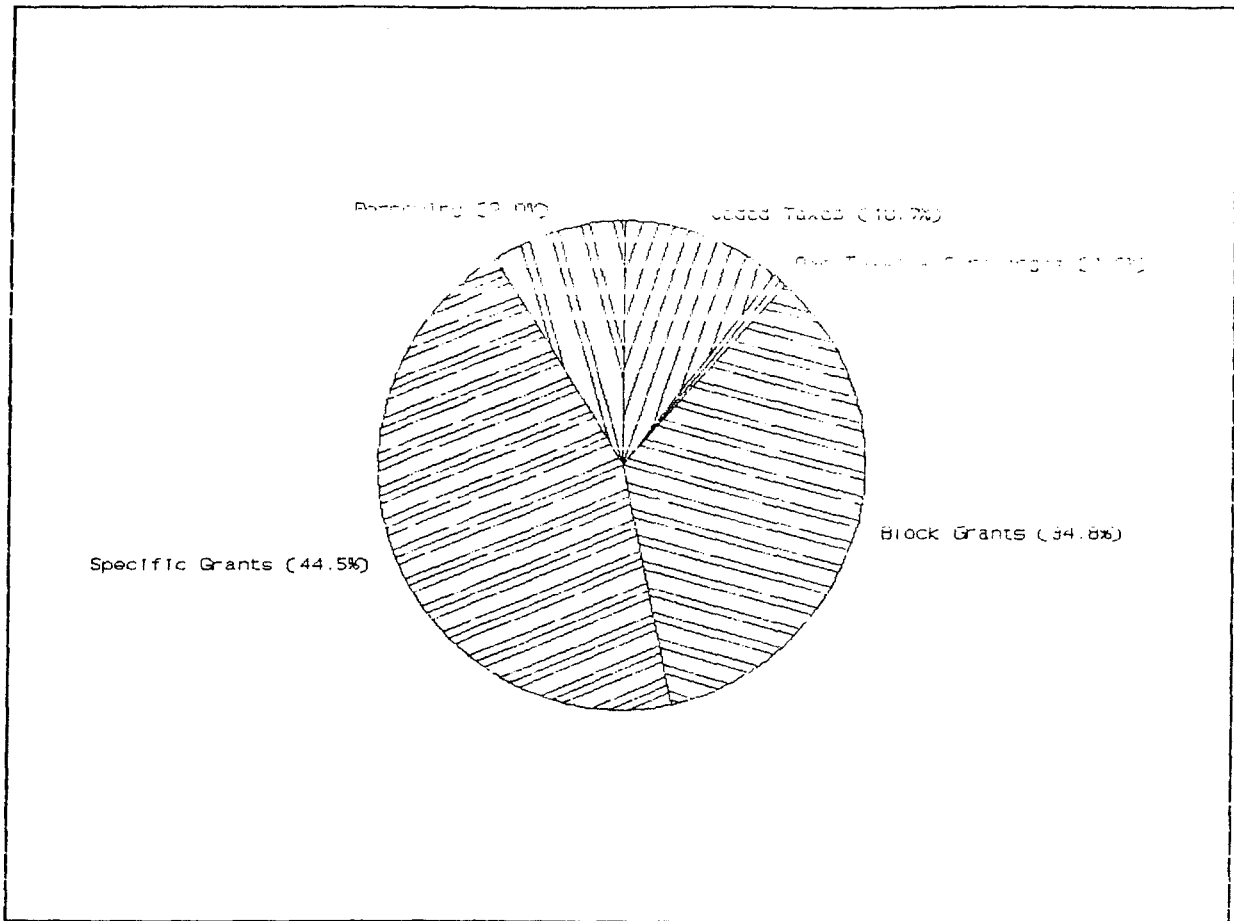
Surcharges may be added to these taxes at the discretion of the Autonomous Community. The regions may also add a surcharge to income tax.

Block Funds - Income tax
(Shared taxes) Block grants

Specific - Grants for transference to provinces
Funds Health grants
Investment agreements
Grants for investment in under developed regions
Administrative subsidies
E.U. grants

Commentary

The development of regional government in Spain is closely linked to the evolution of Spanish democracy. The diverse nature of the Spanish peninsular makes in virtually impossible to govern the territory democratically without some form of regionalism or federation. The previous two attempts at



Spanish Regional Finance (1992)

democracy (1874 & 1931-39) both involved regional government. The collapse of both these regimes also saw the collapse of the regional experiments. The last period of Spanish dictatorship was uncompromising in its suppression of all opposition, especially regional identities. Nevertheless, opposition to Franco's regime was concentrated in Euskadi (the Basque country) and Catalonia. In the case of the Basques, the opposition had a violent manifestation, in the form of E.T.A.. It was E.T.A.'s assassination of Prime Minister Admiral Blanco that effectively ended the dictatorship's long term future by leaving Franco without his heir.

When King Juan Carlos made it clear he was in favour of a return to democracy, the problems for the new state were enormous. Spain was highly centralised with a highly inefficient bureaucracy. Social problems were immense and illiteracy rates in the south were among the highest in Europe. To compound this, large numbers of Catalans and Basques were calling for independence. In response to over centralisation and the separatist claims of some territories a unique system of regional reform was introduced into the Spanish constitution. This allowed the organic development of regional

government but only when the population desired it. The intention behind this was to give immediate autonomy to the "historic communities" while other regions were expected to opt for indirectly elected co-ordinating bodies or no regional structure although a few were expected to push for true democratic regions. This prediction proved to be very wide of the mark.

Under the Spanish constitution there are two routes to autonomy, though a transitory disposition to the constitution allowed a third route. The easiest way to autonomy was under Article 143. This gives any province or group of provinces (similar to the English County) the right to establish a region or Autonomous Community.[†] To institute the process either all the provincial councils or three quarters of the municipalities have to agree. If the process is initialised, a constitutional commission of regional M.P.s, senators and provincial councillors[‡] drafts a statute (constitution) for the region. After this process is completed, the draft is sent to the Cortes (Spanish parliament) for ratification. These regions then receive up to the minimum functions as outlined above but have to wait for a five year period to extend their competences. The functions granted to these "lesser" regions have often been belittled, (and I have heard them compared with local government functions in the U.K.) but legislative control over a wide range of subjects including regional railways, regional roads, environmental protection and public works is well beyond anything evident in the U.K. local government structure.

In tandem with this "slow" route a faster route was offered under Article 151. This gave Provinces this right to initiate the establishment of a region if all the following bodies/referenda supported the move:

- a) All provinces councils
- b) Three quarters of all municipalities in each province
- c) An absolute majority of the electors in each province

If this was achieved then a period of negotiations between the assembly of the region (formed as above) and the Constitutional Committee of the national parliament would follow. Finally a simple majority of electors in each

[†] Regions not fitting within the Provincial setup were permitted but only with the permission of the central government.

[‡] Since Provincial councils are indirectly elected from municipalities this effectively means local interests are represented.

Province would be asked for their approval. If any Province rejected the statute, then the others could continue to establish a region as originally planned. These article 151 regions were not restricted by the minimal powers imposed by Article 148. Instead these regions may not encroach on the minimum powers of the state, outlined in Article 149. Unlike Article 143 regions, these regions are obliged to operate certain institutional structures. Basically, a single Legislative chamber with a President elected from it and a High Court to head the regions' judiciary. These are minimal safeguards to ensure the powers transferred, being quite extensive are exercised democratically and under the rule of law. In practice, these regions enjoy a slightly wider definition of the powers outlined in Article 148 and the addition of Health, Education and sometimes Police to their authority.

The first two Autonomous Communities (Euskadi and Catalonia) were created in 1979 under the third method, a transitory disposition of the new constitution. They were shortly followed by Galicia under Article 151. Up to this point the evolution of the Spanish state had gone roughly as expected. These three regions had a history of independence and each retained a regional language, widely spoken in their territories. Indeed, these had been the three regions attempting to gain autonomy in 1936, when the Civil War intervened. Less expected was the application of Andalusia for full autonomy under Article 151. Andalusia had never experienced statehood and had not previously exhibited a regional identity, although local identities are strong. During the constitutional negotiations of the late 1970's Andalusian representatives ensured that such a route for high autonomy would be open to them, in Article 151 (Donaghy & Newton, 1987, p103). Despite this the centre-right government had made it clear during the negotiations over the Galician statute that no other region would be allowed to attain the high autonomy granted under article 151, instead having to rely on the slow process outlined in article 143. The strength of feeling in Andalusia forced the central government to back down and it received high level autonomy in 1981 (Tamames & Clegg, 1984).

To further complicate matters the Spanish government was panicked by the attempted coup of 1981 into putting the brakes on further regional reform. Although more and more regions were applying for low autonomy, some wished the higher autonomy offered by article 151. The result of these conflicting interests was the L.O.P.C.A. of 1982. This law, agreed by all the national parties, attempted to end the article 151 route to autonomy, but substantial

parts of it were ruled un-constitutional by the constitutional court (14 of 38 clauses) (Gonzales, 1987). The final compromise gave high autonomy to a further three regions (Valencia, Canary Islands and Navarre) but effectively removed this option for any other regions. The other unusual result of the compromise was the creation of regions in the final few areas where regional government had not been established, despite local opposition in Castilla y León and Madrid (Cuchillo, 1993). The government hoped these "pro-centre" regions would act as a balance against the more independently minded territories.

The government's panic, although understandable in relation to the coup of 1981, was in retrospect rather unnecessary. As with all governments, the loss of power to lower tiers of government can be a bitter pill to swallow. Ironically, the latest pact agreed between the national parties suggests they have finally bitten the bullet completely. The current agreement is to encourage the remaining article 143 regions to move towards higher autonomy, though excluding health services.[†] This new policy seems to have been accompanied by a decrease in national/regional tensions. If one uses applications for judicial review as a means of measuring such tension there has been an undoubted drop in recent years. From a peak of 56% of central laws being challenged by one or more regional governments in 1988, there were no challenges in 1991. Central challenges have always been less (probably due to the larger number of acts passed by regional governments collectively) but they too have dropped from 11% in 1988 to 1.8% in 1991 (Zaldivar & Castells, 1992). Perhaps as Zaldivar and Castells argue, "Spain may be at the end of a long historical journey". Whether this is the case will depend on the final structure to accommodate the aspirations of the Basques and Catalans.

The other regions will never reach the state of autonomy granted to the article 151 regions and those created by the transitory disposition and this could prevent the recently popular "leap-frog" theory from becoming reality. This assumes that the Basques and Catalans will always wish to have more autonomy than that enjoyed by other regions. This I believe, is too simplistic. The Catalan and Euskadi governments have made no secret of the fact they wish further powers, whether they are granted to other regions or not, notably in the field of banking and international relations (Financial Times.

[†] Regions do not wish this authority transferred due to the debt accompanying it.

1993). They have achieved much of what they wish with clever use of private law. Most notably, however, the moderate nationalist parties in these two regions no longer talk explicitly of independence, rather seeing their goal as attaining stronger influence in Spain and Europe (Jauregui, 1993). That these regions are willing to work within the system is perhaps the greatest testimony to its success.

PART II

REGIONAL GOVERNMENT IN EUROPE -

LESSONS FOR THE U.K.

As the above study has shown, regional governments in Europe are diverse. This second section attempts to put this into a U.K. perspective. To do this, five specific areas where the U.K. debate could benefit from regional developments in Europe are addressed. These are: the functions held by European regions; financial arrangements; their operation as units of democratic renewal; addressing of the "West Lothian Question" and finally, the methods used to implement the initial reform.

To complete the report I add my own conclusions on the European experience of regionalism. In making these comments I draw on my three years experience working in the field as well as the report itself.

II.1 The Functional Role of European Regions

Any discussion of regions must first start with the role they are to fulfil. There is little point to regions if they do not actually do something. The first section in the part of report will focus on the functions perform in the countries studied. Secondly, the question of how they undertake these functions is addressed.

Regions undertake a multitude of activities within the European Union, but it is noteworthy that in some areas they play no role whatsoever. Defence, social security and immigration have no regional policy involvement. Perhaps most importantly, national monetary and fiscal policy is entirely out of regional hands. This includes a swathe of macro-economic levers including interest

rates, currency and money supply. The only slight exception to this is in Germany, where representatives of the regional banks sit on the *Bundesbank's* strategic board. This hardly amounts to regional policy, however. Nevertheless, it is perhaps surprising that this list of policies with no regional involvement in Europe is in fact so short. Foreign relations or police, for example are not included.

There are wide discrepancies between the types of policy administered by individual regions. However, these variations do not follow constitutional lines. For example, some Spanish regions operate police forces, while the Belgian regions' role in this area remains minimal (though recently granted a few powers in this area). The following table gives a summary of individual regional involvement in a few key policy areas:

Country	Education	Health	Transport	Police	Planning
Belgium	x	x	x		x
France	x		x		x
Germany	x	x	x	x	x
Italy		x	x		x
Italy (Special)	x	x	x	x (not all)	x
Portugal (islands)	x	x	x		x
Spain (143)		voluntary	x		x
Spain ^{fast} (151) 7	x	x	x	x (not all)	x

The above comparison shows clearly that certain functions are regional in all (or most countries). Transport and planning are universally regarded as regional functions. Education and Health have regional involvement in all countries, though not in all regions within them. The Spanish article 143 regions will join this group if the present reforms are successful (see above). Police, on the other hand has only been granted to regions in cases where such devolution was deemed necessary. In Germany this was because

regionalism was created to ensure the division of the organs of the state to protect democracy. It stands to reason that police should be a power removed from the centre in this case. The Spanish article 151 or their equivalent regions (specifically Catalonia and Euskadi) had problems of mistrust concerning the national force, under Franco and thus were granted police powers as a means of restoring faith in law and order. Finally, the Italian region, Valle d'Aosta (the only one with exclusive police powers) had administered its own police force, prior to granting of autonomy. In all cases, the granting of police powers has not been easily accepted by the national authorities.

It is clear that European regions have expanded their influence since their inception. The question remains, however, how involved are regions in actual decision making? At one extreme there are now policies, which in some countries are only decided by regions. On the other hand, regional involvement in some cases is limited in practice to strict administration of national decisions.

The weakest regions in the legislative sense are the French. These bodies have no legislative authority whatsoever and only promulgate administrative acts. All other regions have legislative power, but the power to use it varies enormously. Italian regions can make laws but they must be within the frameworks established by the state. As mentioned above, these can be strictly defining, especially in the area of health. At the other extreme, Belgian Regions (and Communities) have absolute legislative authority in the areas of policy granted to them. This includes if they conflict with state laws. Unlike Germany where regional law is inferior (*Bundesrecht bricht Landesrecht* - Article 31. Basic Law), Belgian regional legislation is equal to that of the federal level (Ginderachter, 1994). This forces regions and the federal level to negotiate.

In practice, even the issue of whether a region possesses legislative power can be misleading. During my previous work in this area I established four methodologies which gave a better description of regional activity in a given area. These are outlined below:

- Region Only - This is self explanatory, with the regional tier making the only policy in the given area.
- Regional Policy - Regions introduce policy in these areas, but the

national level is also active.

National Framework - Regions make policy within guidelines established by the national level.

Regional Admin. - Regions undertake the administration of national policies.

The following table places the same policies examined above, within the above categories:

	Region Only	Regional Policy	National Framework	Regional Admin.
Belgium	Education Planning Environment Health	Transport Economic dev.		
France		Transport Planning Environment	Economic dev.	Education (lycées)
Germany	Police Education	Transport Economic dev. Environment		Health
Italy			Transport Planning Environment	Health
Italy (special)	Health	Police Economic dev.		
Portugal (islands)		Education Health Transport Planning Economic dev.		
Spain (143)		Transport Economic dev.		
Spain (151)	Education Health	Planning Environment	Police	

This is a necessarily subjective division, but it gives a clearer picture of the functional operation of regions in the countries studied. Belgium clearly emerges as the most devolved of European countries, with regions being the only tier of government involved in many areas. In fact their

competence in the areas they control even extend to full international relations.

To sum up, social powers (ie. education, health and environment) are functions most commonly placed regionally. This has occurred to the extent that policy in these areas can no longer always be described as national. This does not necessarily mean that policies differ. Regions can use their freedom, to conform (Smith, 1985).

As far as England is concerned, there is no prospect of regions being the only actors in any policy field, however transport, economic development, environment and health are all areas which could be decentralised to a regional level. The ability for such areas to be decentralised in Europe at least shows the possibility of such a move.

II.2 Regional Finance

Regional finance is one area where any U.K. regional reform, must, I believe, learn from European experience. Many myths pervade the discussion of this issue in the U.K., but primary amongst these are the perceptions surrounding regional taxation. In fact this is largely irrelevant, with the major exception of France.

The first observation to make is that German regions possess no independent tax raising powers. All German taxes are set nationally, with the exception of local government taxes which do vary. These accrue to municipalities not regions. The only exceptions to this are Bremen and Hamburg where the dual status of the region (it both a local and regional government) means they control the local taxes they are entitled to. This anomaly seems to cause the more general confusion over regional taxation in Germany. The Portuguese islands are in the same situation with no regional tax autonomy. Italy follows, with regional taxation in their case accounting for less than 1% of their overall income. In Spain and Belgium, however, the regions' powers to raise new taxes do mean the possibility of significant reliance on regionally controlled taxes.

Spanish regions have three significant powers in the area of taxation. Firstly, they may introduce their own taxation; secondly, they may introduce surcharges on the taxes which accrue to them within the region, but the rates of which are set nationally. Finally, they may add a surcharge to income tax, the proceeds of which would accrue to the region concerned. Belgian regions

have similar powers. In both cases, the ability to raise new regional taxes is made practically meaningless by the caveat that such taxes must not be levied on items or activities currently taxed by another level. In practice, this means the regions are reduced to taxing peripheral activities as the lists supplied in the national studies, emphasise. Indeed, apart from the environmental "taxes" already levied by all the Belgian regions, research has found the rental of video tapes as the only activity untaxed by the rest of the Belgian state in one way or another (buying Video tapes is covered by V.A.T.) (Delmartino, 1993). The second power has been used, but sparingly. The reason for this is that those taxes ceded to the regions are largely peripheral in nature and reliance on them is unlikely to lead to a significant improvement in income. The small reliance on these sources of income also produces the ratchet effect. This means that regions have to raise rates by a disproportionate amount to increase revenue. For example, if a region relied on its own taxation for 1% of its finance, to increase its revenue by 1%, it would have to raise taxes by 100%. If it relied on regional taxation for 2% of income, the rise would be only 50% (Smith, 1985).

The final option open to the Spanish and Belgian regions is to impose a surcharge on income tax. This is by far the most obvious source of extra finance, should it be required. In fact, no region, with the exception of Euskadi has ever introduced such a surcharge. Euskadi, is a special case as the surcharge was introduced as a temporary measure (for one year) to pay for damage caused by severe flooding. The only other attempt to raise such a tax was in Madrid, where political opposition forced the regional government to back down. The reason for the failure to use this power is fear of tax competition and the political fallout from such a move. Indeed the Flemish government hardly publishes a press release without asserting their firm stance on keeping tax at the national level. The problem has been that if regions wish to gain extra finance it has been easier for them to borrow, rather than rely on the politically fraught course of tax rises.

The only regions with significant tax raising powers are the French. French regions accrue over half their income from this source and are granted a variety of taxes which they can control. Once again these are generally peripheral, but the small size of French regional budgets means they are significant. The ability of the French regions to control their income (and expenditure) to a large degree means they operate relatively independently despite their lack of constitutional protection. Nevertheless, the size of their

budgets (around 2% of national expenditure in 1992) gives them little financial power.

Most regions are largely financed through centrally controlled tax assignments and grants from central authorities. The former account for the vast majority of regional finance in Germany, Belgium and Portugal and ensure a relatively stable revenue base from year to year. The most important taxes for all these regions are V.A.T. and income tax, as with any national government. Italy and Spain rely more heavily on grant funding, but this hides the differences in finance between these two systems. The vast majority of Italian regional funding is allocated by the state to specific sectors. In addition, state guidelines must be followed in these sectors if the grants are to be awarded. In effect this gives the state a huge say in how the regions are run. Spain, by contrast, relies mostly on block grants for its regional finance, giving regions lee-way to pursue spending policies under their own priorities. However, the block grant is not necessarily a solution to the financing of regional government, either. In Spain, although the grant is allocated through a formula, this cannot disguise the essentially controversial nature of its allocation. Most variables in the formula are relatively easy to define (ie. tax yield, spending on core projects, etc.). The exception is *n*, representing needs. The definition of this concept is obviously a hugely subjective issue and as such will lead to controversy each time the formula is re-negotiated (around every five years).

Finance is also a constant source of conflict in the German system. Here, problems centre on the equalisation mechanisms used to even up the financial weaknesses inherent in certain regions. The debates over this system have become so bitter that the current system has continued in force, despite the realisation on all sides that the introduction of the new *Länder* makes its operation far from perfect. No alternative system could be agreed upon.

The final source of finance open to regions is borrowing and, perhaps surprisingly, their independence in this area is surprisingly high. With the exception of the "golden rule" (ie. borrowing must not exceed investment expenditure) and limits on international credit finance, regions are largely unrestricted in this area. This has led to the curious situation in Spain where it was easier for regions to borrow than to raise taxes. This was because the regions did not inherit the debts of the state, allowing them to "start from scratch". In the event, a compromise has been reached whereby

Spanish regions will cut back their borrowing (as part of the convergence criteria for the single currency) in return for greater funding from the state in certain areas (O.E.C.D., 1993).

Overall, finance is and will remain a contentious issue amongst European regions. The only solution would seem to be financing regions as much as possible through their own taxation. In practice, nation-states are unlikely to sanction such decentralisation, despite the weak economic arguments against it.⁴ Unless this is done, regions (and local authorities) will constantly blame the state for restricting their finances while the state in turn is likely to criticise them for overspending. It should be noted, however, that this situation occurs with any level of government below the nation-state (or indeed above it since the advent of the E.C.).

II.3 Regions as units of democratic renewal

As units of democratic renewal and accountability, the regions have had mixed fortunes in the countries studied. In Spain, Italy and Germany, the regions were given the power to create democratic institutions without having to follow any model. It was hoped that this would lead to innovation and experimentation. In practice regional institutions have, almost without exception, mirrored the national level structures.

In Italy, there were attempts at more participative democracy and consensual government, but these eventually failed. However, as Zariski points out, the record of these systems of government is generally rather poor (Zariski, 1987). The only exceptions to the mould have occurred in Euskadi and Bavaria. In Euskadi, the traditional units of Basque government have had significant powers devolved to them from the region, leading to even greater democratic accountability and decentralisation. In Bavaria, the parliament has a second chamber, but this is hardly major innovation. Ironically, the one truly innovative structure exists in France, where a second (advisory) regional chamber consists of employers, trade unionists and representatives of several interest groups (including professions, charities, etc.). This chamber ensures the participation of economic and social actors in the making of regional policy and introduces an element of participative democracy rarely seen nationally.

⁴ Denmark gives income tax raising power to all its local authorities without damaging the internal market of the country.

One area where regions have not helped democratic decentralisation is in relation to local government. Regions have been guilty of centralisation in many European countries. This is perhaps most evident in the German *Länder* where local government authority in some regions is severely restricted. In two German regions the County tier executives are still centrally appointed, while in all the larger states, these bodies are entirely under regional control (The two city states have no local government at all). The example of North Rhine Westphalia, where all teachers are appointed through a single office in Dusseldorf, is often cited as a manifestation of this (Paterson & Southern, 1991, p161). Direct control by the *Länder* is also exercised over the police, schools inspectorate, audit commission and industry supervision, (among others) through the region's organ, the District. Further regional control is exercised through the direct financing of roads, education and housing either through local authorities or directly to private contractors. What local autonomy that does exist is further limited by the consistent under-funding of the local level. Although they provide most public services, the local tier receives around only 13% of tax revenues. The resultant shortfall is made up in grants from the *Bund* and *Länder*, both of which are ear-marked for specific projects (Schweizer et al. 1992).

In Belgium, Spain and Italy, conflict has arisen between the regional and provincial (or county) tiers. Catalonia attempted to abolish the provinces entirely, though this was ruled unconstitutional. In the event, the region attempts to ignore them, dealing instead with regionally created county units. The state in turn uses the province to bypass the region. In Italy a similar situation has developed, with the region reluctant to devolve authority downwards, leading the state to fund projects directly. This in fact causes centralisation as the local governments are less able to withstand grants in aid pressure than are smaller local authorities. The position in Belgium has affected the Belgium provinces to such an extent that Delmartino commented, "as an independent policy body, their role is over".

Although some regions have decentralised (notably Euskadi), the trend seems to be the other way. This is not a necessary failing of regional government itself but a combination of two factors. First, all governments wish to retain the greatest control possible and second, the confusion of tasks between local and regional government can lead to regions entering areas more properly assigned locally. The central government when creating regions must give them the policy powers necessary to undertake their tasks without

interfering in local affairs. The system must afford adequate protecting to the local levels. The best example of this is perhaps France. They have not encroached on local affairs (nor do they have the power to) but have been relatively successful in their role of policy co-ordinator within a given region.

II.4 The West Lothian Question

This conundrum is perhaps the single most discussed question in the current regional debate. First formulated by Labour M.P. Tam Davell in the late 1970's, this raised the question of why a proposed Scottish parliament could vote on Scottish issues, while Scottish M.P.s would still be able to vote on English issues at Westminster. This seems a question without answer, without the creation of a federal system, but this issue arises in all the regional systems discussed above, with the exception of Germany. In this section, their responses are examined.

The first option open to a regional system faced with this question is to ignore it. This is in fact what has occurred in Belgium, France, Portugal and Italy. Perhaps surprisingly, it is not an active issue in any of these systems. In France, Portugal and Belgium, it is perhaps understandable that the question can be sidelined. It only affects small areas of the total country. Corsica and the overseas regions have more power than their mainland counterparts under the French system. However, the issues dealt with by regions in these areas are not legislative and thus can be overruled by the national government. Also, in French eyes these territories are largely irrelevant, minimising the issue in France. In Belgium the problem only affects the German Community and its small size, makes this less of a problem.

In Italy, the case of the "special regions" is much more significant. These regions account for 15% of Italy's population (a similar proportion to Scotland and Wales in the U.K.), yet the greater legislative authority of these areas is not a political issue in Italy. The fact that two of the largest "special regions" are amongst the poorest in Italy (Sardinia and Sicily) should also give rise to the issue, if Tam Davell's analysis is correct. Yet this is not the case. This has never been addressed by academics, but a few hypotheses can be presented. Firstly, until recently, regions had very little identity and perhaps the Italian electorate had more important issues to consider. Secondly, the Italian state had little choice in the matter at least in the period immediately after the fall of fascism. The choices were the secession of parts

of Italy, federalism or variable geometry regionalism. The latter was decided as the lesser of three evils. Even today, federalism is very controversial issue and the "West Sardinian Question" is perhaps a necessary evil for the continuing stability of the Italian state. As the unofficial motto of Italian system states, "...but it works".

The second option open to a regional state is a single structure, federal or otherwise. This was accepted in Germany and France, but would be unlikely to work in the U.K.. The German system was imposed upon a largely artificial structure in a period of unprecedented political upheaval. One suspects that such a uniform system could not have been imposed in normal times (even in 1948, Bavaria rejected the new constitution but forced to accept it). The French mainland also went down this road of a single uniform structure, despite regional movements in Brittany and Occitania. The ability to do this was due to the weak and fractious nature of these organisations. This is not the case in Scotland or Wales.

The final option is that used by Spain. This unique method, relied on the organic development of a regional structure. The constitution merely outlined the methods by which regional governments could be constituted. Interestingly, it did not even include a plan of where these possible regions would go. This final method obviously has relevance for any prospective system in the U.K.. In essence the "West Catalonian Question" is answered by giving those regions effected by it, the ability to resolve the problem. It also ensures that regions have an inbuilt support in the local area before they are created.

As mentioned above, the Spanish system did not develop as originally intended and some areas were forced to regionalise despite opposition. It is a moot point whether all of Spain would have moved down the regional path had the central government not panicked in 1981. It is noticeable, however, that the West Lothian Question has failed to become a political issue despite the Catalan involvement in the national government. Should the recent pact be implemented, the only area open to the West Lothian Question will be health, a competence, which the remaining low autonomy regions do not desire.

Although the Spanish system may be a tempting route for the U.K. to follow, it is important to bear in mind three points. Firstly, the Spanish system does not solve the problem unless equal autonomy is open to all regions. Secondly, it was never intended to. The Spanish system was not established to defuse this issue. Finally, the West Lothian question, or its

Spanish equivalent has never been ~~a~~ been raised either before or during the regional process. The conclusion one must draw from this is that this peculiarly British concept must have a British cause.

II.4 Implementation Procedure

The methods of implementation used to establish European regions can be placed in two broad categories. On the one hand, Belgium, Germany and Portugal set in place precise structures defining the operation of regional government. In the words of Ginderachter:

"the marriage contract included not only the pledge of lifelong love and trust, but also specified the number of children and the colour of their hair and eyes."

In contrast, France, Spain and Italy created general legislative frameworks in which the later complexities of implementation were settled after the principle legislation had been agreed. The reasons for haste were well founded. By rushing the legislation through, the principle was accepted before opposition was able to muster itself. The vague nature of the plans also allowed controversial issues to be avoided and thus greater consensus to be achieved.

The drawbacks for the latter method were the confusion that surround practical implementation. This is evident in the Basque and Catalan statutes in Spain (Jaurequi, 1993) and much of the implementation legislation in France and Italy. This led to tensions and a major role for the constitutional courts. In Italy this favoured the central authorities while in Spain the court remained more balanced. In both, the opinions of the court proved crucial (as they also did in Germany). On the other hand, the pace of reform did allow regionalisation to occur, something which in itself was an achievement. In France, countless previous schemes had failed and in Italy the reform had taken twenty three years (and many false starts). Furthermore, the resulting consensus led to the regions' acceptance by all major political actors.

It is difficult to apply these implementation methods to England's situation due to the differences in legal structure. Lacking a constitution, an organic system could only be incorporated in ordinary law, allowing change at any point. The Spanish governments' changes of heart would have been

much easier to implement had the principle of parliamentary sovereignty applied in Spain. The resulting system would have almost certainly been less devolved than that which now exists. Belgium is also not applicable to the U.K. system as the long negotiations to decide the minutiae² were only meaningful because the resulting compromise could not be changed without the agreement of all parties. In the U.K., great pains could be taken to ensure a well balanced English regional structure only for a chance of policy at the national level to sweep it away.

The only method which could apply to England was that used in France. By using a framework *loi*, Defferre ensured that the main principles were established before opposition could wreck them. This allowed the bulk of further changes to be addressed through delegated legislation. The real problem here is whether such decisions should be left to the executive branch and taking this path in England might prove very unpopular.

II.5 Conclusions - Regional Government and the U.K.

The above, admittedly selective, study of regions in Europe has been based on the premise that the U.K. and specifically England can learn from the experiences of our European partners. In this final section, I shall give my impression of how the European experience can inform the debate as it stands in England.

These conclusions are based on three years working in the field, rather than just the brief discussions above. Over this time I have come to the opinion that regional government can perform many beneficial functions. However, when a regional government is established, it must be clear what its purpose is to be. Different regions of Europe, see the reasons for their existence in entirely different terms. This occurs even within single nation-states. This emphasises the point that regionalism in itself is meaningless (as is any system of government), it is only a means to an end. In England, as in Europe, these ends must be established before the wider issues of form and substance are to be addressed. Many people may argue for the regionalisation of the U.K., but the resulting proposals will depend on why they are arguing for it.

Regional rationales

The creation of European regions has been undertaken for a variety of different reasons. These can be grouped into four broad categories:

- 1) Micronationalism
- 2) Democratic enhancement
- 3) Decentralisation
- 4) Economic development

The first rationale applies to the "special" regions of Italy, the article 151 regions of Spain, the Belgian Communities (and Regions, excluding Brussels), the Portuguese islands and Corsica. These regions have been granted extensive powers covering a broad range of policies. In fact, these micronationalist communities wished to have as much "home rule" as they can negotiate with the central state. The central government will, by contrast, invariably give as little as is necessary to secure the continuation of the nation-state. For this reason Corsica has little power, while the Belgian regions are equal in status with the federation. These regions are aspiring "nations", though through regionalism and the European Union, their aspirations can be contained within a weakened national structure.

The second typology of regional system also weakens the centre, but in this case, it is its prime purpose to do so. The German system, (and the constitutional proposals in Italy) provided for a division of state power to protect democracy. For this reason, state control mechanisms were divided between the national and regional levels. An authoritarian takeover though democracy would be more difficult if education and police are out of national hands. The prime purpose of the constitution is emphasised by the constitutional right to resist attacks on the constitution (article 20(4)G.G.). The focus of the German system was primarily to avoid a repeat of 1933 and this directed the division of authority between tiers.

Membership of the third group is less clear cut. The Spanish article 143 regions would come under this category although issues of democratic protection were raised during the Spanish constitutional debates. Today, the Italian and French regions would also probably fall into this category, but at the time of their implementation this was not the case. The powers given to these regions vary, but are generally focused in areas which central

government is deemed too far from the problems. The creation of regional transport infra-structures is an obvious example as is spatial planning or job training. The distinguishing feature is that these authorities are more general purpose (and in that way resemble the micro-nationalist regions), but only in "peripheral" areas.

The final group comprise French regions and their Italian "ordinary" counterparts. Although now probably within the latter group, their original intention was to encourage economic development. The retreat from state involvement in this area led them to expand their influence outside this remit, to become the more general purpose authorities we see today. Nevertheless, the boundaries, functions and finances given to them reflected their original role as economic actors.

Regions in Europe have been established in Europe as a means, not an end in themselves. The type of regional structure has reflected this. Other functions have been added but the regional designs continue to reflect their primary role. When commenting on the European lessons for England, it is difficult to define what the purpose in England is. The Liberal-Democrats are certainly clear in arguing that a truly federal state is a good thing in itself (by enhancing democracy) but Labour's proposals are rather opaque. Unless the purpose of a region is established then there is no point debating the structure it should take.

The "West Lothian Question" as a rationale for regionalism

An outside observer might suggest that the English regional proposals (with the possible exception of the North) are an attempt to answer the West Lothian question, mentioned above. It is to this issue that I shall now turn. The first point to note is that the introduction of regional government in England will not answer the West Lothian question. There will still be large areas of policy where the English regions will be excluded and these will not be removed unless a single structure (in practice, a federation) is constructed. This is the case in Spain where the organic system of regional development, though popular has not solved the issues raised by the West Lothian question. In fact it never can, as some regions will remain with less autonomy and thus have policies decided nationally which are handled regionally elsewhere. Even if all the present article 143 regions do accept higher autonomy, they will not be granted control over health, allowing article

151 deputies to decide policy on the health services of less autonomous territories.

As already noted, however, this was not the intention of the Spanish system. In fact the "West Lothian" question has never been raised in the context of Spain. A recent misunderstanding has surrounded the Catalan nationalists operating as king makers in the present parliament. It has been suggested that this is the West Lothian question in action and that the actions of the Catalans will bring the issue into focus in Spain. Catalan deputies keep ~~a~~ the Spanish government in power, despite the fact that many of the policies pursued by the Socialists do not apply to Catalonia. Though this is certainly the case this is not new to Spain. The Socialist have in fact been kept in power through a West Lothian type situation since they came to office been the same since they came to power. The Socialist strongholds are in Andalusia, in the south of Spain. This is a high autonomy region and runs its own health, education (and soon perhaps police) services. Yet the Socialist deputies who come from this region vote on issues of Spanish concern that do not apply in their own constituencies. As this graphically illustrates, the Spanish system is not a solution to West Lothian but then was it never intended to be.

Regionalisation can be a solution to certain issues. It can allow the decentralisation of national government and allow the policy differences of regional electorates to be reflected more closely by the policies that apply to them. It can in turn lead to the involvement of a different group of people not normally associated with political office (there is evidence of this in France (Schmidt, 1993)). It can also be a method of conflict resolution between minority and a nation-state they do not wish to be part of. As such it can allow them to continue to be part of the national structure. Furthermore, the division of sovereignty can also protect democratic institutions from over centralisation and the dangers of authoritarianism. It does not necessarily achieve any of these things. It is merely a structural tool to deliver these perceived benefits (which could perhaps be delivered in other ways). It must first be decided the purpose of the reforms, then the way in which a regional structure can achieve this can be examined.

The reasons for regionalism in England are entirely different from Scotland and Wales. Scotland and Wales wish to have autonomy due to strong micro-nationalist tendencies within these territories (as in Catalonia, Euskadi, Flanders, Valle d'Aosta, etc.). This means they will demand (and have

demanding) wide policy autonomy over a large number of areas while the English regions show no signs of doing so. There is also no possibility that the English regions would achieve the sort of status envisaged for Scotland or Wales at least not in the foreseeable future. From the discussion above, it is therefore clear that the discussion of devolution to the Celtic fringe and regionalism within England should not be confused. If one assumes that the regionalism being discussed in England is concerned with the decentralisation of the national state (and this is by no means the perceived view of all those concerned) it is not and can never be a solution to "West Lothian". Ironically it could deal with the underlying cause.

"West Lothian's" importance in the U.K. stems from the ideological divisions in our political system and the concentration of power at the centre. The power of a few Scottish M.P.s could be immense in a neatly divided Westminster parliament. They could give Labour a working majority to undertake radical reforms in education, etc. not applicable to Scotland. This is not the case on the continent. Firstly, central governments are more consensual and less ideological than here. Secondly, proportional representation ensures major shifts in policy on the whim of a few members is unlikely. The "West Lothian" question is not discussed in Spain or Italy because its effects are minimal. This would not be the case in the U.K.. Regionalisation in England (if introduced as a means of general decentralisation) could break down this centralist power and thus lessen "West Lothian's" effects, but not in the way envisaged by the proponents of regional government.

Decentralisation as Rationale for English Regions

Assuming the purpose of English regionalism is to be the decentralisation of the nation-state there are lessons to be learnt from Europe. The major problem with the operation of regions in Europe has been the unwillingness of national authorities to devolve authority once the decision to regionalise has been taken. It is therefore somewhat of a tautology, though a true one that for regional government to be successful the state must actually decentralise.

It is not clear from Labour's proposals that this has really been thought out. There is absolutely no point having the minimalist regionalist reforms undertaken in Italy in the 1970's which left the regions functioning but

without much of a role or purpose. If the goal is decentralisation then there must be substantial devolution of power from the centre. Policies ripe for such treatment would be health, education, environment, transport and police. These are the staple diets of regions on the continent because they are suitable candidates for policy decisions below the national but above the local level. If such significant policy powers were not granted, there must be a serious question mark over whether the regions are necessary (in Italy their profile was almost zero in most of the country until recently). The other question to be asked is whether local government could be used to facilitate the decentralisation process.

There is a corollary reason for the importance of devolving significant power from the centre. If the region is created without a proper function, it is likely to interfere in the workings of local government in an attempt to find one. Such regional recentralisation has been seen in Germany, Italy, Spain and Belgium. Even if regions are given authority decentralised from above (and not recentralised from below) this does not in itself guarantee the protection of local government (eg Germany). To ensure regional government fulfils the democracy enhancing role it is intended to, local government must be protected from regional encroachment.

To ensure the independent operation of regional government also requires significant autonomy. Failure to give a region stable and independent funding will lead to a reliance on national grants and thus centralisation by another means. This has been very evident in the example of Italy. Ideally, regions should have their own taxes, but failing that shares of national taxes must be guaranteed to ensure stability of finance.

Finally, the operation of independent and powerful regional governments, although perhaps desirable, brings with it new problems of democracy and accountability. Primary amongst these are the inter-executive agreements which are bound to follow the creation of such units. To ensure that democratic control over these links is strong, the inevitability of them must be recognised. Through the formalisation of these contacts, provisions can be made for their scrutiny by the general public and their approval by the regional councils. Failure to address this will lead inevitably to the issues of accountability raised by Scharpf (Scharpf, 1990) and Fulmer (1990). Should indirectly elected regions be favoured, this problem will only be exacerbated.

In conclusion, this study has given a very basic overview of regional government in Europe and its application to the U.K. The real lesson from

Europe is that regional government must have a clear purpose before any decision on its operation can be made. At present, Scotland and Wales are clear about the reform that will be needed to keep them within the Union but the issue of the relationship between the constituent parts of the U.K. is nothing to do with the question of regionalism within England itself. This must be recognised. I personally favour regional reform as a means of decentralising the state along the lines of Spain. However as yet there is no clear rationale behind the Labour party's plans for this reform and until there is it is difficult to see how they can improve the government of England.

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