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# Cities cooperating beyond their boundaries: evidence through experience in European cities

Background paper  
EUROCITIES Working Group Metropolitan Areas

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## EUROCITIES

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EUROCITIES is the network of major European cities. Founded in 1986, the network brings together the local governments of over 130 large cities in some 34 European countries. EUROCITIES represents the interests of its members and engages in dialogue with the European institutions across a wide range of policy areas affecting cities. These include: economic development, the environment, transport and mobility, social affairs, culture, the information and knowledge society, and services of general interest.

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## BACKGROUND

This paper represents the first outcomes of work carried out within the Economic Development Forum. Between December 2010 and September 2011, a group of officers regularly exchanged their experiences and developed common conclusions. Almost 40 cities were represented. These are very different in size, role and geographic background. Representatives from some of the main European capital cities (eg. Bratislava, Brussels, Budapest, Helsinki, Warsaw, Oslo and Vienna) worked together with major regional hubs (eg. Manchester, Barcelona, Katowice, Ghent, Lille and Munich), local city partnerships (Brabantstad), and even smaller cities, which may represent wider areas (eg. Linköping, or Rennes) or be secondary centres in larger urban regions (eg. Terrassa or Preston).

All the cities which took part in these discussions recognise the necessity to think beyond their boundaries when they are dealing with key challenges and opportunities. They have over recent years or even decades, developed various forms of successful cooperation processes with their neighbouring authorities. Many cities were applying principles such as integration, later supported by the Leipzig charter (2007), or territorial cohesion before it was recognised as a European objective in the Lisbon treaty.

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

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## EXECUTIVE SUMMARY

### 1. The need for a new perception of urban territories

There is an increasing mismatch between cities as administrative entities and the reality of urban life. The administrative boundaries of our cities rarely fully cover the built up area around a city, job markets, business flows, private and public services or the city's 'ecosystem'. Social and functional differences between life in cities, suburbs and surrounding communities overlap in many ways and it becomes increasingly difficult to draw a clear limit between urban and rural areas. Large functional urban areas have thus developed more generally around cities and towns across Europe.

Because of this, cooperation between cities and their surrounding areas, within these functional urban areas, is necessary and should be based on a shared vision. The need for access to a wide range of resources, such as local food chains and food production, natural heritage, sports, leisure and recreational facilities, means that cooperation is essential to increase the sustainability and overall quality of life for everyone. Availability of land and lower real estate prices outside the city are important assets for locating functions that serve the whole metropolitan area and that require a lot of space. On the other hand, hub cities are often the main attraction for visitors, who also make use of surrounding areas. Due to their size, metropolitan areas can provide services to benefit both those who live in the city and those living in more rural surrounding areas eg. hospitals, culture, waste and water management and treatment as well as connections to major transport systems.

This situation challenges the traditional perception of two clearly different types of regions: urban and rural.

### 2. The relevance of city-regions/metropolitan areas

The case for pooling resources of local authorities in a functional urban area (FUA) is stronger than ever. Functional area cooperation helps both to establish a critical mass that is needed, and to avoid the negative effects of competition between local authorities and of duplicating facilities. Decisions on land use, major public facilities, inward investments, waste management, transport, clusters or research and development can all become more effective and more economical when made in cooperation between actors within the wider metropolitan area.

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

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

The geographical scope for regional cooperation usually varies from theme to theme. For example, public transport is related to travel patterns, whereas water supply is related to topography and even pipelines to distant reservoirs. Since different themes do not necessarily cover the same areas, they do not need to be managed and coordinated by the same authorities or groups of authorities. Nonetheless, the functional urban area should provide an overall framework for resolving challenges relating to many issues that affect the metropolitan area as a whole.

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

### **3. Different approaches to the governance of metropolitan areas**

Metropolitan areas differ across Europe in terms of function and size and clearly there is no 'one size fits all' definition. There are several examples across the EU - coming from very different member states - of how territorial governance in urban areas can be strengthened through recognising and adapting to functional geographies. In some places formal institutions have been created, some with a political structure. This can be developed on the initiative of the local level (if allowed by law) or can be imposed top-down through administrative reforms.

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

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

### **4. What support could be provided by the EU and national level**

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

Metropolitan area cooperation is of crucial importance specifically for the post-2013 cohesion policy discussion and in a broader sense for the future of European urban areas. The task at EU level should be to stimulate and promote the focus of member states towards a model where cities cooperate with their surrounding areas, to support development of the basic principles and requirements regarding the different levels of a functional system, and create financial incentives towards the introduction of appropriate models.

It would be helpful to develop EU instruments and financial incentives, e.g. a Commission

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

## 5. Conclusions

The accomplishments of functional metropolitan areas are increasingly important across most EU member states. As functional realities have outgrown administrative traditions, better and more effective solutions to new challenges are required. Highly performing functional urban areas are crucial not just for the local, regional and national levels, but also for Europe as a whole. They are essential drivers of national and European economic development. Strengthening the hubs does not come at the expense of their hinterland: it is a win-win process and not a zero sum game, so that stronger metropolitan areas should contribute to strengthening their component subregions and Europe as a whole. Acknowledging and harnessing the positive force of key urban areas, in close partnership with surrounding areas, can be to the benefit of all and help us achieve smarter governance, more sustainable policies and more inclusive impacts.

## INTRODUCTION

At the start of a new millennium, Europe is faced with major challenges, most of them resulting mainly from the globalisation process. The issues at stake cover a wide range of policy domains, the main ones being economic competitiveness and regeneration, social cohesion, demographic change, environmental sustainability, cultural development and democratic renewal. These challenges are also linked, so answers to one of the challenges can even create problems regarding another. The policy of Europe 2020 reflects the urgency to meet some of the overriding challenges at all levels. The success in meeting these challenges will depend on the ability of Europeans to innovate, to accept new concepts and values, in other words new solutions to problems and new lifestyles.

Cities, especially the largest ones, are at the forefront of many of these challenges. They are where the majority of European people live and work, and where new lifestyles and new economic and social processes are invented and implemented. Cities are thus the places where European policies for innovation, competitiveness and cohesion are the most likely to have a strong positive impact and where their added value would be most visible. This also means they are where citizens' confidence in the European integration process can be strengthened. As cities are the places where especially the cohesion challenges are most concentrated, we can see that solutions in many cases are hampered by competition and lack of cooperation between the governing agencies. In our view, new approaches to cooperation across metropolitan regions will greatly enhance their ability to contribute to Europe's long term goals for sustainability and cohesion.

The role of cities in Europe's future is however limited in a number of ways. In this paper, the constraints that territorial boundaries place on cities are seen as a key limitation to their ability to act appropriately. The definition and demarcation of urban areas has become increasingly difficult in recent decades, due to the general process known as 'metropolisation'<sup>1</sup>. Metropolisation has happened all over Europe in such a way that the traditional boundaries between urban, suburban, peri-urban and rural areas have often become blurred. At the same time, the formal territorial boundaries for local and regional politics have remained unchanged for decades, or even centuries. Leaders and citizens in the old city boundaries and inherited systems of government are now endeavouring to develop and support innovative solutions to the challenges of tomorrow.

In this paper, we argue that improved governance arrangements at the metropolitan area level are crucial for cities to address the major challenges listed above. Many of the challenges can be better understood and dealt with at this level, rather than within the historical administrative boundaries. Consequently, it has become necessary in many urban areas to set up new forms of cooperation or coalition between local authorities and between elected bodies and other stakeholders. This has already given us the current development of metropolitan governance arrangements that exists across much Europe, making up a semi-formal patchwork which works in parallel with the formal administrative boundaries.

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<sup>1</sup> 'Metropolisation' is a term not yet widely accepted in English but commonly used in French, Spanish, Italian and Polish for describing a process of restructuring of urban areas around large cities, including changes in many regards:

- concentration of leading (excellence) functions in the biggest cities, as well as economic growth
- generalisation of the urban way of life across a larger territory
- suburbanisation / enlargement of the areas functionally depending on the core city
- urban sprawl / specialisation of areas in the urban region, including peri-urbanisation of further away areas, beyond the traditional catchment area of the core city

# 1 THE NEED FOR A NEW PERCEPTION OF EXISTING URBAN TERRITORIES

## 1.1 An increasing mismatch between the real city and political definitions

In most European countries, especially in the biggest urban areas, major differences can be observed today between the political definition of cities, i.e. municipalities, and the urban reality influenced by market processes, from both morphological and functional points of view. This tension has been discovered relatively recently in some countries, especially in Southern and Eastern Europe, while it has been discussed for decades in others, such as the UK and Belgium.

In a large number of cases, built-up areas have expanded over many decades and ignore municipal boundaries. These boundaries have either not evolved at all or have not been changed fast enough to reflect the new reality. In cities as different as London, Lyon, Porto or Thessaloniki, it is common to cross municipal limits without noticing evidence of any change in the urban fabric. This is all the more true in former industrial regions, such as, for example, the Ruhr Area, where an association of municipalities was created to answer this problem as early as the 1920s.

However, continuity of the urban fabric is not the only aspect of this mismatch. It is obvious that the reality of a city's ecosystem (air, water supply, but also solid and sewerage waste disposal) extends well beyond the built up area, and that a city's ecological footprint often spreads over a larger region.

The economic system can extend over an even larger area. In European cities, job markets have expanded for years over wider and wider areas and their catchment areas extend far beyond city limits over large suburban zones. This phenomenon is well known and data shows its growth over the years. However, a city's economic system is also made up of less documented business flows (such as consultancy, legal and financial service provision, sub-contracting and supply services). And, last but not least, citizens' consumption of private (shopping, leisure, etc.) as well as public (education, culture, health, etc.) services has been spreading well beyond municipal boundaries.

## 1.2 Fast-moving urban reality

The problem is not only the existence of this mismatch between the political definition and the reality of cities. Defining what is urban and what is not - and moreover what belongs or not to the same city / urban system - tends to become more and more difficult, or at least more and more different from the expert's or the 'man in the street's' point of view. The massive urban sprawl experienced in recent years has fostered - if not created - real confusion between what used to be common reference points. The huge growth of built up areas, often with large shopping / leisure or industrial zones, has in many places led to towns and cities merging with each other, whereas they used to be historically independent and sometimes belonged to different political, social and economic contexts. Moreover, the widespread creation of low-density housing estates, often named or described using words that refer to the rural world (cottage, field, park, etc), but also the expansion of some villages and market towns, have led to the emergence of mixed urban / rural areas.

Most people living in such areas work in their sub-regional business centres. They go periodically to the centre of the core city for shopping, cultural or leisure activities, etc., but consider themselves as 'rural' and do not feel any responsibility for 'inner-city' problems. The trend towards greater mobility does not only concern commuting flows resulting from residential choices. While some types of businesses pay increasing prices for central locations, other activities seek lower costs and become dispersed over time to locations outside the city centre. This has happened in many cities, at the same time as employment in manufacturing has dropped, and can easily lead to complex and demanding journeys to work. In addition, the increasing range of choice and providers in both public and private services and retailing requires a high degree of personal mobility for households to enjoy the benefits of this choice. In most cases this leads to more car journeys, which can be problematic for the region as a whole.

The changing mobility patterns and the wider use of ICT, with the resulting changes in ways of working, using services and the relocation of activities, have all contributed to making the urban society more and more difficult to comprehend in a spatial way.

### 1.3 New relationships between urban and rural areas

This has deeply affected the traditional perception of two clearly different types of regions: urban and rural ones. On the one hand, the real rural way of life, based not only on farming activities and related services but also on traditional social values is disappearing, even in the most remote areas, influenced by contemporary values, that are often of predominantly urban origin. On the other hand, massive urban sprawl and the overall aspiration for a greener environment in urban areas have led to the strong development of large areas where urbanised and farming lands are closely intermixed. As a result, agriculture can even be an important economic activity in urban areas.

In functional urban areas the urban-rural interplay is increasingly becoming part of a shared vision, on a win-win basis. Areas that surround cities contribute to the sustainability and overall quality of life for everyone in terms of access to a wide range of resources, local food chains and food production, sports, leisure and recreational facilities. Lower property prices outside the city are an important asset for locating functions (serving the whole metropolitan area) that require a lot of space. Similarly, hub cities are often the main attraction for visitors. Cities often provide services of benefit to those living in more rural surrounding areas e.g. hospitals, culture, waste and water management and treatment and connections to major transport systems.

It is therefore increasingly difficult to draw a clear limit between urban and rural areas. Social and functional differences between life in cities, suburbs and surrounding communities overlap in many ways, and areas in the urban fringe and in surrounding areas can be understood in terms of gradual changes in the degree of urban influence and human intervention in the landscape. This perspective, combined with the continuing pace of development and change in lifestyles, reinforces how important it is to consider the functional urban area as a real entity and not just a theoretical concept that overlies traditionally defined boundaries.

### 1.4 The relative failure of top-down attempts to redraw boundaries

In order to deal with these problems, national governments have tried for decades to redefine local authorities' responsibilities and boundaries. A wide range of solutions has been implemented, often on a trial basis: compulsory mergers between municipalities (in Belgium, for example), the

forced creation of metropolitan authorities (such as the first French *communautés urbaines*), and the creation of a legal framework for the formation of voluntary groupings (such as the *città metropolitana* law in Italy), etc.

It has to be acknowledged that most of these initiatives have proved to be more or less ineffective: for example in the 1980s the UK government abolished metropolitan counties in England, and no *città metropolitana* has ever been effectively created in Italy. In France, *communautés urbaines*, which constitute perhaps the most successful of these initiatives, have remained quite limited in number until recent years (the issues of democratic accountability and voluntary decisions on the establishment of cooperation had to be resolved in order to extend this initiative). These changes also highlight the fact that cities and their metropolitan areas can become the unwitting arena for national political battles between different interests: cities, regions, national governments tend sometimes to set up different coalitions in their rivalries against each other.

The issue of local acceptance of what is at stake and the resulting support or lack of support is a crucial concern. Many attempts to redraw city or regional boundaries in order to match reality better have failed, because they have proved unacceptable to the citizens (see the case of Dutch city-provinces rejected by local referendums) or to the well-established political / administrative structures.

On the other hand, in the last years many types of city-regional cooperation have been attempted, and some have proved to be rather successful. Such examples will be raised in the governance part of this paper.

## 2 THE RELEVANCE OF CITY-REGIONS / METROPOLITAN AREAS

There is a wide body of opinion among experts and practitioners that supports greater geographic integration of policy making, which should ensure greater effectiveness, coherence and certainty in local and regional development. This principle of integration is widely recognised with regard to fields of policy making and the need for such integration is becoming clearer with regard to matters of scale. Today in Europe many efforts are made to develop cooperation that goes beyond political / administrative limits, especially in metropolitan areas where this is preferred to the redrawing of institutional boundaries. Most of these initiatives have arisen from the need to give pragmatic answers to real problems rather than from any political ambitions to reshape the institutional landscape.

### 2.1 Developing policies on the most effective scale

It is recognised that the municipality cannot always be the optimal level to design and implement solutions to local problems. However, searches for unique, relevant geographic or political scales for dealing with urban / metropolitan issues have proven to be difficult. There are different possible interpretations of what a metropolitan area is and the territorial relevance of policies can strongly vary from one issue to another.

#### 2.1.1 Terms must be clarified

Whatever the language used, there is some ambiguity in the terms 'metropolitan area' or 'city-region'. As often in European political matters, there is a translation issue: the terms 'city-region', 'aire métropolitaine', 'metropol-region', 'città metropolitana' etc., which refer roughly to a similar reality in different cultural contexts, are not exactly equivalent and this causes confusion when it comes to exchanges of experience. Moreover the same terms are often used by different players to refer to different realities.

It is important to clarify what we mean by 'metropolitan areas'. Metropolitan areas are geographical spaces that include the administrative city at the core, and encompass outlying areas to a greater or lesser degree (see below for more detailed discussion). In this context the term is generic and does not refer to only the largest and more prosperous cities, but includes all areas where a core city exists, which represents a major hub for a large and populated area<sup>2</sup>.

In this paper we use the term 'metropolitan areas' for all urban areas that have a sizeable city/cities at their core and spill-over effects across boundaries that are substantial. This definition is larger than the contiguous built-up area - what experts would call the morphological

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<sup>2</sup> 100,000-200,000 inhabitants is probably the lower threshold for such relationships to develop, but this might depend more on the context than on size alone. A satellite town of 200,000 inhabitants outside a major city of 1 million is not likely to be the core of a separate metropolitan area, whilst a city of 100,000 with a large, more sparsely populated hinterland could be thought of as the centre of a metropolitan area.

urban areas (MUA) - and corresponds to what most would call the FUA. Larger geographic scales can also be included in a broader definition, to include flows and linkages that are integral and strategically important for the region.

#### Four possible interpretations of metropolitan areas

There are several different interpretations of metropolitan areas by which we can try to understand and structure situations that can be found across Europe. These interpretations are largely based on research.

- The first one corresponds to what experts call the '**Morphological Urban Area**' (MUA), meaning the continual built-up area, with a defined level of density and functions relating to human activities such as housing, employment, leisure, infrastructure and trading. This interpretation is important in as much as it relates to building structures, infrastructure and services that have a clearly urban character. This definition is very important for dealing with a range of technical and political issues, but usually too narrow to develop effective development strategies.

- The second one corresponds to what experts call the '**Functional Urban Area**', meaning a wider urban system that is still functionally integrated with the core city. The functional urban area includes towns and villages that are physically separated by unbuilt land or water from the built-up city, but are at the same time economically and socially highly dependent on the urban core. The most common - and easiest - way to understand this interpretation is the travel-to-work area, which would include all communities with more than a substantial percentage (eg: 20 %) of resident workers employed in the core city. Other functional ties could include travel patterns for retail, education or cultural activities. This interpretation is important, as it commonly represents the arena for formal cooperation based on 'zero-sum' negotiated arrangements, typically for transport services or other joint venture companies with important service functions. This interpretation (FUA) is perhaps closest to a common understanding of the term metropolitan areas across the range of situations across Europe, although should not be strictly followed in all cases.

- A third possible interpretation includes the **broader economic area** which may be considered by developers as the part of the same area for investments, and could typically include access to major airports and harbours that serve large cities. This interpretation is important for cooperation on wider economic development issues such as joint marketing, competency-strategies etc., as the region can encompass a range of economic activities that are largely self-contained.

- Finally, an even **broader interpretation of rural-urban region** is also possible. This would also include the rural hinterland that is indirectly connected by the proximity to the metropolitan area.

For all these interpretations, the role of metropolitan areas as hubs in the regions' economic, social and cultural development is essential, as well being a channel and focus for the flows of knowledge, goods and services. The metropolitan areas are therefore key arenas for strategic decisions, giving them a crucial role in European integration.

#### 2.1.2 No 'one size fits all' definition of metropolitan areas

These interpretations cannot, as such, be enough to give a clear and operational definition of a metropolitan area. Not only their size but also their shape has a strong influence on the definition that can be given and accepted locally. This shape can be quite different from one case to another, as a series of factors come into play. The two most important are:

- the relative size of the central city / municipality compared with the surrounding ones;
- the monocentric or polycentric nature of the urban system.

The Paris region and the Rhine-Ruhr Area, for instance, have roughly the same population, but their status as a metropolitan area is clearly different.

Another important issue that has to be taken into consideration when comparing metropolitan areas and governance systems is the wider context. The first question is the political and / or administrative role that the central city plays in its environment: national or regional capitals are often more clearly recognised as cores of a metropolitan system than other cities.

The broader political and legal background also exerts a major influence. The size and number of municipalities, the existence and size of regions or provinces, the distribution of powers between local authorities are all factors that exert a strong influence on the emergence of the metropolitan area as a relevant political issue. In addition, the way local authorities are financed and, in particular, the way the local tax system is designed (with a possible mismatch between expenses and resources) are quite different from one country to another.

### 2.1.3 Metropolitan areas are hubs for their regions

Metropolitan areas represent hubs for a wide range of functions and activities within their regions. Key functions and activities have in many cases been managed with greater efficiency and effectiveness at the level of metropolitan areas than would be possible within the limits of historic administrative boundaries.

By cooperating at metropolitan level on a wide range of issues, cities are actually already responding to major European challenges; they are building:

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

However, the most relevant geographical scale can differ in the same metropolitan area from one issue to another. For example, public transport and water supply do not necessarily have to be managed by the same groups of local and regional authorities.

The mismatch described above between the urban reality and political definitions explains why the metropolitan / city-region scale is important for a wide range of political or administrative functions. However, public functions provided on this scale are not necessarily linked to a uniform definition of metropolitan areas. It is also worth stressing that the right scale for policy making remains often at the neighbourhood and / or at the municipal level, as government units. For some other powers, wider metropolitan frameworks can be preferred, because these are generally operational, flexible and changeable.

The adequate level for defining and implementing metropolitan strategy can or could be somehow near the definitions of the FUAs, as it is given here earlier.

## 2.2 An overall need for pooling the resources of local authorities

Further to the rather technical arguments presented above, there are other reasons for favouring metropolitan areas (city regions) for the delivery of the above-mentioned functions. There is an overall need for local authorities to pool resources in order to overcome shortages of public money and to deal effectively with the challenges of competition between territories in the global economy. In addition, local taxes are often not levied and collected at the level where tasks and services are required and should be provided (though this varies substantially between countries and their respective taxation and local government funding arrangements) leading to externalities which are important hidden factors behind urban sprawl.

### 2.2.1 The need to reach a metropolitan scale, size matters

Size and growth potential are essential for cities and their regions to compete at a national and global level. This means the capacity to develop relevant tools (congress centres, inward investment agencies, marketing campaigns, etc.), but also sports or cultural events with international significance.

Enhancing the size enables local authorities also to develop a more comprehensive approach to the local economic system, which is obviously not constrained by municipal boundaries. This is particularly important when local authorities want to help develop economic clustering and / or R&D activities. This also increases the ability to negotiate with the private and non-governmental sectors in public matters in a more balanced position, i.e. at the same level as the one at which they are the most often organised - the large metropolitan scale.

Reaching a certain territorial scale is also important for both the quality and quantity of the services provided by local authorities. This allows local authorities to develop their capacity to invest in infrastructure (public transport, cultural facilities, etc.) or to provide services (development agencies, health care, etc.) that better match the needs of citizens and / or the businesses. This is particularly true for highly specialised services they could not afford to develop and manage alone. Of course, there has to be a balance achieved between the aim to develop expertise and specialisation, while keeping locally adapted and accessible service solutions.

### 2.2.2 To avoid the negative effects of competition between local authorities

It is important to stress that global competitiveness is not based on local competition, while some joint approaches between local authorities can help. Focusing on petty local conflicts of interest and fights between municipalities creates a risk of confusion and loss of competitiveness on the metropolitan level.

It is essential to prevent any misuse of public money, such as the duplication of similar public facilities on the same reference territory (congress hall, major sport, cultural facilities, etc.), or tough competition to attract inward investments, leading to various forms of tax dumping, or reduction in planning quality standards (out of town shopping and other commercial developments).

An additional advantage of metropolitan area level agreements and regulations could be a more careful use of land, with a more sensible and sustainable distribution of development. In the framework of such regulations, the benefits to businesses of lower land prices in outer parts of

metropolitan areas should be counterbalanced (taxed), in order to reach planning decisions reflecting the need for compact, prominent and environmentally sustainable development patterns.

### 2.2.3 To avoid mismatches in the tax system

Many city-regions / metropolitan areas have to cope with a mismatch between levels of tax collection and service provision: taxes are not always collected at the place and at the level where the corresponding services have to be delivered. For example, when business taxes are collected at the municipal level, this can make the municipalities where industries are located quite rich, whereas the neighbouring municipalities where employees live may lack the resources to meet the needs of their residents. Conversely, in some countries taxes may be collected only from households or earners and therefore benefit the municipalities where people live, but not necessarily where they use public services such as schools hospitals, or public transport.

Taxation in most countries is levied both nationally and locally. Debate on local discretion and choice about the local rates of taxation - on incomes, businesses, properties etc. - can be an important arena for local politics. At the same time, local taxes can lead to unintended effects such as competition between authorities as they try through taxation or other ways to attract businesses and taxpayers, thereby increasing their revenue base. It has been demonstrated that in many countries competition for local tax revenues plays a significant role in the urban sprawl, with, as a consequence, inefficient infrastructure and increased greenhouse gas emissions for the metropolitan areas as a whole.

The flow of public funding and discretionary setting of local tax rates appears to be at odds with the primary purpose of local taxes and risks having negative effects at the level of metropolitan areas, and even at more local level. This problem could be avoided through mechanisms that allow some pooling of public resources at metropolitan area level.

### 2.2.4 To provide citizens and business with relevant services

Public service provision and other public tasks are delegated to cities and municipalities according to the principle of economy of scale amongst other factors. The formalised boundaries for public service provision could be revised from time to time as metropolitan areas evolve. Their appropriate geographical coverage could ideally be adjusted to fit the morphological and/or functional urban areas, while also taking account of the formal boundaries of locally elected bodies (even at their departmental and regional levels) or even sometimes national borders.

The level of public service provision should therefore be sufficient in size and quality to respond as appropriate to both the general needs of a large population and to the specific demands of diverse communities.

## 3 DIFFERENT APPROACHES TO THE GOVERNANCE OF METROPOLITAN AREAS

### 3.1 Three main existing approaches

There are several examples in EU countries of how territorial governance in urban areas can be strengthened through recognising and adapting to functional geographies (metropolitan areas, city-regions). These examples can be grouped into broad categories that, if not totally exclusive, are based on quite different understandings of the causes of problems in the functioning of urban areas. These different approaches can even apply simultaneously to the same metropolitan area, either to suit different competences or in recognition of different definitions of the metropolitan area itself.

The first approach aims for structured, pre-defined fixed boundary metropolitan areas. The second is a flexible approach, aiming for informal cooperation in flexible spatial structures. The third approach does not concentrate on the institutional forms but on the content and suggests strategic planning as the key mechanism for strengthening the metropolitan area level.

#### 3.1.1 Structured, pre-defined, fixed boundary metropolitan area organisation

This approach assumes that a complex system of voluntary agreements will never achieve real or effective enough results at the metropolitan area level. It tends to favour coordinated, formal cooperation bodies that cut across political entities, with the main aim of strengthening the metropolitan level.

Such an approach has been advocated by METREX<sup>3</sup> among others. It suggests that metropolitan areas need competencies (authority to adopt, implement and safeguard a metropolitan spatial strategy); capabilities (knowledge and understanding to take informed decisions); and processes (means to regularly monitor, review and update the strategy) for effective integrated economic, social, environmental and spatial planning to take place.

As pointed out in the METREX analysis there are many possible variants of this model. The strongest case is the amalgamation of settlements or the creation of a politically strong, directly elected metropolitan area government with a range of functions. On the other extreme are weak, nominated metropolitan organisations with only a few core functions (e.g. strategic planning). There are also cases when only one sectoral function (e.g. public transport) is organised on metropolitan area level, or several sectoral functions are organised parallel to each other but with different territorial borders. These cases may be more efficient and effective within their sectoral limitations, but do not fulfil the conditions of a general metropolitan governance.

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<sup>3</sup> The Network of European Metropolitan Regions and Areas ([www.eurometrex.org](http://www.eurometrex.org))

For a few European cities there is no need to create a new organisation at the level of the functional urban area, as a roughly appropriate level of government is already in place<sup>4</sup>. In most other cases, however, there is no level of formalised government that matches the geography of the functional urban area.

Even large cities that have a nominally regional tier of government, such as the states of Berlin, Hamburg or Vienna, or the Brussels Capital Region, cover much smaller geographical areas than either the morphological or functional urban areas as they are today.

#### Example 1: The French 'urban communities'

One of the concrete examples for metropolitan level authorities in Europe is that of the French 'communauté urbaine'. Such organisations were created by the French Parliament in 1966 as compulsory associations of municipalities, with a formal administrative status, a specific type of local authority called EPCI (acronym for public authority for inter-municipality cooperation). Originally there were only four (around Bordeaux, Lille, Lyon and Strasbourg), later others were also created, sometimes in much smaller urban areas. The purpose of the urban communities was to achieve cooperation and joint administration and investment between large cities and their independent suburbs. The status of the urban communities was modified and the range of their competences enlarged by the Chevènement Law of 1999. The emphasis changed from top-down compulsory creation to a framework-legislation: if municipalities decide under given conditions to form an association, then this association has to fulfil obligations by the law while getting some additional financial resources for development. Three types of 'communities' were created, urban communities being the strongest ones. At the beginning of 2009 there were 16 urban communities in France with a combined population of 7.5 million inhabitants. All urban areas in France with more than half a million inhabitants became urban communities, except for Paris.

As the French local government system is the most fragmented in Europe, this created settlement associations that are sometimes closer to the morphological area than to any broader meaning of metropolitan areas. They do not necessarily cover the whole functional urban area where the most serious externalities of metropolitan development emerge, and are smaller than what may more commonly be understood as metropolitan areas. Even so, the method is remarkable, especially due to the following factors.

1. A council is formed at the urban community level, consisting of delegated members from all municipalities (e.g. 85 in Lille). The council makes decisions in a similar way to municipalities; some important functions are compulsorily transferred to that level, some others on a voluntary basis.
2. As a step towards indirect democracy (democratising the delegated system), communal councillors will be identified on the basis of direct elections, as people during normal elections have to identify which candidate they want to see representing the municipality on the urban community council.
3. In an important step some years ago, local business tax was equalised among municipalities and transferred to the community level, putting an end to much criticised tax competition. The business tax has been abolished recently.

A new reform is in progress which requires that every municipality joins an EPCI, and provides 'urban communities' with the opportunity of acquiring more competences (transferred from departments).

<sup>4</sup> Interesting examples can be found in Stockholm or Milan

### Example 2: Stockholm Region

Stockholm exists historically as a city within a geographically larger region, which includes other municipalities. An Office of Regional Planning was already established in 1952. Since the 1970s, by national legislation, the regional planning office has addressed transport, environmental and land use challenges that the metropolitan region faced. The Office of Regional Planning works on regional planning and regional development within the County of Stockholm, for Stockholm County Council's Regional Planning Committee. Due to a recent administrative reorganisation, transport related issues are no longer managed by the Office of Regional Planning, but have been taken over by Stockholm Public Transport (a Stockholm County Council owned company for public transport).

The Office of Regional Planning seeks to achieve a shared vision for how the unique assets and strengths of the Stockholm region can best be managed and developed. It covers a broad spectrum of regional planning issues, producing documentation, i.e. regional development plan, forecasts and statistics.

The Stockholm Office of Regional Planning involves representatives from the respective municipalities, national bodies and the directly elected regional body for making decisions on strategic planning and transport.

### Example 3: Verband Region Stuttgart

The Verband Region Stuttgart was founded in 1994 to give the Region a political organisation with its own directly elected representatives of the population: the Regional Assembly. This democratically elected decision-taking body covers the central planning policies - regional, infrastructure, landscape, and traffic and transport - as well as business promotion, local public transport, waste management, trade fairs and exhibitions, tourist marketing and can present an objectively uniform picture of the Region inwardly and to the outside world.

On 7 June 2009, the population of Greater Stuttgart decided for the fourth time on the composition of their Regional Assembly and elected 91 representatives for a 5-year term.

The central aim of the Verband is to bring together 179 independent municipalities (towns and city districts) within the Stuttgart conglomeration in order to enable the region to compete effectively at European and world level.

The work in business promotion, tourism marketing and the co-ordination of local public passenger transport is handled in collaboration with other regional organisations and companies, by private sector subsidiary companies.

The annual budgets of the Verband Region Stuttgart amount to about €260 million, and come almost exclusively from public funds in the form of transfers from county and municipal authorities and grants from the Federal and the State governments. The largest item of expenditure is local public transport, which accounts for about 85 percent of the total budget.

Source: <http://www.region-stuttgart.org/vrs/main.jsp?navid=67>

### 3.1.2 Flexible and/or bottom-up models of territorial governance

This approach is usually based on informal and voluntary cooperation in varying, not necessarily pre-determined, spatial structures. In some countries, national governments have provided a framework for such cooperation to develop, in others nothing of this kind exists and cooperation is totally dependent on the initiative of local authorities.

The examples listed below represent a wide range of informality and flexibility of approaches to metropolitan area governance. The examples range from exclusively bottom-up approach to mixing elements which could be classified as belonging to the formal approaches where the voluntary cooperation might be strengthened by specific tools (initiatives, framework legislation, etc.) and competencies that are delegated from the national or regional levels of government.

#### Example 4: Metropolitan Association of Upper Silesia (MAUS)

The mayors of Katowice and 13 other cities decided to establish the Metropolitan Association of Upper Silesia. MAUS registered as municipal union in 2007 in the registry run by the Ministry of Interior Affairs, not as a one-purpose association but as a more general one. The MAUS assembly has 2 representatives per city, the mayor plus one other delegated person. Katowice is the only one with 3 representatives. The board consists of 7 mayors chosen by the assembly. MAUS covers 10% of the area of the region, 43% of inhabitants, 67% of regional GDP. There are still many legal obstacles to be handled, e.g. strategic development documents are prepared at the 'official - formal' levels of government or self-government, i.e. a similar document prepared at metropolitan level has no authority to impose any actions on municipalities. Thus, for the time being, the plans prepared by MAUS cannot function as an element of the official planning hierarchy, even though they are approved by the board of the association. The fundamental drawback of this solution is lack of financial instruments, which results in a kind of 'showy' character of MAUS.

#### Example 5: Eindhoven City Region and Brabantstad cities network

Eindhoven city-region (Joining Forces, 2010:31) is one of the voluntary regional associations allowed by the Dutch law. Such associations can be formed bottom-up and the law gives them a legal basis for cooperation in one or more specific issues. These regions have statutory policy competences, such as economic development, transport and environment (and previously also spatial planning). Differently from similar associations in the Netherlands, the municipalities around the cities of Eindhoven and Helmond decided to create also a separate body, the Eindhoven city-region. The participating 21 municipalities decided voluntarily also to create a joint fund to strengthen the economic structure of the area. This led to the creation of the Brainport Foundation, which further developed into an action programme and city marketing strategy. Based on the initial successes, cross-border strategic cooperation has been initiated with knowledge-based industries in Belgium, Germany and France. The voluntary cooperation between governments in the border region is supported also by the national level.

Brabantstad is a voluntary cooperation between the cities of Eindhoven, Helmond, Tilburg, Breda, 's-Hertogenbosch and the Dutch province of North Brabant. The cooperation started in 2001 and covers lobbying activities (national level, EU), joint development of strategies, investments programs and project bids. The cooperation has no formal powers, but achieves results as a network by aiming for consensus. For example, there is a shared spatial analysis and vision (Brabantstad Mosaic Metropolis), an agreed joint investment program of 1.4 billion Euros for 2010-2013 and the Brabantstad partners are making a joint bid to become Cultural Capital of Europe in 2018.

The municipalities of the 5 cities have a joint population of about 800,000. One of the reasons for the partnership is the overlap of their respective functional areas, resulting in a functional urban area with a population of about 1.8 million. The national policy on spatial planning recognised Brabantstad as a cities network of national relevance in 2004. The use of the cities network concept was dropped when the national policy was reviewed in 2011.

#### Example 6: The German approach: combination of top-down and bottom-up elements

The German *Metropolregionen* form a transition between the formal and the flexible approaches. The idea of *Metropolregion* was first developed around 1995 (MORO, 2007). After officially adopting the idea as part of the German spatial development strategy in 2005, their number increased to 11 regions. Metropolitan regions are designated by the German Ministerial Conference on Regional Planning (Jurczek, 2008). Beyond certain basic structures concerning population and economy - where there is a high variation among the 11 assigned regions - metropolitan regions have to fulfil specific functions. The three most important functions are as follows (BBR 2005:177).

1. Decision making and control function, referring to the spatial concentration of political and economic centres, in which financial and information flows are being controlled.
2. Innovation and competition function: high density of scientific as well as research and development facilities and the presence of creative milieus.
3. Gateway function: good accessibility from international locations and multiple options for 'face-to-face contacts' are essential factors for the exchange of knowledge and information. A high quality traffic infrastructure network is needed.

The ministerial document explicitly refers to flexibility and the bottom-up character of metropolitan regions, which have to be understood as regional alliances with common responsibilities: "The question of the spatial boundaries of metropolitan regions can only be answered by its basic participants, i.e. local authorities and regional players. Only the common will of all municipalities within the metropolitan region to cooperate can result in the stronger regional self-government described above..."

The Joint Spatial Planning Department of the Länder Berlin and Brandenburg is a good example how co-operation in the spirit of partnership between politics and administration can be implemented. It promotes growth and infrastructural development in the entire region and thus contributes to strengthening the competitiveness of the metropolitan region within the national and European context.

#### Example 7: Helsinki - voluntary metropolitan area cooperation

Finland has no regional tier of government. In the Helsinki area, municipalities have joined forces to form their own political and administrative arrangements as needed for developing and managing the metropolitan area.

The Helsinki Metropolitan Area Advisory Board is a cooperation body of leading elected politicians of the four cities (Helsinki, Espoo, Vantaa and Kauniainen) in the Capital Region of Finland.

The activities of the Advisory Board are based on a cooperation agreement, a common vision and a joint strategy. The Advisory Board deals with issues concerning strategic cooperation and steering of the most important joint municipal organisations. The main pillars of the strategy are common welfare services, international competitiveness, land use, housing and transport. The activities of the Advisory Board are based on decisions made by the city councils of the cities involved.

Within the metropolitan area and for the wider Helsinki Region, which includes up to 10 additional municipalities, a number of joint agencies have been established for organising or coordinating strategic issues, such as transport, environment, economic development, hospitals and land use structures.

#### Example 8: Greater Manchester Combined Authority (GMCA)

The ten authorities in Greater Manchester are the first in the UK to develop a statutory Combined Authority: the Greater Manchester Combined Authority (GMCA) that was established on 1 April 2011. The Manchester City Region has thus received new powers from the UK government to work more effectively on significant issues including transport, regeneration and economic development. Under the new arrangements a new body - Transport for Greater Manchester (TfGM) - has been established, which will assume responsibility for delivering transport across the Manchester City Region.

The Association of Greater Manchester Authorities (AGMA), which has been in existence since 1986, will continue to act as the voice of the ten local authorities of Greater Manchester but as part of a much stronger partnership with GMCA. A new Transport for Greater Manchester Committee will assist the GMCA in carrying out its transport functions.

The Greater Manchester Combined Authority will not replace the 10 local authorities, but will comprise one member from each and takes the work AGMA has achieved to the next level. The membership of the Greater Manchester Combined Authority (GMCA) comprises of the leaders of the 10 local authorities within Greater Manchester. The Chair is currently the leader of Wigan Council. Leaders of Manchester CC, Trafford Council and Stockport Council are Vice Chairs of the GMCA.

Source : <http://www.agma.gov.uk/gmca/index.html>

### Example 9: MalmöLund - Metropolitan Area

Municipal leaders are hoping to strengthen relations between Malmö and Lund by focusing on in-depth collaboration between the two cities. This is done through an ambition to create a cooperation platform around regional growth and a specific number of development themes. It sees the two cities (and smaller municipalities in between and around) as a metropolitan area.

Collaboration regarding common future issues is necessary in order to shoulder the joint role of regional growth engine. It is equally important to make it easy for citizens to live and work in these two cities, including those inhabitants who travel daily between them.

In 2011, a joint vision and strategy project is being conducted by the city executive boards. This will focus on how the collaboration and the urban region/metropolitan area will be developed in the future. The aim is to produce a shared vision and proposal for specific efforts to strengthen MalmöLund's future development.

The collaboration project is concentrating on 'profile-areas': planning, labour market, commercial development and tourism. Each profile area has a chairperson and steering group with politicians from both cities. The project is being supported and coordinated by civil servants at various levels in each municipality.

The long term aim of the collaboration project is to ensure consultation to a greater extent than previously in day-to-day work and jointly manage processes of strategic importance to future development of the cities.

### Example 10: The Province of Rome

The province of Rome is within the Lazio region of Italy, with a population of over 4 million. The province can be viewed as the extended metropolitan area of the city of Rome. The province can be divided into three concentric rings as follows:

- the City of Rome itself with a total population of 2.7 million and an area of 1,287 km<sup>2</sup>;
- the extended urban area beyond the Ring Road, including 38 dynamic municipalities;
- the outer metropolitan area, including 81 mostly rural municipalities, that is connected to the urban core city, typically by employment ties through commuting.

There is growth pressure in the urban periphery, leading to urban sprawl and progressively increased land consumption, at the same time as the population at the core is decreasing. In recent years the city's share of the total metropolitan population decreased, with growth directed to the secondary ring of cities within the extended urban area, thus increasing commuting flows.

Italy has a legal framework (Law 142/90) for organising metropolitan area government. This law allows separate administrative districts to collectively establish metropolitan institutions of 'variable geometry'. Similar to other urban areas, Rome has not been able to tackle the issue of metropolitan government under this legislation.

Although there is no metropolitan area in the formal sense, the Province of Rome is normally identified as the key player at the intermediary level. The province supports municipalities and acts as interlocutor with the Region. This also enables Rome and its surrounding area to be a metropolitan player of an international scale.

Functions at the MA level include collecting and coordinating municipal proposals as to environmental, territorial and economic planning. It promotes coordination and collaboration among towns. It defines the territorial planning of the province, promoting balanced economic development and sustainability. Two regional planning tools have been adopted by the Province of Rome: a Land Use Plan for Provincial Coordination (PTCP) and a complimentary Zone Plan for Mobility and Transport (PMT). These policies are further coordinated with the wider Regional Transport and Mobility Plan (PRTM) for the whole Lazio region.

#### Example 11: Cross-border governance initiatives in the Lille Metropolitan area

Lille Métropole is a French *urban community*, that draws together 85 municipalities for 1.1 million inhabitants and has extensive legal competences, either enforced by law or voluntarily transferred from the municipalities: public transport, waste disposals, water supply, sewerage, urban development and planning, economic development, housing policy, culture and sport facilities. Despite its size and competences, it is today not covering the real metropolitan area: two major initiatives were thus developed during the last two decades.

**Eurometropole Lille-Kortrijk-Tournai**, a formal public organisation was set up in 2008 in order to develop and manage cross-border cooperation. The area concerned represents 150 municipalities, 2 million inhabitants (1.1 in France and 0.9 in Belgium) on 3 550 km<sup>2</sup>. Since 1991, a cross-border cooperation process had already been developed between Lille Metropole and four neighbouring Belgian (Flemish and Walloon) *intercommunales*. This was done through a French voluntary association, COPIT, which appeared not to be strong enough to develop effective common initiatives. In January 2008, Eurometropole was thus created as the first EGTC (European Grouping for Territorial Cooperation). It gathers the five historic partners and the nine 'upper level' partner authorities: the French government, the four Belgian governments concerned, the Nord-Pas-de-Calais Region, the *Departement Nord*, and the two provinces of West-Flanders and Hainaut. The ambition of this unique multilevel cooperation structure is to do away with cultural, political and administrative borders in order to make the most of the opportunities provided by wider cooperation and, above all, to make the daily lives of Eurometropolitan citizens easier. The inhabitants from France, Flanders and Wallonia have also joined forces to support the development of projects of common interest in various fields: transport, tourism and environment.

**The Lille metropolitan area** (Aire métropolitaine de Lille) is an informal metropolitan co-operation, that started in June 2004, following a "call for metropolitan cooperation", launched by the French government. In response 23 public partners representing 3.7 million inhabitants, signed a memorandum of understanding for the development of a cooperation process aiming at increasing the area competitiveness by the development of concrete projects. In addition to the members of COPIT, partners were the major French EPCIs from the south of the Nord-Pas-de-Calais region, and the regional and department/province authorities. A voluntary association 'Aire Métropolitaine de Lille' was created in December 2007 in order to represent and develop the cooperation process. The cooperation topics include economic development, transport and sustainable urban development.

### 3.1.3 Innovation in metropolitan areas through strategic planning

The starting point for this approach is a view that the current challenges in society and cities are structural and cannot be tackled by traditional means, especially not within the existing institutional frameworks, or by adapting these frameworks.

Albrechts (2010) argues for 'transformative practices', which "simply refuse to accept that the current way of doing things is necessarily the best way; focus on new concepts and new ways of thinking that change the way resources are used, (re)distributed, and allocated and the way the regulatory powers are exercised, take decision makers, planners, institutions, and citizens out of their comfort zones and compel them to confront their key beliefs, to challenge conventional wisdom, and to look at the prospects of new ideas and 'breaking out of the box'." He considers strategic spatial planning as the best way to perform the needed transformative practices, as it "is a transformative and integrative public-sector-led socio-spatial process through which the visions or frames of reference, the justification for coherent actions, and the means for implementation are produced that shape and frame what a place is and what it might become".

A major challenge for this approach is that, to be effective, strategic planning has to have political support, especially when the planning seeks to work beyond - and across - traditional boundaries of territory and themes. Political support comes from elected representatives who represent specific institutional bases, usually territorial. This makes it hard for creative strategic planning processes to carry more weight than an academic exercise. Alternatively, the conventional European form of local democracy has a built-in logic that makes it hard for representatives of elected bodies to break the mould and to commit policy support and resources across institutional, conceptual and ideological boundaries. To do so requires considerable vision and negotiating skills.

Despite these difficulties strategic planning can be considered as a separate approach in the sense that the planning process takes the lead, irrespective of the territorial structure. The first example below shows how strategic planning can strengthen the cooperation within an already existing spatial setting, while the second example highlights how metropolitan cooperation can be initiated with economic initiatives and compulsory strategic planning around cities without pre-determining the area of cooperation.

#### Example 12: Strengthened strategic planning in Dutch regions

In the Netherlands, strategic planning takes the lead in the metropolitan areas of Amsterdam, Rotterdam and The Hague.

In the case of Rotterdam and The Hague, periurban areas around the cities are under increasing pressure as different actors want to change these areas according to their specific interests. The periurban areas around The Hague and Rotterdam, constituting recently built buffer zones between the large cities, stretch beyond the boundaries of the city region. Rotterdam and The Hague recently decided to strengthen their cooperation by combining their regions in a newly formed metropolitan area from 2013 onwards. Strategic planning will consider mobility, economy, spatial planning and services as sports and culture.

Rodenberg (et al, 2010) describe in detail the Regional Structure Plan of The Hague Region which aims for open, green, accessible and high quality peri-urban spaces in the commuter belt around the city.

In order to fulfil its aims the Regional Structure Plan aims for joint steering of area development and joint policy implementation. Specific platforms are established as alliances between government bodies, community based organisations, private partners.

Amsterdam metropolitan area uses the joint 'development scenario 2040', a political document that is adopted for the strategic planning in each of the 36 municipalities, one regional body and two provinces. It is continuously further developed by working groups in the metropolitan area and ensures joint decision making at the metropolitan level. The 'Plabeka' working group comes to agreements on the realisation and removal of office building plans at the metropolitan level, ensuring optimum use of available space and accessibility for the chosen locations.

#### Example 13: Economic initiatives to launch strategic planning in Romanian metropolitan areas

The Romanian growth-pole model is an example for top-down initiated metropolitan cooperation, further strengthened by strategic planning. Within the 2007-2013 Structural Funds period a substantial amount of the Regional Operational Programme means are allocated to 7 growth pole cities, which were assigned by the national government. These cities have to delimit and establish their metropolitan areas. The government did not fix concrete criteria as to how this area should be established, except that it has to be spatially continuous and should contain at least 3 additional settlements. For each growth pole an Association for Intercommunity Development (AID) has been created, comprising the city, the territorial administrative units in the hinterland (towns, communes) and potentially the County Council. The AID established the geographical area of the growth pole, set up the decision making mechanisms for the growth pole, and approved the Integrated Development Plan. The growth pole had to develop integrated development plan (including economic, environmental, social aspects according to given proportions) for the whole metropolitan area, which had to be approved by the city and all other municipalities, and finally also by the ministry. Voting in the metropolitan area follows population shares, thus usually the will of the core city dominates. However, if the city is too self-centred, the small settlements might consider leaving the association.

## 3.2 Combining metropolitan areas cooperation with formal administrative structures

Each of the three approaches to metropolitan area governance outlined here will only succeed when they are adapted to work in combination with existing political and administrative structures. Some approaches present more of a challenge than others for established territorial authorities, but none of them should be viewed as an attempt to unravel or undermine the elected national and regional authorities.

### 3.2.1 Governance arrangements rather than new government units

Practical experience from many cities strongly suggests that integration of different policy areas (which each have their own externalities) can be better achieved on the level of metropolitan areas than within the borders of cities. Furthermore, experience from cities in many countries suggests that formal administrative institutions are not always required to guarantee such policy-integration.

In principle, it would be possible to create new administrative institutions, elected or delegated governments at these functional levels. However, in the majority of cases, this would not be a practical solution for several reasons. To change the present structure of local governments

(and/or the administrative regions) or add a new level to the system is a cumbersome process that would take many years in most cases. By the time a new solution has been agreed, the functional geographies may well have changed again: the freshly created metropolitan government would soon have to recognise that the area it covers no longer corresponds to the real metropolis in a functional sense.

To avoid this problem, ideally metropolitan areas should not be formally changed to become, or even addressed as, fixed-boundary administrative units, but should rather be considered as flexibly defined levels for action, where important, strategic activities should be carried out within less formal structures of governance. The separation of the two approaches, i.e. the formal/administrative and the informal/functional forms of governing has been stressed by Claude Jacquier (2010)<sup>5</sup>. In his interpretation the formal/administrative levels are the central state - province - communes, while the informal/functional levels are the European Union, cross-border and national regions, metropolitan (city-region) areas and neighbourhoods.

In the interpretation of this paper, the functional area approach does not replace the traditional fixed area government approach: these two hierarchies can and should exist at the same time as they have different tasks and legitimacy. The entities of the functional logic do not turn into fully institutionalised forms, therefore these new spatial levels have a better chance to be accepted by the administrative levels (such as the way in which German municipalities and the politically very strong Länder accept the metropolitan regions as long as these do not become fully fledged political administrations).

### 3.2.2 The need for innovation and adaptation to local/national contexts

Based on this overview and examples we would argue that the three approaches to metropolitan cooperation do not differ significantly from each other. Many overlaps between the approaches are possible and even parallel application of the approaches might happen in the same urban area. Even if the 'philosophy' of these approaches is rather different, no clear hierarchy can be established between them as their effects might be quite different according to the local circumstances and existing institutional arrangements.

There are several methods as to how the new spatial hierarchy of informal, functional levels can be established, and how the capacities for integrated planning and monitoring can be developed without too much formalisation. It is also clear that on these functional levels more open, participatory governance processes can be applied, involving population groups and other important actors.

In any case it should be up to local authorities first - in close links with all other local/regional stakeholders - to define the most relevant solutions to apply to their metropolitan area. No structured solution should be imposed by the national level before it is clear that the local voluntary cooperation process has failed.

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<sup>5</sup> Cf. Annex 1 hereafter

### 3.3 How to make it happen: some basic principles

#### 3.3.1 Win-win situation first in order to develop mutual trust

Experience shows that cooperation in metropolitan areas is easiest for issues that do not create major political challenges. Examples of this can be developing and exchanging information, or developing strategies for joint service provision where it is clear that all parties will gain directly. Partners should be aware of and find good solutions to issues of asymmetry; while the core city may have more capacity, more expertise and more economic flexibility to contribute in cooperative actions than its neighbours, the need to maintain balance between partners is often challenged by the risk of being seen as 'big brother'. This emphasises the importance of carefully negotiated arrangements for cooperation in each case, so that all parties' interests can be voiced and joint decisions are transparent and accountable. Costs and benefits must be allocated fairly to all participants.

This first phase of cooperation being completed, a certain level of mutual trust is achieved between partners that can allow cooperation to move on and deal with more challenging issues. Trying to define a common vision for the future of the area can be another way of pooling forces. This supposes the ability to develop a common assessment of strengths and weaknesses, which requires time and resources for expertise, and developing common ground for understanding the challenges and opportunities between the players.

Setting up such cooperation processes assumes that the partners will be able to jointly identify and agree on their common interests. This also leads to the development of mutual trust between the partners. Such processes are often very challenging and require considerable effort, time for discussions and studies.

However, acting in common is probably the best way of developing and securing cooperation. Projects should come first and both the 'learning by doing' and the 'proof through example' principles fully apply to metropolitan cooperation. Structures can be created if and when required to help develop actions when some obstacles, especially legal ones, appear to impede implementation.

#### 3.3.2 Time and continuity are required: the process has to be sustainable

Mutual trust between the partners in the metropolitan area has to be assured before tricky issues may be effectively considered, so that sufficient time has to be dedicated to discussions. The process has to be maintained, even if the first achievements may be seen as rather modest. After an initial period of enthusiasm, there is a big risk that some disillusion sets in, as the decision making appears to be quite slow, and the results too limited. At this stage, it is important that the ambition be reasserted, initial objectives reaffirmed and the agenda for cooperation confirmed (with the required amendments).

The creative governance approach therefore encourages flexibility and challenges the status quo; it highlights an opportunity for cities to be more inclusive and innovative in developing new working arrangements. The approach also warns against a 'one-size-fits-all' approach, and recognises local social, cultural, historical and economic context.

It is therefore extremely important to achieve a consensus between the political parties at the start of the process. The cooperation itself should not be a matter for local politics alone, even if prioritising the actions to be developed gives rise to intense discussions. In this perspective, all metropolitan arrangements, even if they are informal, need to be widely publicised.

One helpful way to start such processes is to build up regional information systems and involve all important stakeholders in developing a shared vision. If this is done successfully then a city-region identity and confidence is more likely to develop that will have a positive effect internally and project an important external image to investors and competitors.

### **3.3.3 Involving all stakeholders: private and voluntary sectors and gaining support from citizens**

As in most planning processes, participation from interested groups is an essential process for developing a shared knowledge base for good decisions. Involvement of stakeholders will also encourage commitment in supporting and implementing joint decisions. The challenge at the level of metropolitan areas will often be in selecting which groups should be involved and how to involve them. Questions of representation and roles in relation to the political bodies must be resolved in a clear and transparent way.

A particular challenge for metropolitan areas, again related to asymmetry, is that private and voluntary sector organisations may already have a stronger voice in the core city than outside and therefore be perceived as unbalanced.

Citizens often feel excluded from processes relating to regional, strategic issues that seem distant from their daily concerns. However issues such as traffic congestion and public transport, housing, higher education, access to leisure, sport and culture facilities, etc. are more tangible and important and to citizens experience. By focusing on specific issues, more people should be able to understand the importance of metropolitan areas.

### **3.3.4 A specific responsibility for core cities**

Core cities are usually the economic, cultural and political driving forces in development of metropolitan areas as a whole. While this fact is widely acknowledged, the specific role for core cities in cooperation within metropolitan areas is not always so clear for other potential partners.

In cases where the initiative comes from national or regional authorities, our experience suggests that the central (or biggest) city must be prepared to take responsibility in mobilising a local partnership to develop metropolitan-area cooperation. It is up to this core city to demonstrate its strong commitment to the process, by sharing with neighbouring authorities some of its advantages, even if only symbolically. Mutual respect is another important element in this perspective, and the leading authority must consider and treat other authorities as equal partners and not as 'second division players'.

## 4 WHAT SUPPORT COULD BE PROVIDED BY THE EU AND NATIONAL / REGIONAL LEVELS?

### 4.1 Ensuring coordination at metropolitan level, a shared responsibility

The metropolitan area (city-region) level potentially has extraordinary importance. Successful, strategic governance at this level can enable the necessary spatial and thematic expansion, beyond the existing and formalised levels of administrative local government and cities. Dynamic expansion can be achieved through three approaches to change: i) establishing a new metropolitan (functional urban area) level; ii) voluntary association of settlements initiated by upper levels of government or by the lowest tiers; or iii) visionary strategic spatial planning; or a combination of any of these. The approach to change in each case must be developed and agreed through participatory processes, in order to explore and include the interests, views and expertise of different population groups and actors.

One basic and crucial question, however, remains: how can it be assured that the plans and ideas that are developed through governance at the new functional level become adopted and implemented by the existing administrative structures (national and regional bodies as well as local governments)? An important precondition for the establishment of governance at the functional area level is that no formally binding decisions have to be made, so that final decision making powers remain within elected bodies. At the same time some form of leadership and guidance with a high level of commitment has to be achieved at the metropolitan area level, or there is little point in establishing it. This question is difficult to resolve in the local and regional context alone. There are many European countries which started by promising programmes to establish new forms of cooperation at functional levels but failed, or achieved only limited results, due to the opposition from formally elected bodies.

In order to link the functional and formally elected levels, both national and European initiatives are needed to ensure a legitimate framework. On the one hand, national governments are in a key position to develop strategies to create the double hierarchy of formal and functional levels in their country, taking the specific historical, economic and geographical contexts into account. On the other hand, attempts by national governments to modernise the administrative-functional governance systems can benefit from support at the European level.

In the long term, EURO CITIES would like to see widespread development of cooperation in metropolitan areas across Europe, where cities and their neighbours actively work together on a large variety of issues and policies, supported enthusiastically by their national governments and by the EU where this is appropriate. For the shorter and medium term, the objectives should be about trying to influence the overriding policy framework and to develop a package of measures and incentives to make this happen.

### 4.2 A European challenge that should be faced at the EU level

As emphasised above, the development of the double hierarchy of administrative and functional levels of governance should be overseen by the national governments, as conditions are very different between European countries. New informal, functional systems will be developed in a national and regional context which is likely to be different in most member states and the EU

should therefore only recommend the aims and basic requirements for governance in metropolitan areas.

Metropolitan area cooperation is of crucial importance, both for the discussion on post-2013 cohesion policy, and also in a broader sense for strengthening the competitiveness of the EU's cities and regions and thereby delivering the objectives of the Europe 2020 Strategy. Many of the key measures and strategies that are relevant for achieving these objectives can be delivered more effectively on the basis of cooperation between public bodies within functional urban areas. The EU should stimulate and promote the policy focus of Member States, to encourage and support their cities in cooperating with their surrounding areas. This means helping to develop basic principles and requirements for mobilising the different administrative levels in a functional area, as well as to create financial and technical initiatives for appropriate forms of cooperation.

Further to this, EUROCITIES propose a policy input where the main goal is to put 'metropolitan areas' (Functional Urban Areas) on the map for use in EU policy in general. The overall objective would be to make the most of the opportunities provided by EU's cities and metropolitan areas to deliver Europe 2020. We would welcome a set of clearly targeted EU instruments and financial incentives.

#### **A. Policy initiatives to reinforce the role of metropolitan areas as a relevant scale for defining and implementing integrated development strategies.**

Recognising the importance of metropolitan areas in the EU and member states policy making is crucial if the cooperation processes is to develop effectively. Measures could include:

- a Commission Communication which sets out the current impact of functional urban areas in the relevant policy areas and the scope for supporting the development of governance structures of metropolitan areas. This Communication should be based on the involvement of all relevant Commission services and a thorough stakeholder consultation to fully cover all policy aspects and the potential for creating integrated solutions.
- a set of guidelines or recommendations which should be endorsed by the Council of Ministers, which would commit Member States to fully recognise the role of functional urban areas in the delivery of Europe 2020 objectives and therefore to follow up and support the development of appropriate governance structures. Such guidelines could be linked to the development of national reform programmes.
- a European Parliament own initiative report supporting the relevance of metropolitan areas in EU policy making and implementation, and considering the role of MEPs in increasing the awareness of metropolitan areas at EU level.

The monitoring and implementation of such instruments could be undertaken by the joint Urban Development - National Territorial Cohesion Contact Point working groups under the rotating EU Presidencies.

#### **B. Identifying metropolitan areas as a priority in EU funding programmes**

In the next budget period for the EU from 2014 to 2020, spending will be closely linked to the Europe 2020 objectives, also as regards cohesion policy. Partnership contracts between the Commission and each member state should set out the commitments of partners at European, national and regional levels as well as the Commission.

The success of the partnership contracts will depend on the involvement of the right sub-national partners, which are the main implementing bodies. To encourage effective partnerships the Commission could require member states to demonstrate that the processes for having a dialogue with their cities, and notably those cities that are cooperating strategically with their metropolitan areas, are in place and used, without otherwise further detailing how those processes should be organised.

### **C. Initiatives to support and encourage metropolitan co-operation in strategic and integrated planning and development for cities with their surrounding areas**

Measures taken at EU level to support metropolitan areas need to be cross-cutting and should encourage the development of governance structures at sub-national level. At the same time, such measures must respect the division of competences between tiers of government and between sectorial agencies. This situation is challenging. To meet it, directly focussed initiatives are needed to find and develop good working solutions in metropolitan areas.

EU pilot initiatives should be launched with the objective to establish good practices on how metropolitan co-operation can be developed effectively and efficiently within different Member States. This could take the form of a Commission or national calls for proposals addressing local authorities and asking them to set up trial partnerships in order to design and implement European or national projects, including, where appropriate, operational programmes. The funding could be used directly to meet costs related to developing the partnerships, and linked to funding of the wider projects.

A programme of initiatives aimed directly at strengthening metropolitan area cooperation would focus attention on a number of selected pilots in each Member State, which could form the basis for mutual learning and improvements of practice across EU regions. Outcomes should be monitored and disseminated by the European Commission, in close link with relevant stakeholders, such as EUROCITIES.

### **D. Developing knowledge and awareness through all relevant research and exchange programmes**

Some academic literature exists on this issue at national level in many member states, and comparative studies have been conducted by some international institutions. However, except for a few surveys conducted within ESPON<sup>6</sup>, research work on metropolitan factors at European level has been quite limited to date. Moreover, existing studies generally focus on demographic definitions and ranking and/or on the relative economic performance levels of major urban systems. Limited interest is shown in the governance mechanisms that have been developed in metropolitan areas or other areas of joint policy and services.

Two main types of initiative could be taken for this purpose:

- **In depth exchanges of experience** between metropolitan areas could be fostered, as a priority topic to be dealt with in existing programmes such as URBACT or Interreg, where focusing explicitly on metropolitan area governance mechanisms and issues that benefit from joint working at the functional area level.

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<sup>6</sup>European Observation Network for Territorial Cohesion & Development [www.espon.eu](http://www.espon.eu)

- **Academic surveys and analysis** should be funded in order to better understand current changes in the “metropolisation” process in Europe, its components and impact on the way Europe faces global challenges. This could be done, for instance, within the scope of the ESPON programme and/or fit in with a new initiative such as a revised urban audit.

There should be an explicit priority in programmes such as URBACT, Interreg and ESPON on supporting the better understanding and development of metropolitan areas. Clearly, a combination of effective governance structures and relevant spending priorities is likely to have the most impact across the EU.

Judging from the wide variety of information and experiences that has already been provided by EURO CITIES members, the approach from the EU will need to be flexible and responsive to national legislation in each case and to changing circumstances. There may be a strong requirement for establishing a new form of coordination at the metropolitan regional level in some cases, whilst others may benefit most from a stronger recognition and improved framework to support existing arrangements.

## 5 CONCLUDING REMARKS

The role of functional metropolitan areas are increasingly important across most EU member states, as all levels of public administration are adapting to new circumstances and policy challenges and seeking to find better and more effective solutions.

While no single definition of metropolitan areas exists either in theory or in practice, there is a series of practical examples from across the EU which demonstrates their increased prominence. Crucially, those examples suggest that the role and understanding of metropolitan areas is generally best shaped through bottom-up processes in local partnerships, based on dialogue and agreements.

Metropolitan area governance will only succeed when it is adapted to work *alongside and closely linked to* the existing political and administrative structures. Such functional partnerships should additionally be promoted and facilitated with support from both national and EU level, especially, but not only, in situations with little enthusiasm or no traditions for local cooperation. In this way, metropolitan areas will become more widely recognised for what they actually are, i.e. an essential level for delivering effective policy solutions.

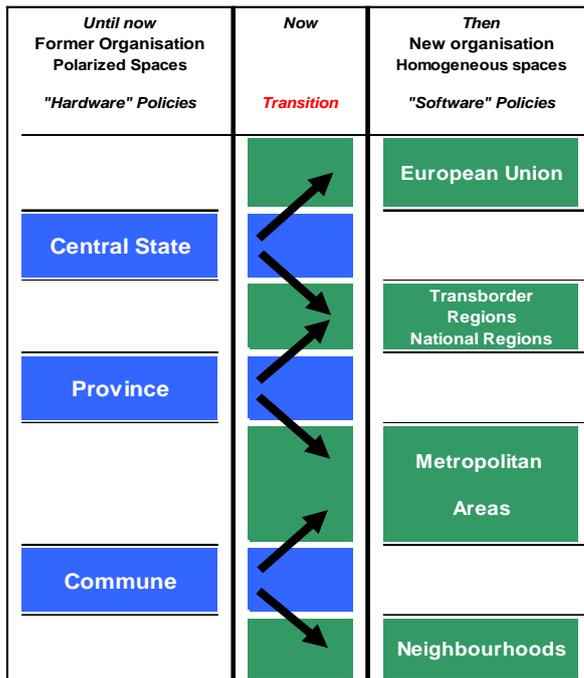
Highly performing functional urban areas are crucial not just for the local, regional and national levels, but also for Europe as a whole. They are essential drivers of national and European economic development. Strengthening the hubs does not come at the expense of their hinterland: it is a win-win process, not a zero sum game. Acknowledging and harnessing the positive force key urban areas, in close partnership with surrounding areas, can be to the benefit of all and help us achieve smarter governance, more sustainable policies and more inclusive impacts.

Functional areas fit the bill in terms of what is currently being advocated at European level - an integrated approach - which for many policies and services makes no sense within the limits of the core city boundary, and for rural areas makes no sense without taking into account the development strategies of the hub cities. Hub cities play an essential role. They can provide the political legitimacy and accountability to take on a management or lead role in relation to EU funding programmes, based on a wider partnership with neighbouring authorities and key stakeholders in the functional area.

Many of EUROCIITIES' members have already developed such partnerships with their surrounding municipalities; they strongly believe that their further development could contribute decisively to achieving the common objectives of developing smarter, more sustainable and more inclusive cities in Europe.

## ANNEX 1

The shift from a government to a governance type of organisation for public authorities has been stressed by various experts for some years. This is reflected in the emergence of new public actors such as the EU, the Regions and increasingly metropolitan areas and neighbourhoods as described in the following diagramme, adapted from Claude Jacquier.

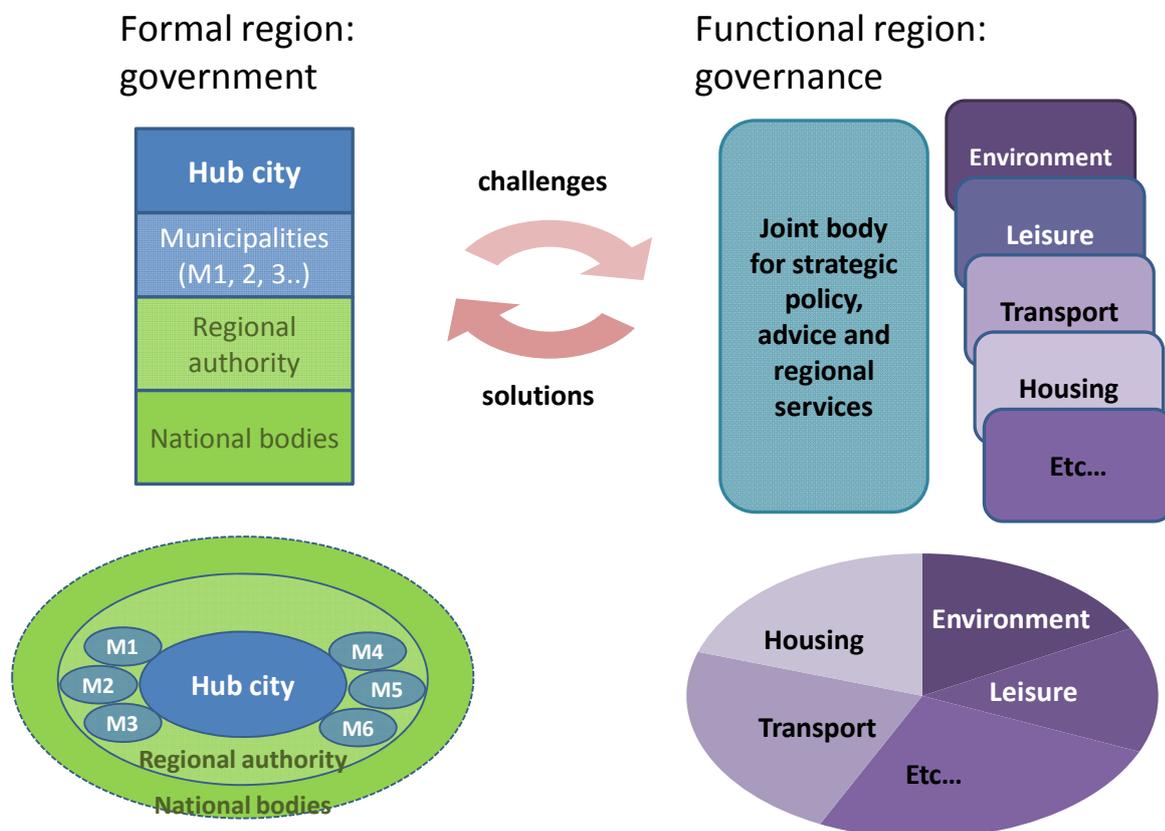


## ANNEX 2

The idea of a *double hierarchy* of administrative and functional levels of governance is introduced as a possible and more flexible way forward in relation to European cities and their functional urban areas. This model makes it possible to build up the functional levels in such a way that the existing administrative regions and local governments do not need to be changed. At the same time, locally elected authorities must be prepared to accept conclusions that are reached through cooperation at the level of the functional region, thereby adapting to the broader metropolitan reality.

The development of a new system is the task of the countries and the regions, without limiting their existing competences. Alternative ways of resolving challenges faced by the present sub-national government systems have to be developed without challenging the principle of subsidiarity. A generic perspective of the geography of parallel hierarchies at the level of metropolitan areas is illustrated in the schematic diagramme below (source: Peter Austin, Oslo/Michael Rosenburger, Vienna). This shows how both the geographical spread, the territorial divisions and the different tiers of government in a functional urban area may be coordinated in a form of area-wide governance. Ideally, thematic focus is more important in this form of governance than the strength and position of each participating organisation.

Illustration of the concept of a double hierarchy for *government and governance* at the level of functional urban areas



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