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Trends in regionalisation in Council of Europe member States

Governance Committee

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Summary

The report aims to provide a picture of the major regionalisation trends in the Council of Europe member States since 2007, whether in terms of a strengthening or weakening of regionalisation. To this end the report examines respectively developments in non-regionalised countries, those with a limited level of regionalisation and finally those with a high level of regionalisation. The report focuses on developments regarding the institutional and administrative organisation of regions, their competences and financial autonomy. Several case studies highlight developments of particular relevance in the field of regionalisation.

The resolution recommends that regional authorities keep in mind the need for territorial solidarity within the framework of national States when conducting regional policies. It also reaffirms the need for regions to have resources that they can use freely, enabling them to exercise their powers effectively and efficiently, within the framework of national or federal solidarity.

1 L: Chamber of Local Authorities / R: Chamber of Regions
EPP/CCE: European People's Party Group in the Congress
SOC: Socialist Group
ILDG: Independent Liberal and Democratic Group
ECR: European Conservatives and Reformists Group
NR: Not registered

RESOLUTION 390 (2015)²

1. Considering,
 - a. The Council of Europe Reference Framework for Regional Democracy (2002);
 - b. The Helsinki Declaration on regional autonomy (2002);
 - c. Congress Resolution 361 and Recommendation 346 (2013) on regions and territories with special status in Europe;
 - d. Congress Resolution 83 and Recommendation 65 (1999) on the current state of and prospects for regionalisation in Europe;
2. Underlining that the variety of forms of sub-national governance found in Council of Europe member States mainly reflects their historical, political, social and cultural diversity;
3. Observing the constant adaptation of forms of regional governance to changing political and economic contexts;
4. Convinced of the benefits, in terms of economic development and quality public services, that regionalisation can bring, when regional authorities are attributed substantial powers and resources, are politically accountable to the population and interact effectively with their European, national and local counterparts in the spirit of multilevel governance;
5. Observing that regionalisation has allowed the emergence in many European States of powerful regional actors with effective political and economic powers;
6. Noting with concern that in recent years, with the exception of the introduction of new metropolitan authorities in some countries, the decentralisation process in Europe appears to have stalled;
7. Noting that the economic and financial crisis that erupted in 2008 has motivated public authorities to reflect on their territorial organisation, including the regional level;
8. Noting that, since 2008, there has been a trend in some countries to recentralise powers;
9. The Congress of Local and Regional Authorities:
 - a. Supports and encourages Member States' policies on regionalisation that respect the principle of subsidiarity and the territorial cohesion of States;
 - b. Reaffirms that regionalisation policies must keep in mind the need for territorial solidarity within the framework of national States;
 - c. Reaffirms the need for regions to have a legal status and clearly defined powers, anchored in their constitution or legislation, and that they should manage a substantial share of public affairs and be free to exercise their initiative in any matter that is not excluded from their powers or assigned to another authority, and that any limitation of their powers should be based on the constitution and/or the law;
 - d. Reaffirms the need for regions to have resources that they can use freely, enabling them to effectively and efficiently exercise their powers, within the framework of national or federal solidarity;
 - e. Invites its Governance Committee to continue its reflection on regionalisation, with an annual update on this matter;
 - f. Invites its Bureau to take this resolution and its explanatory memorandum into account in its reflection on the regulatory changes that it is planning or considering, especially as regards the composition of the Chamber of Regions.

² Debated and approved by the Chamber of Regions on 21 October 2015 and adopted by the Congress on 22 October 2015, 3rd sitting (see document CPR/2015(29)2FINAL, explanatory memorandum), rapporteur: Marie-Madeleine MIALOT MULLER, France (R, SOC).

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³ This explanatory memorandum benefitted from contributions of members of the Group of Independent Experts on the Charter of Local Self-Government, available on request from the Secretariat.

Introduction

1. The strengthening of local and regional democracy is the primary objective of the Congress of Local and Regional Authorities of the Council of Europe. The regions and autonomous communities are true defenders of democracy: they embody and promote cultural diversity in Europe and are key partners in socio-economic development.

2. At the 13th session of the Conference of European Ministers responsible for local and regional government, held in Finland in 2002, the ministers approved a common basis of principles and rules on self-government, guidelines which subsequently became known as the "Helsinki principles". In accordance with these fundamental principles, representing a minimum benchmark for the Council of Europe, regional authorities are defined as "territorial authorities between the central government and local authorities." This minimum benchmark reflects the difficulty in the early 2000s of formulating recommendations for States in the field of regionalisation which could encompass all the legal and political diversity of the European landscape.

3. In parallel, the Congress, pursuing the reflection it had initiated with the drawing up of a draft European Charter of Regional Self-Government (1997), came up in 2008 with a proposal, in the appendix to its Recommendation 240 (2008), for a draft European Charter of Regional Democracy. The same year, the European Committee on Local and Regional Democracy submitted a proposal to the Committee of Ministers of the Council of Europe for a "Reference Framework for Regional Democracy" in conjunction with the Congress. This document was a compilation and summary of the decisions taken by the Ministers and the Congress, in the form of a reference framework for any government wishing to embark upon a process of regionalisation or to reform its regional authorities.

4. The Council of Europe Reference Framework for Regional Democracy⁴ picks up on the definition of regional authorities set out in the Helsinki principles. It also states that "where regional authorities exist, the principle of regional self-government shall be recognised in domestic legislation and/or by the constitution, as appropriate", defining regional self-government as "the legal competence and the ability of regional authorities, within the limits of the constitution and the law, to regulate and manage a share of public affairs under their own responsibility, in the interests of the regional population and in accordance with the principle of subsidiarity." For the Assembly of European Regions, "The region is the territorial body of public law established at the level immediately below that of the state and endowed with political self-government."⁵

5. The term regionalisation may simply describe the process of dividing a state into regions and determining the borders between those regions. However, this often includes the establishment of authorities having a number of powers within these regions. In this regard, regionalisation also refers to the enlargement and empowerment of the regional institutions in existing regions.⁶

6. Offering an almost infinite variety of arrangements, regionalisation in Europe presents a rich and varied kaleidoscope of possibilities. The regionalisation map of Europe reveals a wide variety of entities, each with its own name (region, province, county, community, state, republic, territory to name but a few) and each with its own set of powers. Some – regions with legislative powers – share political power, hitherto the sole preserve of central government, others take on a role in the administration of social life in their own respective area, and still others are mere auxiliaries of the respective central government bodies. Finally, some regions exist only in the framework of contracts with the European Commission and for the purposes of managing the funds allocated by it. All in all therefore, we can see that there is an immense variety of arrangements.

⁴ Council of Europe Reference Framework for Regional Democracy. Council of Europe (2009) [https://wcd.coe.int/ViewDoc.jsp?Ref=MCL16\(2009\)11&Language=lanEnglish&Ver=original&Site=DG1-CDLR&BackColorInternet=DBDCF2&BackColorIntranet=FDC864&BackColorLogged=FDC864](https://wcd.coe.int/ViewDoc.jsp?Ref=MCL16(2009)11&Language=lanEnglish&Ver=original&Site=DG1-CDLR&BackColorInternet=DBDCF2&BackColorIntranet=FDC864&BackColorLogged=FDC864)

⁵ Declaration on Regionalism in Europe, Assembly of European Regions, Basel, 4 December 1996

⁶ Frans Schrijver, Regionalism after Regionalisation: Spain, France and the United Kingdom

7. The aim of this report is to provide a picture of the major regionalisation trends in the Council of Europe member States between 2007 and 2015,⁷ ⁸ whether in terms of a strengthening or weakening of regionalisation. Against this background, this study will compare developments in the institutional and administrative organisation of regions, their competences, financial autonomy, controls, and relations with other levels of government, according to the domestic law of a number of selected Member States. The selection of countries reflects the variety of patterns to be found in Europe and aims to illustrate the trends in regionalisation over the period examined. Therefore, this report is not exhaustive. The report will also seek to assess this phenomenon more closely in order to determine the democratic quality and degree of regionalisation and classify more effectively the very different models adopted in the various Council of Europe member States.

1. Non-regionalised countries

8. In its 1999 report “The current state of and prospect for regionalisation in Europe”, the Congress identified 16 Council of Europe member States which had no regional institutions, either because they are too small (which is the case of seven of the 16: Andorra, Cyprus, Liechtenstein, Luxembourg, Malta, Principality of Monaco, San Marino), or because of their specific political context (which was the case for the remaining nine: Armenia, Bulgaria, Estonia, Iceland, Latvia, Lithuania, Montenegro, Slovenia and “the former Yugoslav Republic of Macedonia”). These countries were identified as having only a single (municipal) level of local self-government.⁹

9. Between 2007 and 2015, there has been little discernible shift towards a process of regionalisation in the 16 non-regionalised countries in the Council of Europe. In 2011 Malta set up five regional committees¹⁰ with a range of competences.¹¹ In Slovenia, following an amendment to Article 143 of the Constitution in 2006, regions are now established by law. A package of laws regarding the establishment, the financing of regions, the competences and the elections was then prepared in 2007. When these laws were passed to the National Assembly, a consultative referendum was held (in 2008, with less than 11% turnout). Despite the positive outcome of the referendum, the National Assembly has not progressed in its examination of the proposed laws and the establishment of regions remains an open question. A new public consultation is now underway with a view to adopting a strategy by the end of 2015. In Latvia, there are now five planning regions, with several autonomous competences (spatial planning, development planning, independent budget and own property, voluntary involvement in development projects) and several delegated competences (regulation of regional public transport, co-ordination of EU funds and deinstitutionalisation of social care). These regions are run by indirectly elected councils composed of mayors of municipalities.

10. For the other countries, their specific characteristics in terms of size, history and political context, explain the choice of territorial organisation and makes any change in the years to come rather unlikely.

2. Countries with a limited level of regionalisation

11. To obtain a clearer picture of regionalisation, we have attempted to draw up a typology of countries with a limited level of regionalisation in Europe, sub-dividing them into three categories. Accordingly, the term “countries with a limited level of regionalisation” is used here to refer to those member States which have limited regionalisation at the territorial level, at the competence level or at the autonomy level.

⁷ The idea is to review the situation of regionalisation since the report on “European practice and recent developments in the field of regional self-government” published by the European Committee on Local and Regional Democracy) in 2007.

⁸ Inter-regional co-operation is covered in a separate report “Inter-regional cooperation in Europe: Trends and prospects” - CPR(27)2, 2014 <https://wcd.coe.int/ViewDoc.jsp?id=2236797&Site=COE>

⁹ *The current state of and prospect for regionalisation in Europe* – CPR (6) 3 Part II, 1999, [https://wcd.coe.int/ViewDoc.jsp?Ref=CPR\(6\)03&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=C3C3C3&BackColorIntranet=CACC9A&BackColorLogged=EFEA9C](https://wcd.coe.int/ViewDoc.jsp?Ref=CPR(6)03&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=C3C3C3&BackColorIntranet=CACC9A&BackColorLogged=EFEA9C)

¹⁰ See for example in Malta : regional committees were set up in 2011.

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11707&l=1> (accessed on 26 September 2015).

¹¹ See Subsidiary Legislation 363.160, Regional Committees Regulations, 5 August, 2011

<http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11707&l=1> (accessed on 26 September 2015).

2.1. At the territorial level

12. Limited territorial regionalisation, relates to countries in which only part of the national territory is organised in more than two administrative tiers. Outside that part of the territory where an additional tier has been established, there is no regionalisation in the rest of the country (generally the larger part). This does not include situations where part of the territory is no longer under the control of the state concerned, or the cases of frozen conflicts.

13. Several Council of Europe member States fall under this category and have regions with a special status: Azerbaijan (the region of Nakhchivan), Finland (the Åland Islands), Georgia (the Autonomous Republic of Adjara), the Republic of Moldova (Gagauzia), Portugal (The Azores and Madeira), Serbia (Vojvodina) and the United Kingdom (Scotland, Wales, Northern Ireland and Greater London). These regions have more numerous and more extensive guaranteed legislative, administrative and financial powers. They have been established in order to address the particular needs of certain territories relating, amongst other things, to their history, geographical situation, their cultural or linguistic features, but without calling into question the overall structure of the state.

14. This report will not look at the frozen conflicts in Europe (situations in which the central government does not control part of its territory) except to say that the Congress, in its Recommendation 346, suggested that the Committee of Ministers “invite member States to make greater use of the special status model, as a realistic option for a negotiated solution to regional territorial issues, including frozen conflicts”.¹²

15. While the reasons behind granting special status to specific parts of a state’s territory may vary from one country to another, it is generally agreed that this differentiated distribution of powers is a way of providing appropriate solutions and can prove to be an important means of governance founded on the rule of law in today’s complex societies. In order to deal with this complexity, increasingly powers are distributed in a non-uniform way among the various levels of authority. As the question of regions with special status was already the subject of a Congress report in 2013, they will not be further looked at here.¹³

16. It should merely be noted that the situations of partial regionalisation remain limited to the countries which already had this particular type of autonomy in 2007.

2.2. At the competence level

17. Limited regionalisation at the competence level is a thematic-type regionalisation, concerning only one or more competences, where the regional institutions do not manage – in the language of the Congress – “a substantial share of public affairs”.¹⁴

18. This type of regionalisation is to be found in Denmark and Sweden. In Denmark, the only competence which the municipalities are not deemed able to manage is health services, within the hospital sector, which leads to the establishment of a very particular type of regional level: the single-sector region, competent only in that field. At present, no reform of the Danish administrative structure is on the agenda. During the electoral campaign in 2011, some parties, in particular the Liberal party Venstre, expressed support for the dissolution of the regions. Their main argument was that the regions had been unable to effectively and efficiently manage the hospital system and had failed to achieve the targets laid down by the state. They therefore wanted the hospital system to be administered at central level. In contrast, the Social Democrats wanted to see a strengthening of the regions and an extension of their field of competence. Despite these debates and the electoral victory of the Social Democrats in 2011, the structure of the administrative system was not changed. During the last electoral campaign in June 2015, the Liberal party Venstre again expressed the need for better performance of the regions. The regions are to be evaluated after four years according to the Liberal Party which is now in government.

¹² CPR(25)2FINAL, Regions and territories with special status in Europe, Governance Committee [https://wcd.coe.int/ViewDoc.jsp?Ref=CPR\(25\)2FINAL&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=DBDCF2&BackColorIntranet=FDC864&BackColorLogged=FDC864](https://wcd.coe.int/ViewDoc.jsp?Ref=CPR(25)2FINAL&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=DBDCF2&BackColorIntranet=FDC864&BackColorLogged=FDC864)

¹³ CPR(25)2FINAL, Regions and territories with special status in Europe, Governance Committee [https://wcd.coe.int/ViewDoc.jsp?Ref=CPR\(25\)2FINAL&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=DBDCF2&BackColorIntranet=FDC864&BackColorLogged=FDC864](https://wcd.coe.int/ViewDoc.jsp?Ref=CPR(25)2FINAL&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=DBDCF2&BackColorIntranet=FDC864&BackColorLogged=FDC864)

¹⁴ Article 2.4 of the Charter of the Congress: <http://conventions.coe.int/Treaty/EN/Treaties/Html/CPLRE04.htm>

19. In Sweden, 2009 saw the emergence of the first two experimental regions (Västra Götaland and Skåne), which became fully confirmed in 2011. Between 2011 and 2014, eight new regions were established, at the cost of the previously existing counties and county co-operation councils. In all, Sweden was reorganised into ten regions and eleven county councils. In practical terms, the main competence of the regions remains the administration of hospitals, and other health-related institutions: the expenditure on these matters represents roughly 85% of their budget. Their tasks are set out in special legislation, such as the 2001 Social Services Act, amended by the 2011 Social Assistance Act, and the 1982 Health and Medical Services Act. In order to ensure the proper functioning of the health service, the regions are able to raise taxes.

2.3. At the autonomy level

20. Limited regionalisation at the autonomy level relates to countries where the State establishes authorities that are subordinate to the government, or bodies which, albeit having a certain amount of legal autonomy, are simply instruments of its own action placed under its control and whose functions, or certain of them, are designed to promote regional economic development and, to this end, rely on the mobilisation of other local authorities and economic organisations.

21. These regional authorities – as understood by the Congress – have a partial political autonomy such as could be conferred by establishing directly elected regional assemblies – as defined in the Council of Europe Reference Framework for Regional Democracy.

2.4. Recent territorial reforms in countries with a limited level of regionalisation

22. In a number of countries with a limited level of regionalisation, such as the Czech Republic and France, significant reforms in the local and regional authorities sector are in progress and clearly affect to a greater or lesser degree the regional level. Most of the territorial reforms carried out in recent years have focused on the size of municipalities (considered in terms of population and area). The merger policies carried out in many north European countries (most recently in Denmark and Ireland) are today serving as examples for countries in the south and east of Europe, such as Albania, where reform is in the planning stage, and Greece, where the process has now been completed.

23. There have been a wide variety of effects of the reform of municipalities. On the one hand, it may have a direct impact on the structure of the state's territorial administration, with the significant reduction in the number of municipalities leading to the disappearance of one of the two supra-municipal tiers and the preservation of a single intermediate level between the municipal level and central government, as has been the case in Greece and Ireland.

24. For example, Greece has opted for total regionalisation – but of a strictly administrative type – and now has seven regions, having first of all significantly reduced the number of its municipalities (from 1034 to 325). Article 3 of the Kallikratis Law No. 3852/2010 provides that “Regions are self-governing territorial public legal entities constituting the second level of local government.” These regions were not drawn up in accordance with historical identities and it is not planned for them to have political autonomy or legislative powers. The 13 Greek regions are responsible for the planning and implementation of regional policies in accordance with the principles of sustainable development and social cohesion.

25. Legislative provisions also stipulate that there shall be consultation by parliamentary committees with regard to laws affecting regional powers, and provide for the action and involvement of representatives of the National Association of Regions in several bodies and procedures. The regions themselves are subdivided into “regional units”, generally coinciding with the borders of the former prefectures. These subdivisions today play a key role in intra-regional devolution, in particular as they retain a considerable share of the former prefectural administrative apparatus. Despite this new territorial organisation, Greece remains a strictly unitary state. The power to raise taxes remains, in principle, the sole preserve of the national parliament, the *Vouli ton Ellinon* (Council of the Greeks). Nonetheless, following an amendment passed in 2011, the Greek constitution provides that the self-governing authorities will in future be able to collect “local revenues”.

26. Ireland carried out a major regional reorganisation in 2014, reducing the number of its local authorities from 114 to 31 and replacing its two previous regional levels with a single level, comprising three regional assemblies: the Southern Regional Assembly, the Eastern and Midlands Regional Assembly and the Connaught-Ulster Regional Assembly. The assemblies have no responsibilities involving direct interaction with citizens. They are not directly elected, they are headed by a director appointed by means of an open recruitment process and have a limited staffing complement. The aim of these assemblies is to co-ordinate, promote and support strategic planning and sustainable development. Their main role is to frame regional spatial and economic policies.

27. In practice, the Irish local authorities do not have any extensive powers. The regional assemblies are administrative in nature and have no political or fiscal autonomy. They do not have legislative powers and their responsibilities, assigned by central government, are limited to three main areas: regional/spatial planning; management and monitoring of EU co-financed expenditure; and supervision and auditing of local authorities. In practice, the freedom of the regions is therefore limited, as they are entirely dependent on central government for their financial and technical resources. Accordingly, local government is most frequently seen as a supplementary forum for national policy rather than a genuine political and civic platform for local governance. However, some recent studies have shown a shift towards greater empowerment of the regions as a result of their taking on responsibilities in the fields of health, environmental protection, water management and supply, economic development, roads and transport infrastructure.

28. On the other hand, the increased size of municipalities can, in the shorter or longer term, lead to a strengthening of the existing regional level to the detriment of the second level of local self-government. In France, the law passed on 7 August 2015 provides for the immediate transfer of a whole range of powers from the *départements* to the regions and to inter-municipal entities (primarily the metropolises), the effect of which will be little by little to marginalise the second level of local government (the *départements*), to the point where they disappear altogether.

29. Regionalisation in France was for a long time purely administrative until the current process of regional devolution was introduced. France opted for regionalisation in 1983 and the first regional assemblies were elected by direct universal suffrage in 1986. Formerly, regions were purely administrative institutions, headed by regional prefects, appointed by the State. In 2004, a legislative reform transferred the competence for economic development to the regions. They are now the lead institutions in this field but do not hold exclusive competence. The period 2004-2015 has seen significant legislative reforms. The first of this took place in 2011, with two laws of 27 July 2011 providing for the transformation of (French) Guiana and Martinique into “single communities”, called, respectively, “the territorial community of Guiana” and “the territorial community of Martinique”. Under the terms of Article 73 of the constitution, these communities discharge the powers of both the *département* and the region. Also in 2011, Mayotte became the fifth overseas department/region.

30. Furthermore, in December 2010, France passed a law reforming its local and regional authorities which had two consequences. First, there was a closer alignment between the *département* and regional levels with the creation of a common representative: the territorial councillor, elected by universal suffrage, which was eventually abolished in 2012. In an attempt to clarify the division of powers between the region and the *département*, the law also abolished the “general competence” clause which granted the regions and the *départements* the right to decide on issues relating to their respective territorial interests. Nonetheless, the law contained a series of exceptions and exemptions and was finally abandoned, before it even came into force, and the principle of “general competence” was re-established.

31. In 2014, a new legislative debate was initiated in order to clarify the respective competences of the three existing levels of local and regional authorities. Inter-municipality associations are being strengthened and regions are being reinforced in some fields. A law on the new territorial organisation of the country was voted on 16 July 2014, empowering the regional leadership to decide on economic assistance within its territory and giving regions exclusive competence on financing direct support schemes and on collection action for businesses. It defines general guidelines for economic development. Moreover, the regions participate in the Public Employment Service, together with the State and the social partners. Regions will also be responsible for public transport (bus services and railways). Sport, culture, tourism and community culture remain shared competences. Regions retain responsibility for vocational training and apprenticeships.

32. Lastly, on 16 January 2015 the French parliament adopted a new administrative map of France, reducing the number of regions from 22 to 13. The next regional elections will take place on 6 and 13 December 2015.

2.5. Recentralisation trends in countries with a limited level of regionalisation

33. In the period under study, several experts point to processes of “recentralisation”. The widespread movement of devolution initiated prior to the economic and financial crisis of 2008-2009 is therefore now under threat in certain countries in view of the centralising wishes of the state. Such reforms are now linked more to the desire to make significant economies of scale in a context of austerity and reducing public expenditure. It could also be a way for States to regain political control over the powers delegated to the local and regional authorities.

34. In general, there is no questioning of the existing regional levels, but rather processes of recentralisation relating not so much to the formal competences of regions as to their actual ability to pursue autonomous public policies; above all, they take the form of budgetary restrictions and a limitation of the financial autonomy of the regional institutions. For example in the Republic of Moldova, measures have recently been taken to repatriate competences in the education field to the central level. In France, there has been a decrease in state grants. Thus, to reduce the public debt, the State has announced savings of 50 billion more euros over the period 2015-2017, and regions, like local authorities, must participate in this general effort. The state has reduced its grants to municipalities, departments and regions by three billion euros over the period 2014-2015. A further three billion euros of grants could also be removed in 2016, and the same amount in 2017, greatly reducing the ability of regions to fulfil their mandates.

35. In this connection, two countries stand out: Hungary and Serbia. Between 2002 and 2010, Hungary promoted a regionalisation reform which aimed to replace the counties and introduce a new regional organisation of the country. Some of these counties, despite having competences in the fields of territorial and urban development, regional/spatial planning and co-ordination, were no more than decentralised bodies of central government. The reform failed to gather the political support needed and it was taken off the political agenda. Moreover, the counties have seen their competences, already limited, further eroded. They have also lost most of their resources. Overall, recent developments point to a significant process of recentralisation.

36. In Serbia, the autonomous province of Vojvodina has also seen an erosion of its autonomy, although this is provided for in the Serbian constitution. This is partly due to two decisions of the Constitutional Court which, in 2012 and 2013, annulled several provisions in the law on the competences of the province and the provincial statute. In 2014 a new provincial statute was passed to conform to these decisions. In practical terms, these decisions left Vojvodina with a status close to that of the local authorities. In addition, in 2009, Serbia adopted a regional organisation of the country with five regions, specifically termed “statistical functional territorial units for the purposes of planning and implementing regional development policy”. However, these units are not regions in the meaning of the Council of Europe Reference Framework for Regional Democracy.

3. Countries with a high level of regionalisation

37. In order to have a clearer picture of the scope of regionalisation, we have classified a number of Council of Europe member States in the category of countries with a high level of regionalisation. To this end, we have identified a number of criteria which these political-administrative structures may have in part or in total. They are: formal recognition in the constitution; statutory or constitutional autonomy; normative autonomy set out in legislation; the power to set taxes (regional or local) or to play a significant part in the setting of national taxes; the power to frame autonomous public policies or to play a significant part in the framing of national public policies; significant powers over the local authorities in their region, whether legislative powers on the organisation and competences of local authorities, specifying the financial resources of local authorities, supervision or substitution.

38. Among the member States, the following fall into this category: Austria, Belgium, Bosnia and Herzegovina, Germany, the Russian Federation and Switzerland. To these should be added Italy and Spain, two unitary States with a high level of regionalisation. Our approach is based on the method used by

the Regional Authority Index, a measuring instrument of the University of North Carolina¹⁵. The Regional Authority Index data set covers levels of sub-national governments with an average population of 150,000 or more. The index covers member States of the European Union and the Organisation for Economic Co-operation and Development (OECD) as well as ten European countries outside of the European Union. It measures the regional authority and depth of the process of the regionalisation process through a series of indicators, such as institutional depth, the scope of policies, fiscal autonomy, borrowing autonomy, representation, development of legislation, institutional reform, control over the executive, control over borrowing and taxation control. These ten dimensions are two areas of responsibility: autonomy, or the authority that a regional government exercises over its territory; and the authority that a regional government or its representatives exercises in the territory as a whole.¹⁶

3.1. Countries with “asymmetrical” regionalisation

39. The term “asymmetrical regionalisation” is used to refer to situations where there is widespread regionalisation but where not all regions have the same status. This is the situation, for example, in Italy. The 1948 Italian constitution laid down the conceptual framework of regionalisation in Italy. From the outset, a striking feature of this model was its asymmetrical design. Initially, only five regions were set up out of the 20 in existence today, and given special status: the two main islands (Sicily and Sardinia) and three Alpine regions in the North, each with a specific minority group (Valle d’Aosta, Friuli-Venezia Giulia and Trentino Alto Adige). The “special” regions have been in place since 1948 (Friuli-Venezia Giulia since 1963) with the aim of avoiding separatist movements and protecting linguistic minorities. These regions have a special statute, approved by the Italian parliament, which has the status of a constitutional law. They have broad legislative powers and considerable financial autonomy. The Valle d’Aosta retains 90% of all its taxes, and Sicily at times 100%. The 15 other regions were established in the 1970s.

40. Since the 2001 reform of the Italian constitution, the regions have significant powers in the legislative field. However, their finances are almost entirely controlled by the central government, which limits the scope of the reform. This is made worse by several factors. First, the Italian regions do not yet have any effective involvement in decision-making at central level. Second, the Italian Senate is not a chamber of local and regional authorities. Third, intergovernmental co-ordination is based on a series of conferences which carry out a purely consultative role and whose activities can easily be overruled. Moreover, the crisis has brought about a wave of recentralisation. Lastly, the examination of expenditure imposed by central government represents a threat to the political autonomy of the Italian regions. There is a danger that the regional legislature will play exclusively an executive role. As things currently stand, there is the clear risk that Italy will undergo recentralisation and a process of re-asymetrisation, with the re-emergence of a divide between the five special regions and the 15 ordinary regions, with the former enjoying greater financial autonomy.

41. For the time being, the Italian provinces have been maintained pending a reform which is due to remove them from the constitution and put their fate in the hands of the regions, which could opt to keep them as a second tier (exercising powers assigned to an “area vasta”) or abolish them altogether and transfer the corresponding competences to the municipalities (territorially strengthened) or exercise those competences themselves.

42. Spain is a strongly decentralised country. The allocation of powers between central government and the regions is such that they can be classified under the category of countries with a high level of regionalisation. The regional level is composed of 17 *Comunidades Autónomas* (Autonomous Communities). The 1978 constitution guarantees all the Autonomous Communities the right to governmental autonomy and sets out a list of several fields of competence for the regions. Some are exclusive competences (art. 148 of the Spanish constitution), some are shared between the regions and the State (art. 149). The competences cover urban and regional planning, education, health, housing, public works, railways, ports and airports, agriculture and fishing, environmental protection, culture, tourism, social welfare and economic development within the region,. The Judiciary is not decentralised. However, regions are responsible for providing and maintaining the infrastructures and material resources related to justice administration.

15 Hooghe, Liesbet, Gary Marks, Arjan H. Schakel, Sandi Chapman Osterkatz, Sara Niedzwiecki, Sarah Shair-Rosenfield (2015). A Postfunctionalist Theory of Governance. Volume I: Measuring Regional Authority. Oxford: Oxford University Press.

16 Marks, Gary, Hooghe, Liesbet and Schakel, Arjan H. (2008), ‘Measuring Regional Authority’, *Regional & Federal Studies*, 18:2, 111 — 121

43. There have been some minor adjustments to regionalisation in Spain in the period studied. These vary in scope and range, from heated situations like the reform of the Catalan statute, to initiatives strengthening regional legislative powers in a variety of fields, such as education, health, social welfare, economic development, the environment, infrastructure, transport and the local authorities' legal system. This is the result of a combination of factors: the completion of certain processes of devolution initiated previously, a change in the statute of several regions in 2006 and 2007, and the transfer of certain powers to certain Autonomous Communities. However, as has already been mentioned, these adjustments coincide with the economic and financial crisis. This has led, from 2010 onwards, to some initiatives in certain fields, resulting in the introduction of the close monitoring of the State over regional finances (see for example: art. 135 of the constitution, laws of budgetary stability). These initiatives have often been presented as reforms to reduce overall public debt, curbing expenses and enhance efficiency at the regional level, but they have been contested as they resulted, for some regional government, in limitations to the powers of the autonomous communities, even to a recentralisation process. This momentum of reforms, led by the State, has been accompanied by measures that are strictly regional. They aim to suppress some regional bodies (such as the ombudspersons). These measures are justified for avoiding administrative duplications.

3.2. Federal States

44. There are six federal States among the Council of Europe member States: Germany, Austria, Switzerland, Belgium, the Russian Federation and Bosnia and Herzegovina.

45. Germany is a federal state comprising 16 Länder listed in the preamble to the Basic Law of the Federal Republic of Germany. All Länder have not only an autonomous legislative and executive system and judicial bodies, but also their own constitution. Länder are governed by a cabinet and led by a Minister-President, with a single-chamber legislative body, the Landtag (State Diet), which is directly elected. In the three city-States (Berlin, Bremen, Hamburg) the institutions has different names although the structure is essentially the same. While the vast majority of subject matters are part of the competence of the federal level, the Länder have exclusive competence in the fields of policing (prevention of hazards), culture and education (including higher education). Certain fields do not fall within the competence of the Länder insofar as – and as long as – there is no federal legislation. This applies to the majority of fields of competence, and it must be said that the federal level has usually used its competence. As far as the Länder resources are concerned, the competence to legislate on taxes is exercised almost exclusively at the federal level. The constitution and accompanying legislation provide for the distribution of the revenues. Some of the revenues are shared although the tax is raised on the basis of federal legislation.

46. “Stability in continuity” appears to be an appropriate motto for German federalism which, in recent years, has undergone only minor adjustments. First of all, there has been a gradual loss of the importance of the legislative activity of the Länder parliaments. The reforms of federalism of the year 2006 tried to reverse this but had only limited impact, especially considering that the scope of Länder legislation has become more limited, not least on account of the growing domination of EU legislation in a wide variety of policy fields which previously fell to the Länder, and the growing culture of direct democracy in the Länder (citizen petitions, initiatives and referendums). In addition, the financial and economic crisis has led to a strengthening of the role of the federal government, at the expense of the Länder. This is illustrated in particular by the constitutional amendment requiring balanced budgets at all levels of government.

47. Austria is a strongly federal state with 9 autonomous provinces. Austrian federalism is built on three main principles: the distribution of administrative and legislative powers, the participation of the provinces in federal legislation and administration, and the constitutional autonomy of the provinces. They are involved in the drafting of federal legislation via the Bundesrat. Each Austrian province has an elected legislature, the *Landtag*, a government, the *Landesregierung*, and a governor, the *Landeshauptmann* or *Landeshauptfrau*.

48. In the period under study, there have been three significant innovations in regionalisation in Austria. First, since 2014, the Austrian provinces play their part in the Austrian judicial system (establishment of regional administrative courts tasked with hearing the majority of administrative appeals). Second, the provinces now have new financial obligations, whereby every time a level of government passes legislation that could place a burden on other levels, it will be financially responsible unless the “consultation committee”, comprising representatives of the local, regional and federal authorities are able to settle the issue. Third, the provinces have also benefited from the mechanisms provided by the Lisbon Treaty, in particular their participation in European affairs and the drawing up of cross-border co-operation strategies with their regional counterparts.

49. In contrast, the allocation of powers between the federal level and the provinces is still very complex and fragmented, particularly with regard to the exercise of specific aspects of shared powers (such as the social and health services). A reform has been put on the agenda in recent years, but has not yet been adopted. A very centralising proposal put forward in 2008 was widely rejected by the provinces. Nonetheless, reform remains on the political agenda.

50. Switzerland is a federal republic with 26 cantons having their own constitutions. Whereas the smallest canton, Appenzell Innerrhoden, numbers just 16,000 inhabitants, the largest canton, Zurich, has a population of more than 1.4 million. The key features of Swiss Federalism are the cantonal autonomy according to the federal Constitution, the equal rights of the cantons, their participation in the decision-making of the confederation and the cooperation between the cantons. Each canton has a cantonal executive, a cantonal parliament and a cantonal court. Direct democracy in the Swiss cantons is more developed than at the national level, e. g. investments are submitted to the voters for approval by referendum on an obligatory or optional basis.

51. The cantons enjoy all powers that are not specifically delegated to the federation. The current task sharing between the Confederation and the cantons from 2008 is based on subsidiarity, fiscal equivalency and congruency. The range of tasks is wide. Total cantonal expenses correspond to more than 40 per cent of the total expenses of the entire state sector. Financial autonomy is a core element of Swiss Federalism. According to the federal constitution, the Confederation respects the autonomy of the cantons with regard to their tasks, organisation and finances. Financial autonomy comprises the possibility to generate financial means, especially by levying taxes and fees. A new financial equalisation arrangement came into effect in 2008, which intends to reduce the differences in financial capacity among the Cantons, guarantee the Cantons a minimum level of financial resources, compensate for excessive financial burdens on individual Cantons due to geo-topographical or socio-demographic factors and encourage inter-cantonal cooperation on burden equalisation, while maintaining the tax competitiveness of the Cantons from a national and international perspective. The funds for the equalisation are provided by the confederation and by cantons with higher levels of resources.

52. During the last two decades, there has been a trend towards greater coordination between cantons and greater centralisation, with the introduction of national laws that set minimal standards (Rahmengesetzgebung). The federal level plays a proactive role, which is supported by the citizens. This may be a result of increased competition at the European level and economies of scale and scope, which can be better applied in a larger perimeter, as well of the expectations of citizens that cantons should provide levels of service provision that are broadly comparable. The small size of the Swiss cantons is sometimes presented as an obstacle to development. However, amalgamations are not supported by citizens in Switzerland.

53. Belgium has two types of federated entities: three Communities, the French Community, the Flemish Community and the German-speaking Community; and three Regions (the Flemish Region, the Walloon Region and the Brussels-Capital Region). The Communities exercise competences relating to personal welfare, such as culture, education, health and personal assistance. The Regions exercise competences relating to their territory, such as town and country planning, environmental protection and housing policy. Contrary to other federal systems in which the federal authority is responsible for harmonisation and in which the federated authorities implement the guidelines and measures laid down, the Belgian federal structure is based on an exclusive allocation of competences: each level of authority has its own competences which it organises and exercises in total independence. The principle of exclusive competences also applies, virtually without reserve, to the autonomy of the federated entities on the international stage. Each Region has its own government and its own parliament.

54. The sixth state reform, which amended the Belgian constitution, was completed in early 2014. This reform has further strengthened the competences of the Regions and the Communities. There are three main aspects to the recent changes. First, the upper house of the federal parliament has been reorganised and transformed into a chamber representing the Regions and the Communities. Second, the reform has transferred a number of competences, including of a financial nature, from the federal state to the Regions and Communities. Lastly, there has been a change to the status of the Brussels-Capital Region.

55. As a result of this reform, the Belgian Regions and Communities can now play a role in the federal legislative process. The new responsibilities delegated to the Communities include healthcare and assistance to the elderly, the rules governing the granting of licences, and the building and renovation of

hospitals. The Regions have acquired competences in the fields of employment, mobility, energy, agriculture and tax expenditure. In addition, the reform has also increased the fiscal autonomy of the Regions and the Communities. The transfer of additional powers to the Regions and Communities entails the corresponding transfer of financial resources and additional staff. The reformed special finance law governs the funding of the country's very different federated entities, enabling the transferred powers to be carried out in practice.

56. Lastly, while the reform extends the constitutive autonomy of the Regions, it also tends to give rise to restoring symmetry in the country insofar as the Brussels-Capital Region now has the same status as the other Belgian Regions, including the power to pass legislation having the same legal standing as the laws passed by its counterparts.

57. Finally, Bosnia and Herzegovina is a federal state comprising the Federation of Bosnia and Herzegovina, the Republika Srpska and Brčko district. The latter has all the competences and institutions specific to a state (legislative, executive and judiciary) although it is not termed as such and although its territory is very small, but nonetheless of undeniable strategic importance. The Republika Srpska has no intermediate level between the entity and the local level; it continues to be a unitary state, even though it is going through a period of devolution and ensures relatively strong protection of local self-government.

58. It is only in the Federation of Bosnia and Herzegovina that there is an intermediate regional level (cantons) between the entity and the local level (municipalities). The cantons of the Federation of Bosnia and Herzegovina have their own constitution, a council (parliament) comprising members directly elected by the canton electorate, a Speaker elected by the council and a government led by a prime minister. They also have their own judicial system. There have been no significant developments in regionalisation in the country between 2007 and 2015.

3.3. Financial autonomy of regions

59. As far as regions' own resources are concerned, the situation also varies, even among countries with a high level of decentralisation. For instance, while the individual Länder in Germany have long benefitted from tax-raising powers, most of the autonomous communities in Spain have a more limited power to levy and collect taxes.

60. In terms of financial resources, the German federal authorities and the Länder are interconnected, since revenue from major taxes is shared. The regional disparities in terms of the economic and financial capacity of the Länder and local authorities are balanced by the financial equalisation system. An appropriation of all tax revenue system first applies between different levels of government, especially between the Federation and the Länder. Then the total tax revenue of the regional level must be distributed among the Länder, equalising their financial capacity. For the same purpose, the financially weaker Länder receive funds from the Federation in the form of additional subsidies. Financial equalisation is also practiced within the various Länder.

61. About fifteen years ago, it was proposed to introduce more competition in the federal system in the area of financial relations, particularly with regard to horizontal equalisation. In 1999, the German Federal Constitutional Court (BVerfG) opened the financial relations sector up to competition as an expression of the political responsibility of the state governments. However, in 2013 Bavaria and Hesse filed a complaint against the current equalisation legislation to the Federal Constitutional Court.

62. After the first reform of the federal system in 2006, a second part should have addressed and reshaped the financial relations between the Federation and the Länder. However, there was little incentive to change due to the long-standing agreement between the Federation and the States on the equalisation system which is due to expire in 2019. Since 2009, however, significant changes have taken place in the context of reactions to the economic and financial crisis. Various measures have been adopted to fight against the deficit at all levels. Thus, the reform introduces a constitutional obligation to balance budgets on the part of the Federation and the Länder ("debt brake"). Regional expenditures are now linked by a new constitutional rule on the structural deficits and the Federation will have to limit its revenue from loans. These may not exceed 0.35% of nominal GDP. The constitutional amendment is binding on all authorities, including the Länder and municipalities. All Länder must endeavour to approve balanced budgets, with the smallest shortfall possible. In 2010, the Parliament of Schleswig-Holstein challenged this provision before the Federal

Constitutional Court alleging a violation of its budgetary sovereignty, but this issue was deemed inadmissible.

63. In addition to the new constitutional rules regarding fiscal discipline, a cooperative early-warning system has been introduced. In January 2010, a Council for stability was established for the monitoring and annual review of budget management and the situation of the Federation and the Länder, and in particular for measuring the progress of the five Länder that receive consolidation grants.

64. The situation in Spain is different and varies across the regions. Most of the autonomous communities are considered regions with an ordinary regime, governed by organic law on regional finances (LOFCA, ratified in 1980 and modified several times, including in 2009). In this framework, regions have resources of their own and can levy certain taxes (such as the inheritance tax). Moreover, they can decide on part of the percentage of the income tax, even though it is a national tax. Every fiscal year, the Spanish State distributes sums raised in national taxation among the regions, according to their population. This system is severely contested by several autonomous communities. As for the Navarra region and Basque Country, they have greater fiscal autonomy since they have their own tax system, including income tax, over corporate and individuals. These two regions transfer to the State an amount equivalent to the delivery of public services by the State in their territory. Finally, the Canary Islands have their own particularities, in particular regarding VAT.

65. In Italy, the austerity measures adopted by central government in response to the economic and financial crisis have resulted in substantial cuts in regions' capacity in terms of spending autonomy. In theory, the 2001 constitutional reform increased regions' financial autonomy, but the onset of the economic and financial crisis reversed the trend, calling into question the transition to the new system. The austerity measures adopted by central government, unilaterally cutting transfers to the regions, pose a challenge to regional financial autonomy.

66. As far as the Italian regions' revenues are concerned, the constitution defines subnational autonomy with the aid of the principle of self-sufficiency. Public transfers – except financial equalisation transfers – must accordingly be abolished and regions must base their financing on “independent” resources. That basically involves regions' tax revenues. Under Article 119 of the constitution and the law of 2009, these revenues comprise regional taxes, regional surcharges on state taxes and shared tax revenues, as well as non-earmarked equalisation transfers.

67. In contrast, the financing systems of special regions are based primarily on a share of state taxes allocated to the relevant territory. In terms of budget deficits, debt and borrowing, the new legal framework established by legislation passed in 2012 imposes limits on deficits and regions' ability to incur debts. At the same time, it sets strict limits for regional budget overruns. There may therefore be variances, but each region must make up any deficit within the following three years.

3.4. The development of regionalism and regional nationalism

68. Regionalism is understood as seeking to enhance and defend the interests and identity of specific regions or a group of regions, either official or traditional. Regionalism sometimes turns into regional nationalism. It involves a political movement demanding national status for a region and its recognition in terms of political autonomy.

69. Some of the strongest expressions of regionalisation, which take the form of calls for independence, are in part a result of the economic and financial crisis. It is often the richest regions which are seeking to avoid their obligations in terms of solidarity and, more generally, escape the shared destiny of the country affected by the crisis. This reflects a degree of identity-based isolationism and waning of solidarity between regions.

70. In some cases, the calls for self-government go so far as demands for independence by means of referendums.

A. Scotland

71. Since the passage of the Scotland Act in 1998, Scotland has enjoyed a high degree of autonomy. It has its own government and parliament, which may not, however, contravene the principles of British

sovereignty. Since the 2007 elections, the Scottish government has been headed by the Scottish National Party (SNP), which has campaigned for Scottish independence by the ballot box since being set up in 1934. Although the Scottish people have been granted devolution and regained sovereignty over most domestic matters, the nationalists continue to call for total independence. On 15 October 2012, the UK government and the Scottish government signed an agreement in Edinburgh under which the former allowed the latter to hold a referendum.

72. For the SNP, many issues are involved. It calls for the independence of Scotland, to give the people of Scotland full control over the Scotland's natural resources and to implement policies which it asserts would be more equitable than those which are formulated in Westminster. It claims that Scotland can be self-sufficient, primarily because of North Sea oil, which generated revenues of over £11 billion in 2011-2012. Given its longstanding antinuclear stance, it also immediately links potential Scottish independence with the redeployment of the UK's nuclear forces and related support facilities outside of Scottish territory. It underlines the democratic deficit in Scotland, given the UK's traditional centralism. It has consistently advocated the abolishment of the House of Lords, as being essentially undemocratic, and favours a unicameral parliamentary system based on proportional representation.

73. The referendum on Scottish independence took place on 18 September 2014. Scots were required to reply Yes or No to the question: "Should Scotland be an independent country?" In the end, independence was rejected with a No vote of 55.3%. Despite this result, the May 2015 UK general election saw a huge upsurge in support for the Scottish National Party (the other main parties were basically wiped out in Scotland). As a result, the SNP has replaced the Liberal Democrats as the UK's third-largest political party, meaning that the question of Scottish independence remains an issue to be addressed by the new government.

B. Catalonia

74. Catalan nationalism is a political movement that took shape in the late 19th century, demanding the recognition of Catalonia as a nation (and indeed all Catalan-speaking areas) in terms of political autonomy. On 30 September 2005, after over two years of negotiations, the Catalan parliament approved by a large majority a draft new statute of autonomy, thereby achieving one of the main objectives in the government's programme. In spite of it being discussed, negotiated and approved by both the Catalan and Spanish parliaments, and by a legal referendum in 2006, the Constitutional Court in 2010 ruled that 14 articles or part of them were unconstitutional, together with the references in the preamble to "Catalonia as a nation" and "the national reality of Catalonia". This decision prompted a strong popular outcry and an important demonstration for "the right to decide" took place.

75. In 2013, the Catalan regional government called a regional referendum on Catalan self-determination, on the basis on a law with respect to referenda that was voted in the Catalan parliament. Contrary to Scotland, there has been no negotiation framework with the State. The Spanish Constitutional Tribunal, in response to a referral by the Spanish government, first suspended the application of the law and the organisation of the referendum and then ruled the law unconstitutional, as well as the decree calling the referendum¹⁷. The possibility of such a referendum was also formally rejected by the Spanish parliament in 2014. Despite these decisions, an informal "consultation" – managed by NGOs – was organised on 9 November 2014. The majority of voters (more than 80%) voted for the independence of Catalonia but the voter turnout was reported to be very low (less than 30%). These data have been interpreted differently by the Spanish government and the regional government. In this climate of political tension, the president of the regional government decided to convene early regional elections, which were held on 27 September 2015. Regional parties pro-independence formed alliances and presented these elections as a plebiscite to start a process aiming at the independence of Catalonia. The results will have a decisive impact on the political status of this region.

C. Flanders

76. The sixth state reform in Belgium further strengthened the powers of the regions and communities. The main aspect of the reform was the transfer of powers from the federal state to the communities and regions.

¹⁷ http://www.tribunalconstitucional.es/es/salaPrensa/Documents/NP_2015_015/NOTA%20INFORMATIVA%20NUMERO%2015-2015.pdf

As a result, the regional dimension has become increasingly pronounced, with the communities losing influence to the regions. A “3 + 1 Belgium” is emerging, with three regions and the German-speaking Community, which is gradually seeking to become a region of its own. Among the regions, the calls for still more change are coming from Flanders, the richest region, while Wallonia is not pushing in that direction.

Conclusion

77. When we take a closer look at regionalisation trends in Council of Europe member States, we notice a great diversity: there is no general movement towards a stronger affirmation or a weakening of regionalisation. There is no general recognition of "one" single type of regionalisation in Europe, there is a huge variety of legal, political and administrative situations. The developments concerning regionalisation in Europe are mainly contingent on specific national contexts (domestic policies, historical and geographical context or political agenda).

78. However, in recent years, regionalisation seems to have stalled. No new regional institution has been created. We have seen neither developments in partial regionalisation thrust nor any momentum toward a more general regionalisation, although there have been interesting developments in Belgium, Ireland, and the United Kingdom. There has not been a noticeable trend towards a strengthening of regional institutions in the context of any general state reforms that have been carried out in various countries, with the notable exception of Belgium, where the sixth state reform has strengthened the powers of the regions and linguistic Communities, in the form of a particularly advanced form of federalisation.

79. In general, existing regional levels of government have not been called into question, but several experts have notified us "re-centralisation" processes, which do not so much concern the formal powers of the regions as their effective capacity to pursue autonomous public policies. These processes mostly take the form of budget cuts, limiting the financial autonomy of regional institutions.

80. Two cases in particular illustrate a new trend which goes beyond regionalisation. In Scotland and Catalonia, the demand for more autonomy has transformed into a call for independence. Pro-independence movements have managed to mobilise large parts of society, convincing voters that they have too little influence on the national government and on how their taxpayers' money is redistributed. In both regions the pro-independence movements are also pro-European and confident that they will be able to retain their EU membership post-independence.

81. The recent developments are closely linked to economic challenges. The experts' conclusions, confirmed by the Congress monitoring reports adopted after the arrival of the economic and financial crisis clearly, show a link between the crisis and most of the changes actually made or foreseen at local level (with an impact on the regional level) or directly at the regional level. A consensus develops between political leaders that the crisis makes it necessary to simplify the structure of the administrative system or just to reduce the cost of public administration. This explanation accounts for many of the state policies identified, such as the re-centralisation of competences, the strengthening of national policies for stricter control of public spending or initiative for territorial reform.

82. The crisis appears to justify an overhaul of public expenditure of territorial authorities. The political leaders conclude that the crisis makes it necessary to "simplify" the system, which has become too heavy and expensive, and to reduce the number of administrative levels: the removal at a single stroke of a whole level of decentralized government (in the Czech Republic, France, Greece, Ireland and Italy) can be presented as a measure to reduce institutional costs.

83. Some of the strongest thrusts towards regionalisation, which can take the form of calls for independence, also have been boosted by the 2008 crisis, which has functioned as a catalyst in this respect. It is often the richest regions (Catalonia in Spain or Flanders in Belgium) which seek to reduce or to completely divest themselves of their obligations of territorial solidarity or call for greater fiscal autonomy and new equalisation mechanisms.

84. Finally, it should be noted that this study is not exhaustive and seeks to establish a working basis for future work of the Congress and to lay a foundation for a better orientation of its work with respect to regionalisation.