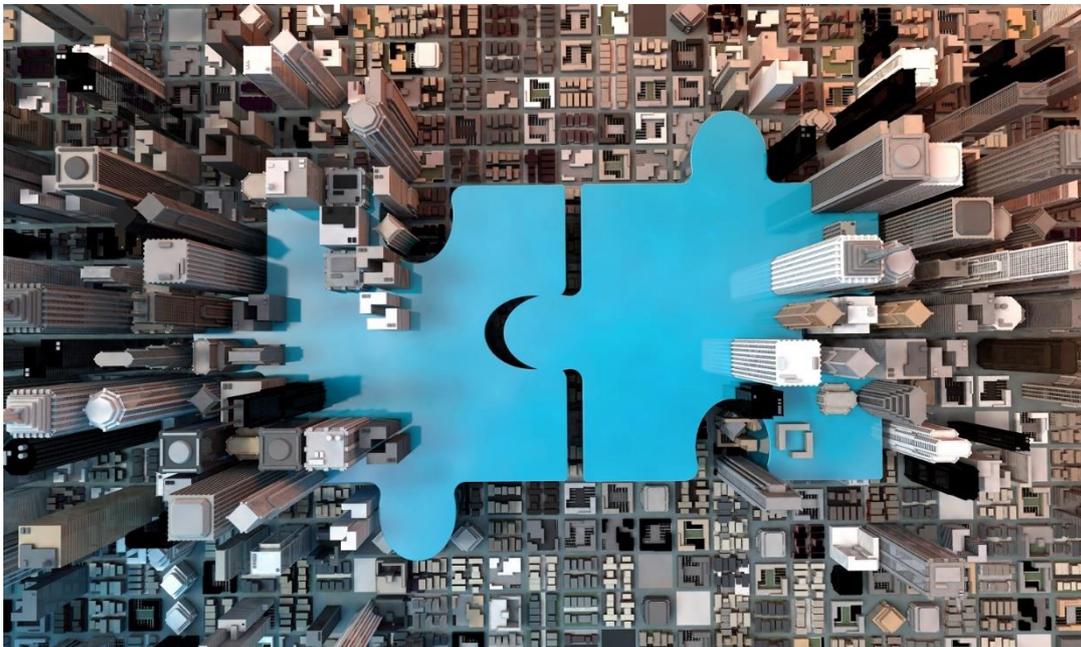


# Council mergers: little gain, less democratic

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*Dr Linze Schaap*, associate professor at the Tilburg Centre for Regional Law and Governance, and *Dr Niels Karsten*, assistant professor at the Tilburg Institute of Governance, provide evidence from abroad to justify why larger authorities are not the answer to local government reform.

The recent economic and fiscal crises have put new pressures on local government reform to increase efficiency. In quite a few European countries, one of the major reforms are municipal mergers. The UK provides a clear illustration. The search for the proper size of local authorities is nothing new, however, as the topic has been on scholars' and practitioners' agendas for a long time. Consequently, quite some knowledge about the effects of such amalgamations is available, and the results are not always positive.

If the question of what the optimal size of local government should be can ever be answered, the dual nature of local government as both a locus of democracy and as a public service provider makes it difficult to do so. It implies that there are at least two types of evaluation criteria that are relevant when we evaluate the effects of amalgamations – that is, effectiveness and legitimacy.

On this point, we can draw from the work of Dahl and Tufte (1973), who developed the seminal concepts of 'system capacity' – meaning that "the polity has the capacity to respond fully to the collective preferences of its citizens" – and 'citizen effectiveness' – or that "citizens acting responsibly and competently fully control the decisions of the polity."

In the scholarly literature, a large number of studies is available that evaluate the effects of municipal mergers. Notably, the Netherlands has a long tradition of gradual and step-by-step mergers that affect only a few municipalities at a time, starting in the mid-19th century until today. And, as opposed to some other countries, policymakers have made a custom of evaluating their effects.

But evaluative studies from other countries too have contributed to the sound and evidence-based knowledge that is available on the subject today, as have a number of comparative studies across Europe. The results of these studies are often mixed. And, unfortunately, they do not always distinguish the effects of amalgamation from the effects of municipal size as such. For the purpose of this piece, we will ignore this difference since, in practice, amalgamation always implies an increase in municipal size.

Proponents of reform policies will often argue that mergers have a series of positive effects, in particular on the functional aspects of government, that is, the system capacity. The suggestion, then, is that amalgamations increase the problem-solving capacity of local government. Looking at various aspects of system capacity, that claim does not find very much support:

- **Scale and complexity of social problems:** Empirical evidence shows that there is no clear relation between municipal size or amalgamations and the authority's ability to deal with societal issues and with problems that exceed the individual municipality's scale, such as regional and metropolitan issues. In addition, scale enlargement itself triggers the emergence of new governance problems – an increase in municipal scale often leads to an increase in the variety and complexity of societal problems on the municipal agenda;
- **Efficiency:** Whether larger municipalities benefit from a relative increase in resources because of economies of scale is a matter of lively debate, and studies are inconclusive. At the very least, the results imply that economies of scale should not be taken for granted since there is no 'one-on-one' relationship between municipal size and efficacy, and there is not one optimal size;
- **Effectiveness of municipal policies:** Many studies find that larger and enlarged municipalities do not produce policies of a higher substantive quality and that are more effective, while a limited number of studies show opposite results. Again, the conclusion is that amalgamation does not necessarily lead to more effectiveness;
- **Service provision:** Merged municipalities are usually more professional and more customer-oriented than their smaller predecessors, but such improvements do not automatically have positive effects on service levels.

We can conclude that the effects of amalgamation on system capacity are mixed. At the very least, an increase in system capacity as a result of merger should not be taken for granted. Positive effects of amalgamation have been reported in areas such as administration

professionalism. In most other areas, though, amalgamated municipalities do not fare better. Negative effects have also been reported.

More importantly, municipal size is not seen to be a decisive factor for the system capacity of local government. Other exogenous factors, such as the municipality's function in the region and its geographical composition, are more important. Hence, the explanatory power of municipal size as a variable is very limited. When analysing the effects of municipal mergers on local democracy, we focus on four different aspects:

- Political trust: In a number of international studies, it was concluded that municipal mergers and a larger size in general have a negative effect on citizens' political trust in the local authority. Larger authorities are less trusted by citizens than smaller ones;
- Electoral participation: There is vast evidence that an increase of municipal size results in a decrease of voter turnout. In addition, mergers negatively affect participation in local branches of political parties. The negative amalgamation effects on voter turnout fade away over time, but the negative size effects remain. In other words, voter turnout continues to be lower in larger municipalities than in smaller ones;
- Council representativeness: Amalgamations also negatively affect the representativeness of the council, at least in those countries where the number of councillors does not proportionally increase with the size of the municipal population. In those cases, after amalgamation and in larger municipalities, individual councillors generally have to represent a greater number of citizens than in smaller authorities;
- Non-electoral participation: With regard to non-electoral forms of participation, the conclusions are not altogether different. In general, there is a negative relation between municipal size and citizen involvement in different forms of non-electoral participation, although the effects vary from one country to another. Admittedly, the effects are different for various forms of participation, such as contacting a local politician or the local administration, attending meetings, taking part in an action group or signing a petition.

On the subject of local democracy, we can thus conclude that, as regards both electoral and non-electoral participation in local decision-making, municipal mergers have mainly negative effects. This conclusion finds considerable support. Larger municipalities suffer a decline in political trust and voter turnout, and amalgamation also negatively affects the representativeness of the council. With regard to non-electoral participation, the conclusions are more nuanced because both positive and negative effects are found in this area. The latter often result from specific measures targeted at improving non-electoral participation after amalgamation.

The implications are clear. If local democracy is to be safeguarded – as all European countries solemnly declared in the Council of Europe's 'European Charter for Local Self-

Government' – then municipal mergers are not the best solution. Quite on the contrary: amalgamations result in weaker local democracy, which, in the long run, may pose a threat to democracy in general.

All in all, council mergers are an overrated answer to real problems in the governance of communities and regions. Municipal size, clearly, is not the deciding factor in the problem-solving capacities of local government, and amalgamations often do not live up to their effectiveness promises. For us, it is therefore somewhat of a mystery why so many countries decide to continue to merge local authorities, despite the existence of solid evidence of negative effects on local democracy. Are these policies rooted in sense and sensibility, or rather, in pride and prejudice?

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