



A response to the UK2070 Commission's Second Report by the Centre for Urban and Regional Development (CURDS)

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The following Think Piece has been submitted to the UK2070 Commission in response to its Call for Evidence. The views expressed are those of the authors, and not the Commission.

Submission to UK 2070 Commission

A submission by the Centre for Urban and Regional Development Studies (CURDS), Newcastle University, UK

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1. About the Centre for Urban and Regional Development Studies (CURDS)

The Centre for Urban and Regional Development Studies (CURDS), Newcastle University, is a research centre internationally renowned for its academic excellence and policy relevance in local, regional and urban development, governance and policy. Founded in 1977, further details of our work are available at: www.ncl.ac.uk/curds

2. Context and aim of the submission

We welcome the Commission's interest in the important issue of devolution in England. This submission aims to consider the UK 2070 Commission's proposals for decentralisation in England and specifically the establishment of trans-regional 'provinces' by situating them in their national and international context in Europe and assessing their appropriateness as governance arrangements.

The UK and especially England remains amongst the most highly centralised amongst major countries internationally (Table 1, Appendix). The UK had a stable level of decentralisation between 1950 and 1986, underwent further centralisation until the late 1990s devolution, and then settled at a relatively higher level (Figure 1). In addition, the UK and England have longstanding and persistent geographical disparities in economic and social conditions that are high in international context. The gini index of inequality of GDP per capita remains above the OECD average and reduced only slightly over 2000-2013 (Figure 2).

While the causal relationship between centralised governance and spatial disparities is not clear and direct, it has been a consistent association in UK political-economic and geographical history.¹ The need to find appropriate forms of decentralised governance for England has been a recurrent concern.² In the post-war period, episodes of decentralisation are evident that resemble a pendulum swinging between different geographical scales and institutional arrangements (Figure 3).

¹ McCann, P. (2016) The Regional-National Economic Problem: Geography, Globalisation and Governance, Routledge: London.

² Marlow, D. (2014) English Devolution and Intermediate Tiers of Governance, LGiU Briefing, December, LGiU: London.

Since 2010, there has been an ad hoc, incremental and piecemeal episode of decentralisation. Multiple rationales have been stated, pulling decentralisation in different directions and muddling its precise objectives. These rationales comprise local growth, public service reform and expenditure reductions, democratic renewal, and societal challenges such as ageing and climate change.

This episode is also characterised by deals and deal-making as negotiated central-local government agreements on decentralised powers, responsibilities and resources. Differentiated combinations of powers and resources have been allocated to different areas (Figure 4).

This recent decentralisation episode has created a complex map and patchwork of different governance arrangements across England. While other countries such as France, Italy and Spain have what are termed ‘asymmetrical’ or geographically uneven decentralised governance systems with different powers and resources allocated to different areas, the degree of asymmetry in England is acute. Asymmetrical forms of decentralisation have potential benefits and costs (Table 2).

3. Definitions, rationales, benefits and costs of decentralisation

Decentralisation is defined as the allocation of powers and resources from national to sub-national levels of government. There are different kinds of decentralisation, distinguished by their powers and resources, that range from the highest level devolution to the lowest level administrative (Table 3). What is called ‘devolution’ in the discussions about decentralised governance in England is more accurately termed delegation because of the limited nature of the powers and resources involved. The main rationales for decentralised governance are better matching of public expenditure and services to local preferences, mobilisation of local knowledge on economic potential and costs and increased accountability of local governments to citizens. Depending upon its form and combination of powers and resources, decentralisation can generate potential benefits and costs (Table 4).

4. The UK 2070 Commission’s proposals for decentralisation

In the context of the problem of intermediate governance in England and the complex patchwork of current arrangements, the Commission’s proposals for “effective devolution” comprise:

- Increasing devolution of powers and resources to the “local” level to a “comprehensive framework” of mayoral and combined authorities and rural counties;
- Setting-up four new “trans-regional arrangements” for “provinces” for the North, Midlands, South East and South West constituted from existing local leaders and aiming to “complement” strategic planning for pan-regional issues at the local and joint or combined authority level;

- Decentralising national government functions, responsibilities and budgets covering England to “align with” the “local and trans-regional devolution”³.

Similar proposals were originally outlined in the IPPR Commission on Economic Justice recommendations to create a “new tier” of “English regional authorities” or “economic executives” that would be “responsible for regional economic and industrial strategy” and “able to deploy significant assets and capabilities”.⁴

The proposed Northern and Midlands Economic Executives would be created from the existing Northern Powerhouse and Midlands Engine institutions. National consultation was suggested for the new South East and South West Economic Executives.

Focused on economic development functions at the regional level, the proposed responsibilities for the Economic Executives included:

- regional industrial strategies including innovation clusters, supply chains and inward investment
- regional infrastructure planning including transport, energy, communications and environmental and resource management
- regional immigration policy
- regional spending of a new ‘Inclusive Growth Fund’
- oversight of inter-city rail networks and franchises and a proposed new ‘major road network’
- oversight of the regional divisions of a new ‘National Investment Bank.

The proposed Economic Executives were seen as large enough to represent their regions internationally to attract investment and people, exercise political voice to secure resources from central government, borrow to invest through the regional divisions of a new National Investment Bank and, following the example of the Northern Powerhouse and Midlands Engine, overcome lower scale rivalries between cities and towns.

In terms of governance and democratic accountability, the proposal is that each Economic Executive would be governed by a new Regional Council elected indirectly from their constituent local authorities. Proposed funding arrangements were based initially on a block grant from HM Treasury and then a new and more decentralised fiscal framework for England.

5. English ‘Provinces’ in context: European regional governance geography

In the context of past English regional governance geography, the proposed Provinces are remarkably large. This can be demonstrated by comparing them to the nine

³ UK 2070 Commission (2019: 9) Fairer and Stronger: Rebalancing the UK Economy, UK 2070 Commission: Sheffield.

⁴ IPPR Commission on Economic Justice (2018: 70, 68) Prosperity and Justice: A Plan for the New Economy, IPPR: London.

Standard Regions, which are now only used for statistical purposes but until 2010 constituted the regional tier of decentralised institutions in England. Two of the Provinces (North, South-East) each group three Standard Regions, and one other (Midland) combines two. This geography raises the question of whether the proposal for large Provinces appears to be out-of-line when compared to the regional institutions with economic development responsibilities in comparable countries of Europe. Table 5 identifies the five larger European Union countries taken here to offer some comparability to the UK, comparing them on three relevant size measures: population, economy and land area.

Table 6 then identifies for each of these countries the regional tier of institutions with devolved economic development responsibilities, reporting their number and their average size on each of the three size parameters. This comparison does suggest that the English Provinces, when taken along with the other UK Nations (Scotland, Wales, N.Ireland) which they are proposed to sit alongside, are rather out-of-line when their average size values are compared with those of the principal regional institutions in the five comparator countries. The key reason is that there are only seven Provinces/Nations, whereas the other countries are divided into around two-to-three times more regions. The one size measure on which the UK regional average is not the larger than all the comparators is land area: the highest average is that of the French Regions, while the Spanish equivalent is also close to that of the proposed seven authorities in the UK.

Although land area size might not seem very relevant to economic development policy, its significance stems from the long-term trend for the integration of previously distinct local economies. Thus an authority with a narrowly defined area, such as a single city, might independently deliver some economic development policies (e.g. those related to land use), but delivering a comprehensive regional economic strategy (and perhaps having some tax raising powers) is more realistically entrusted to an authority covering a larger and self-contained territory such as Scotland. This is an economic geography aspect to the principle of subsidiarity: the appropriate size of regions depends on the extent and nature of the powers which are to be devolved to them. The high level of interactions across the boundary of a geographically small region, such as London, means that policies operating solely within that boundary are unable to match the scale of the key processes determining regional economic development.

Table 7 ranks by population the seven proposed Provinces/Nations alongside all the regions with devolved economic development responsibilities in the five comparator countries whose populations are 5 million or above. France has seven such regions, Germany has six, Italy has four, Spain three and Poland just one. This might suggest that the proposal for the UK is not out-of-line with practice elsewhere, due to not only Germany but also France having more regions with over 5 million residents than would the UK with its four English Provinces together with Scotland. It is significant that France has the highest number of larger population regions: several of these regions are recent amalgamations of previously separate smaller regions, which is an example of a trend towards larger regions that is in part a response to economic processes operating over wider areas.

Table 7, taken together with the count of regions in Table 6, does offer some support for an alternative interpretation. Only two of the seven proposed UK Provinces/Nations

– and none of those in England – have fewer than 5 million residents, whereas in four of the five comparator countries over two-thirds of their regions are of this smaller size. Even in recently reorganised France the proportion is almost half. At the other end of the scale, three of the four Provinces proposed for England have populations of 10 million or more, a proportion unmatched in any comparator country. All these three Provinces also have land areas whose sizes put them at the upper end of the range to be seen among the large population regions in Table 7.

England has been ‘regionalised’ by government (and indeed academics) several times previously but none of these regional boundaries have been widely accepted, in part due to none having the historical ‘authenticity’ and cultural and political identities of regions such as Bayern, Lombardia or Catalunya. The relatively large population and area size of the proposed English Provinces might be seen as a realistic structure designed to tackle processes operating over large areas in a highly integrated space economy. Yet it is also arguable that the Provinces are a technocratic proposal that is fated to fail as a result of a lack of popular identification with its new amalgamated regions. Finding the appropriate balance and geography is challenging. Drawing lines on maps to limit jurisdictions is relatively straight-forward, but creating meaningful local and regional boundaries is more difficult. Since 2010 in England, the approach has been to prioritise ‘functional’ economic areas’ – for example reflecting ‘travel to work areas’. However, effective regional governance requires the support of citizens. Questions of local and regional identity matter because boundaries also need to pay attention to a shared sense of place and patterns of belonging and attachment.⁵ Successful democratic polities operate across territories that are understood to have real meaning to citizens and voters. Where this is not the case, it can be a recipe for indifference or dysfunction. Centrally determined boundaries, which make sense in Whitehall, can produce regions that have little popular affiliation. Such regions may dispense large amounts of tax-payers money in ways which appear opaque and unaccountable. Equally, the deal-making approach to decentralisation can produce regions that are neither functional nor popular in ways that can set back to aim of democratic decentralisation. On this point too, the recent experience in France is of interest because there was considerable dissatisfaction at the amalgamation of historic regions (e.g. Alsace, Lorraine and the Champagne becoming the new ahistoric region Grand Est).

The conclusion is that while the proposed English Provinces are indeed relatively large on average, the only one notably out-of-line with regions in comparator countries is the South East (due to including both London and its wide hinterland). At this point it is relevant to recall the principle that the appropriate size of regions depends on the extent and nature of the powers which are to be devolved to them. Large regions such as the proposed Provinces may be appropriate for a highly integrated economic geography such as that of England, but perhaps only if each Province is entrusted with powers similar to those of Scotland, including the ability to raise its own taxes.

⁵ Tomaney, J. (2018) “A mess of pottage? The North of Tyne deal and the travails of devolution”, LSE British Politics and Policy Blog, 4 January, <https://blogs.lse.ac.uk/politicsandpolicy/the-north-of-tyne-deal-and-the-travails-of-devolution/>

6. Local mayoral and combined authorities and rural counties and trans-regional 'provinces' as governance arrangements for England

The UK's 2070 proposals for decentralisation effectively aim to move towards a system of multi-level governance in England which are evident in other comparable countries. The proposals would effectively fill-in the map of England with mayoral and combined authorities and rural counties at the 'local' level and introduce a new level of trans-regional economic executives at the level of the four new provinces.

This reform potentially creates a more comprehensive and even coverage of governance arrangements across England. What kind of decentralisation this represents will depend upon the powers and resources decentralised to the existing and new mayoral and combined authorities and rural counties and provincial economic executives (Table 3). Questions of the size of the regions would then need to be related to their purpose, powers and resources.

Evaluating the potential effectiveness of decentralisation confronts difficult issues. Establishing whether or not decentralised governance enables better decision-making and generates benefits for economic and social outcomes and public policy objectives is not straightforward. This is because of numerous problems: the development of appropriate proxies relevant to particular national contexts; assembling available data of appropriate quality, historical coverage and international comparability; disentangling and isolating the effects of decentralisation; and, attributing causation amongst decentralisation's multiple relationships with broader economic and institutional change.⁶

Key questions emerge in considering the proposed new governance geography for England:

- Can these new arrangements maximise the benefits and minimise the costs of decentralisation and what would the net outcome be?
- Could they better match public expenditure and services to citizen preferences at the local and trans-regional levels?
- Would they gain enhanced knowledge on economic potential and costs?
- Would the arrangements increase the accountability of local governments to citizens? Indirect election is a feature of the proposed new arrangements at the local and trans-regional levels, potentially echoing the charge of weak accountability and scrutiny levelled at the Regional Assemblies/Chambers in England during the 2000s.

Considering the political feasibility of the proposals raises some difficult issues given the history of decentralisation in England and its ad hoc and piecemeal evolution of institutional arrangements since 2010. The pendulum swings have created churn and

⁶ Pike, A., Rodríguez-Pose, A., Tomaney, J., Torrasi, G. and Tselios, V. (2012) "In search of the 'economic dividend' of devolution: spatial disparities, spatial economic policy, and decentralisation in the UK", *Environment and Planning C: Government and Policy*, 30, 1, 10-28.

disruption (Figure 3), described as “compulsive re-organisation” and “perpetual restructuring”.⁷ Further changes and the establishment of new mayoral and combined authorities and rural counties in areas currently without them may encounter resistance and would take time. In other countries with asymmetrical decentralisation such as Spain, the evidence is that as new areas gain powers and resources the existing areas push for even greater levels of decentralisation.

Setting-up new executives at the trans-regional level would be similarly challenging. While building upon existing institutions in the Northern Powerhouse area is a potential way forward this is likely to be more difficult for the Midlands Engine which lacks an institutional basis and capacity in its current form. Crucially, this approach would be much more problematic in the South East and South West given their histories and more recent antipathies to trans-regional collaboration. Existing co-operation – such as the Cambridge-Milton Keynes-Oxford Arc – are thematically focused and working on different geographies.

Indeed, the description of the regional executives as a ‘new tier’ of institutions and administration will inevitably attract criticism from its opponents which are likely to characterise it as another layer of administration and bureaucracy and talking shop for politicians – reusing the arguments from the campaign against the Elected Regional Assembly in north east England in 2004.⁸

The proposed arrangements will encounter the issue of how to align, co-ordinate and integrate its new institutions between and across different spatial levels. How will their aspirations/visions, strategies and spending plans be aligned, co-ordinated and integrated? Where will the legitimate locus of power to prioritise reside? How will new institutions and activities mesh with existing institutions? If, for example, the new regional executives are tasked with writing a set of regional and industrial strategies, how will they connect with the existing LEPs and their local industrial strategies?

7. Further and future decentralisation in England

Given the ad hoc, incremental and piecemeal nature of the recent episode of decentralisation in England and the difficulties in assessing its impacts, a more comprehensive and thoughtful approach is needed to thinking through and implementing further decentralisation in existing and new areas yet to be allocated powers and resources if the potential benefits are to be maximised and the costs and risks reduced.

There is a need for the clarification of the rationales and principles of decentralisation with a ‘road map’ and process to provide some clarity to the vision, direction, purpose, principles and strategy for decentralised governance of England in the round.⁹

⁷ Jones, A. (2010: 374) “Here we go again: the pathology of compulsive re-organisation”, Local Economy, 25, 5-6, 373-378. Mulgan, G. (2010: 1) “RDA demise”, Regeneration and Renewal, 12 July, Regeneration and Renewal: London.

⁸ Rallings, C. and Thrasher, M. (2006) “‘Just another expensive talking shop’: public attitudes and the 2004 regional assembly referendum in the North East of England”, Regional Studies, 40, 8, 927-936.

⁹ Pike, A., Kempton, L., Marlow, D., O’Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

The current ad hoc, incremental and piecemeal governance needs to move towards a more planned, transformative and comprehensive approach. It will, however, need to work with the patchwork of the different geographical scales and institutions of governance that have emerged in England since 2010.

This is not a call for a top-down blueprint designed and delivered from Whitehall in London. It is a call for open, transparent and systematic approach. Such a road map would provide greater fairness and equity in setting out what kinds of powers and resources are on offer for places. For those areas at the earliest stages of thinking through what decentralisation might mean for them, it could provide a normative sense of the kinds of powers and resources that specific types of areas *should* be seeking. Such a clear road map would remove the existing opaqueness and lack of accountability of the current deals designed, formulated and made between political leaders and senior officials at the local and national levels. Otherwise, the problems and costs of co-ordination, integration and alignment between governance actors and institutions will be reproduced and, potentially, multiply as further pieces are added to the existing patchwork.

Given the change in government in July 2019 and the dominance of Brexit in national political economy, it is difficult to assess the new administration's commitment to decentralisation in England. Decentralisation slowed under the last government following the EU referendum in 2016 and general election in 2017, afflicted by 'Brexit blight' and lack of political and administrative capacity in Parliament and Whitehall. In principle the UK government's 'Devolution Framework' may provide some of the elements of this decentralisation 'road map'. However, its publication has been delayed until "after Brexit" and details of its aims and content are as yet unknown.¹⁰

In July 2019, the new Prime Minister announced support to "level up the powers offered to mayors" to enable "more people" to "benefit from the kind of local government structures" in London and Greater Manchester and to provide "communities a greater say over changes to transport, housing, public services and infrastructure that will benefit their areas and drive local growth".¹¹ He restated an ambition for "levelling up across every nation and region across the UK, providing support to towns and cities and closing the opportunity gap in our society"¹² and made announcements on a Towns Fund, the Northern Powerhouse and public expenditure on transport infrastructure in northern England and further Growth Deals in Northern Ireland, Scotland and Wales.¹³

Wherever decentralisation in England goes next, its kind, nature and resources are critical. There is a need for the meaningful decentralisation of powers and resources

¹⁰ Larsson, N. and Peters, D. (2019) "Further delay to devolution drive", *The Municipal Journal*, 24 April, <https://www.themj.co.uk/Further-delay-to-devolution-drive/213469>.

¹¹ Johnson, B. (2019) *PM Speech at Manchester Science and Industry Museum*, 27 July, <https://www.gov.uk/government/speeches/pm-speech-at-manchester-science-and-industry-museum>

¹² Johnson, B. (2019) *PM statement on priorities for the government*, <https://www.gov.uk/government/speeches/pm-statement-on-priorities-for-the-government-25-july-2019>

¹³ Press Release (2019) *ty*, 28 July, <https://www.gov.uk/government/news/prime-minister-launches-new-growth-deals-funding-as-he-kicks-off-union-visits-in-scotland>

to enable places to tailor place-based institutions, policies and public services to address their particular combinations of aspirations and needs.

There is evidence that the current episode of decentralisation in England and its hallmark deals and deal-making approach are reaching their zenith. First, areas that secured deals in earlier waves are increasingly seeking further deals in a bid to acquire additional powers and resources, reproducing the deal-based model of governance reform and public policy-making with all its benefits and costs.¹⁴

Second, areas putting forward deal proposals are having to wait for Ministerial and civil servant consideration and response, demonstrating the lack of political prioritisation and administrative capacity at the national level, or receiving rejections for not meeting certain criteria. For example, the One Yorkshire proposals in 2018 were rejected by the former Secretary of State James Brokenshire because they “do not meet our devolution criteria”.¹⁵ Yet any such criteria have not been published.

Third, knitting together the strategic aims and work of the decentralised institutions and their differentiated powers and resources within the broader patchwork is becoming more difficult as it becomes more complex. While there is some evidence of co-operation and joint announcements amongst the higher profile metro-mayors¹⁶, evidence is limited that the overall system of governance in England is working as coherently and effectively as it might.

9. Conclusion

Overall, this submission is not an argument against further decentralisation, especially given the UK and England’s highly centralised system, nor is it a call for further caution and a slower approach or for a faster, radical and revolutionary ‘big bang’ strategy. Rather, the submission highlights the need comprehensively to think through and clarify what decentralisation is for and how it works in England and to set this out in a clear, open and transparent road map.

This task will be especially important in the context of future disruptive change especially Brexit. Some advocates of decentralisation see it as the ‘golden thread’ of Brexit and an opportunity to reverse centralisation and ‘take back control’ of local affairs from a distant and unresponsive national government and political establishment.¹⁷ There are political risks in limiting decentralisation too. The lack of

¹⁴ GM is on 8 or 9 devolution deals, West Midlands looking for another?. Sharman, L. (2019) “Liverpool submits £230m ‘Green City Deal’”, *Local Government*, 30 July, <https://www.localgov.co.uk/Liverpool-submits-230m-Green-City-Deal/47894>.

¹⁵ James Brokenshire quoted in Elledge, J. (2018) “James Brokenshire’s rejection of the One Yorkshire devolution deal absolutely stinks of partisanship”, *Citymetric*, 12 February, <https://www.citymetric.com/politics/james-brokenshire-s-rejection-one-yorkshire-devolution-deal-absolutely-stinks-partisanship>

¹⁶ Sandford, M. (2017) “Soft power and grant coalitions: the first six months of ‘metro-mayors’”, January, <https://www.thebritishacademy.ac.uk/soft-power-and-grant-coalitions-first-six-months-metro-mayors>

¹⁷ Pike, A. (2018) “Devolution in England needs real powers and resources if it is to ‘take back control’ in Brexit”, *The UK in a Changing Europe Blog*, 20 June, <https://ukandeu.ac.uk/devolution-in-england-needs-real-powers-and-resources-if-it-is-to-take-back-control-in-brexif/>

economic opportunities and voice for so-called 'left behind' people and places and perceived unfairness has fuelled the discontent and political fragmentation and division in recent years across the UK.¹⁸ Lack of public engagement and interest in the current episode of decentralisation is already evident, for example in turnouts in the Durham County Council devolution deal ballot and metro-mayor election and Police and Crime Commissioner elections. Engaging the public more effectively suggests the need to do decentralisation in a different way.

¹⁸ Tomaney, J. and Pike, A. (2018) "Brexit, devolution and economic development in 'left-behind' regions", Welsh Economic Review, 26, 29-37, <http://doi.org/10.18573/wer>.

Appendix

Table 1: Regional Authority Index, ranked by country, 2010*

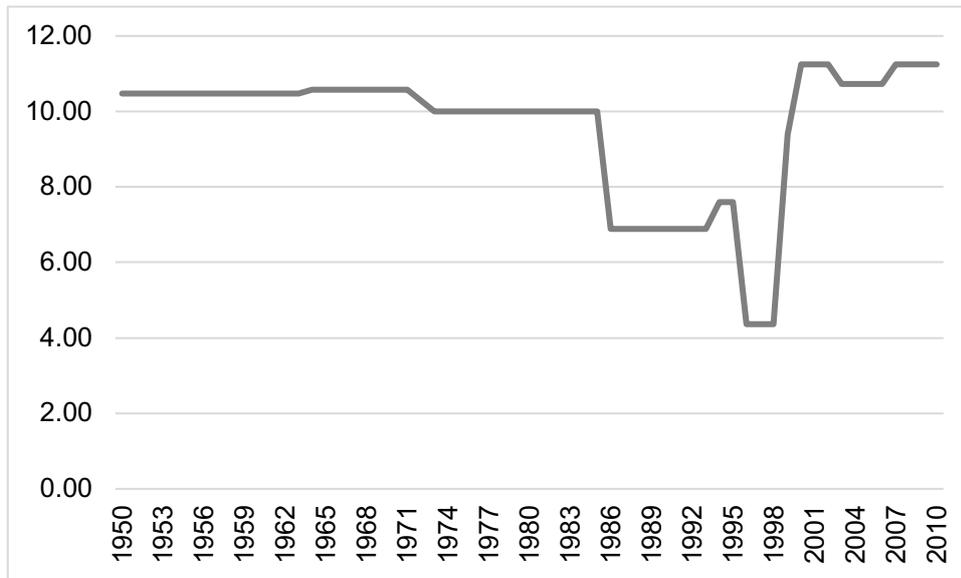
| Country | Regional Authority Index |
|---------------|--------------------------|
| Germany | 37.0 |
| Spain | 33.6 |
| Belgium | 33.1 |
| United States | 29.6 |
| Italy | 27.3 |
| Austria | 23.0 |
| Brazil | 19.5 |
| Netherlands | 17.5 |
| Japan | 13.0 |
| Sweden | 12.0 |
| UK | 11.2 |
| Greece | 11.0 |

* The Regional Authority Index (RAI) is a measure of the authority of regional governments in 81 democracies or quasi-democracies on an annual basis over the period 1950-2010. The dataset encompasses subnational government levels with an average population of 150,000 or more. Regional authority is measured along ten dimensions: institutional depth, policy scope, fiscal autonomy, borrowing autonomy, representation, law making, executive control, fiscal control, borrowing control, and constitutional reform.

Source: Data from Arjan Schakel (2018)

<https://www.arjanschakel.nl/index.php/regional-authority-index>

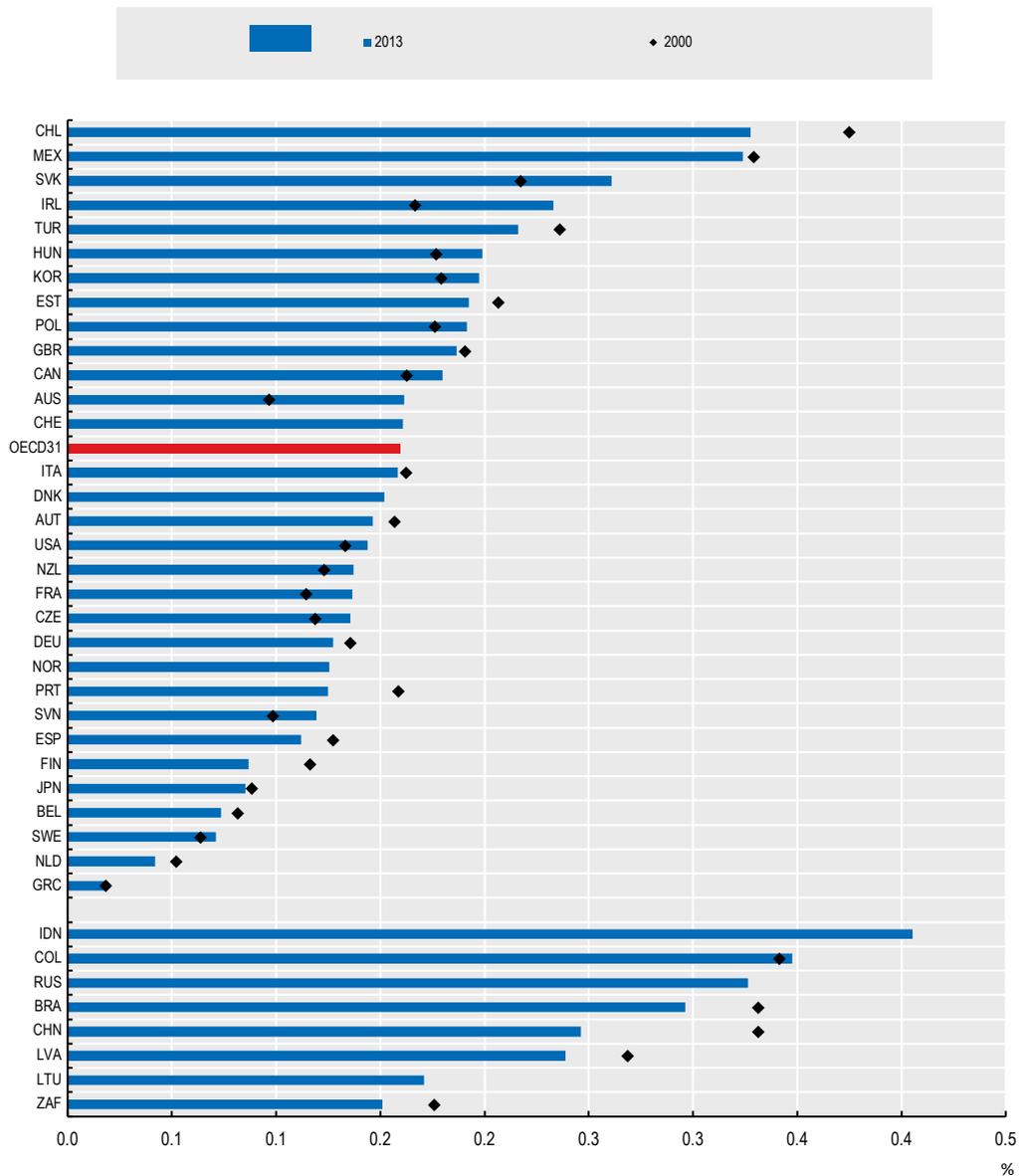
Figure 1: Regional Authority Index, UK, 1950-2010



Source: Calculated from data from Arjan Schakel (2018)

<https://www.arjanschakel.nl/index.php/regional-authority-index>

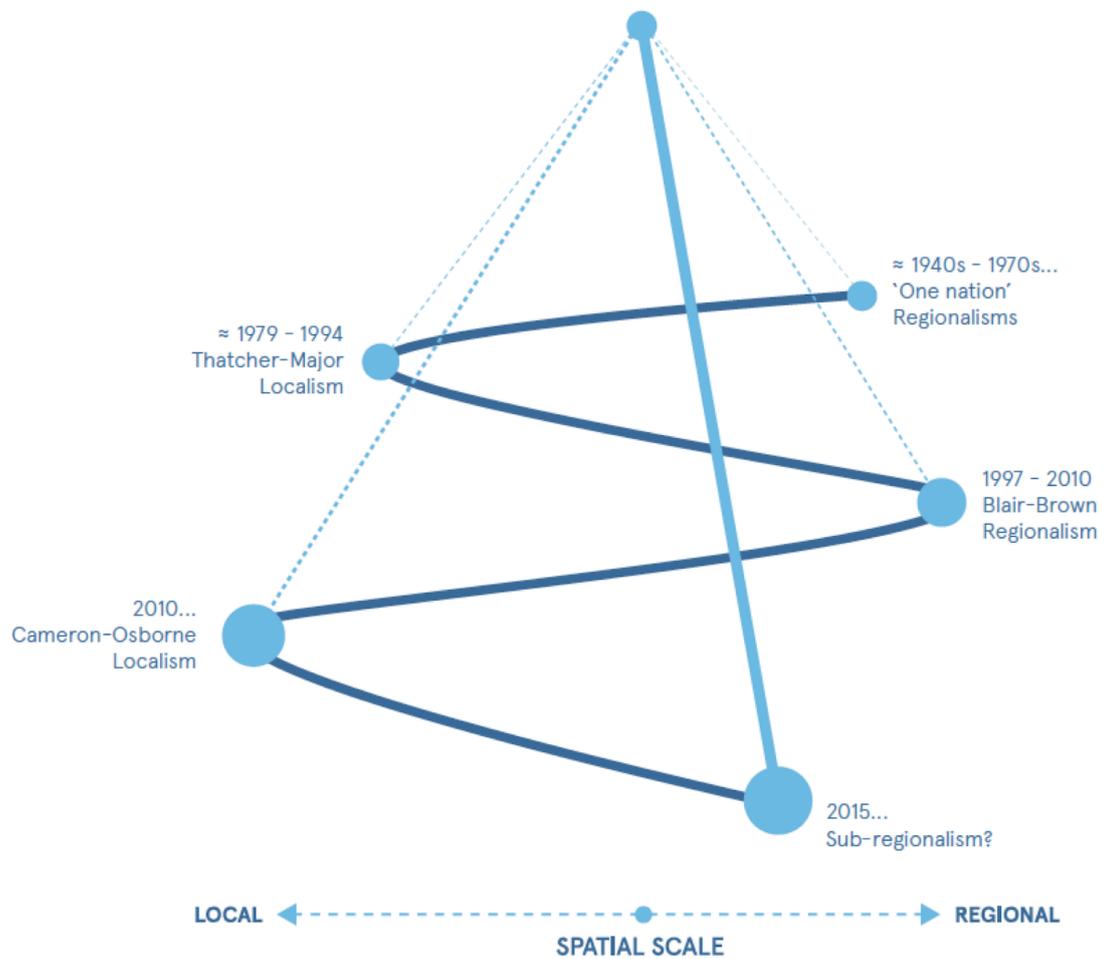
Figure 2: Gini index of inequality of GDP per capita across TL3 regions, 2000 and 2013*



*GBR = Great Britain

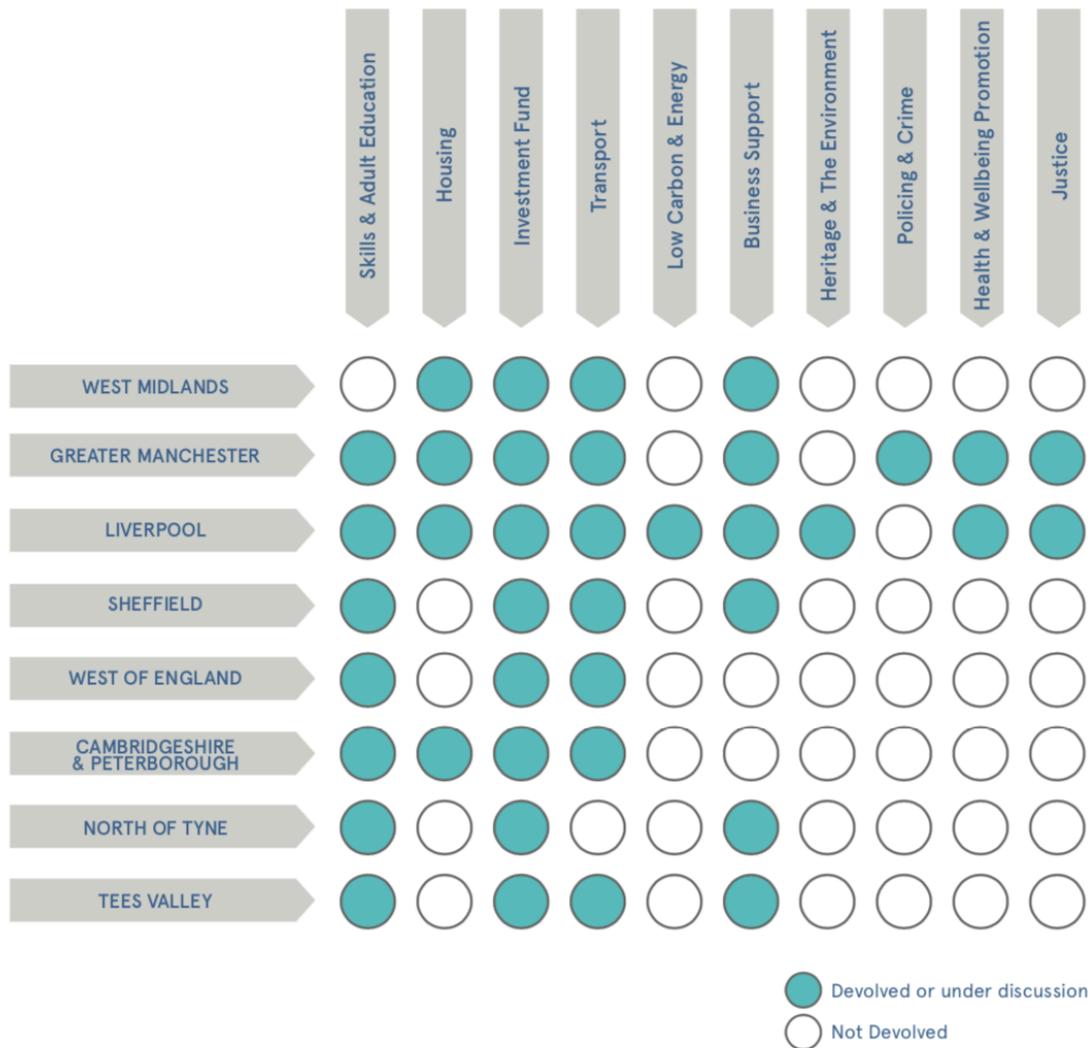
Source: OECD Regional Statistics (2015) (database) in OECD (2016) Regions at a Glance, OECD: Paris

Figure 3: Pendulum swings in decentralised governance in England



Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University

Figure 4: Powers by Combined Authority area



Source: Pike, A., Tomaney, J. and Jenkins, M. (2019) The North of Tyne Metro-Mayor: An Office Without Power?, CURDS: Newcastle University

Table 2: The benefits and costs of asymmetrical decentralisation

| Potential benefits | Potential costs |
|--|--|
| Accommodate diverse preferences for autonomy across regions | Lack of accountability and transparency |
| Adapting the institutional and fiscal frameworks to the capacities of subnational governments | Complexity and coordination costs |
| Advanced form of place-based policies | Lack of clarity for citizens |
| Experimenting | Potential risks of increased disparities (in capacities) |
| Sequencing decentralisation | Secession and autonomy |
| Providing the enabling institutional environment to design territorial development strategies more targeted to local needs | |
| Tailoring solutions for special challenges | |

Source: Adapted from OECD (2019) Asymmetric Decentralisation: Policy Implications in Colombia, OECD: Paris.

Table 3: Forms of decentralisation

| Level | Form | Characteristics |
|-------|-----------------|---|
| Low | Administrative | Administrative functions and responsibilities undertaken at the sub-national levels |
| | Deconcentration | Dispersion of central government functions and responsibilities to sub-national field offices. Powers transferred to lower-level actors who are accountable to their superiors in a hierarchy |
| | Delegation | Transfer of policy responsibility to local government or semi-autonomous organisations that are not controlled by central government but remain accountable to it |
| | Political | Political functions of government and governance undertaken at the sub-national level |
| High | Fiscal | Autonomy over tax, spending and public finances ceded by central government to sub-national levels |
| | Devolution | Central government allows quasi-autonomous local units of government to exercise power and control over the transferred policy |

Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Table 4: Potential benefits and costs of decentralisation

| Potential Benefits | Potential Costs |
|--|---|
| Devolved policies better reflect territorial preferences (allocative efficiencies) | Additional administrative costs of additional layers of government and/or governance institutions |
| Improved knowledge of territorial economic potential (productive efficiencies) | Loss of scale economies in policy formulation and delivery |
| Democratic accountability improves efficiency of policy formulation and implementation, fosters innovation | Increased 'rent-seeking' by interest groups better able to influence sub-national territorial rather than national institutions |
| Fiscal autonomy provides hard budget constraints and (where applicable) tax-varying power allows marginal changes to taxation and spending | Weaker disciplines of monitoring and evaluation (national finance ministries as tougher drivers of efficiency than territorial institutions) |
| Lower coordination and compliance costs vis-à-vis the rest of the national territory | <p>Budget constraints increasingly tied to territorial fiscal capacity</p> <p>Weak incentives due to lack of mechanism linking public spending with tax revenues raised within sub-national territories</p> <p>Reduced coordination with the rest of the national territory with possible negative spill-over effects both on and from sub-national territories</p> |

Source: Adapted from Ashcroft, B., Swales, J. K. and McGregor, P. G. (2005) Is Devolution Good for the Scottish Economy? A Framework for Analysis. Devolution Briefings No. 26 (March 2005), ESRC Devolution and Constitutional Change Programme: London.

Table 5: Selected size measures of the UK and 5 broadly comparable countries

| | population 2019, million | GDP 2018, billion Euro | square kms, thousand |
|----------------|-----------------------------|---------------------------|-------------------------|
| France | 67.0 | 2346 | 635.3 |
| Germany | 83.0 | 3387 | 354.8 |
| Italy | 60.4 | 1756 | 296.9 |
| Poland | 38.0 | 490 | 307.2 |
| Spain | 46.9 | 1216 | 506.3 |
| United Kingdom | 66.6 | 2399 | 244.7 |

Source: Calculated from Eurostat data

Table 6: Average size of regions with devolved economic responsibilities

| | No. | population 2019, million | GDP 2018, billion Euro | square kms, thousand |
|----------------------------|-----|-----------------------------|---------------------------|-------------------------|
| French mainland Regions | 13 | 5.2 | 180.5 | 48.9 |
| German Lander | 16 | 5.2 | 211.7 | 22.2 |
| Italian Regioni | 20 | 3.0 | 87.8 | 14.8 |
| Polish Voivodeships | 16 | 2.4 | 30.6 | 19.2 |
| Spanish Autonomous Regions | 17 | 2.8 | 71.5 | 29.8 |
| UK Nations/Provinces | 7 | 9.5 | 342.8 | 35.0 |

Source: Calculated from Eurostat data

Table 7: Regions with devolved economic responsibilities and populations >5m

| Country | Regions, UK Provinces/Nations | population 2019, million | square kms, thousand |
|-----------|----------------------------------|--------------------------------|----------------------------|
| UK | England: SE | 22.7 | 39.8 |
| Germany | Nordrhein-Westfalen | 17.9 | 34.1 |
| UK | England: North | 14.9 | 38.2 |
| Germany | Bayern | 13.1 | 70.6 |
| France | Île-de-France | 12.1 | 12.0 |
| Germany | Baden-Württemberg | 11.0 | 35.8 |
| UK | England: Midlands | 10.1 | 28.6 |
| Italy | Lombardia | 10.1 | 23.8 |
| Spain | Andalusia | 8.4 | 87.3 |
| Germany | Niedersachsen | 7.9 | 47.6 |
| France | Auvergne-Rhône-Alpes | 7.9 | 69.7 |
| Spain | Catalunya | 7.5 | 32.1 |
| Spain | Madrid | 6.7 | 8.0 |
| Germany | Hesse | 6.2 | 21.1 |
| France | Hauts-de-France | 6.0 | 31.8 |
| Italy | Lazio | 5.9 | 17.2 |
| France | Nouvelle-Aquitaine | 5.9 | 84.1 |
| Italy | Campania | 5.8 | 13.7 |
| France | Occitanie | 5.8 | 72.7 |
| France | Grand Est | 5.6 | 57.4 |
| UK | Scotland | 5.4 | 77.9 |
| Poland | Mazowsze | 5.4 | 35.6 |
| UK | England: SW | 5.3 | 23.8 |
| Italy | Sicilia | 5.0 | 25.8 |
| France | Provence-Alpes-Côte d'Azur | 5.0 | 31.4 |
| | | | |
| UK | Wales | 3.1 | 20.8 |
| UK | N.Ireland | 1.9 | 14.1 |

Source: Calculated from Eurostat data