



OECD Regional Development Working Papers 2014/03

Approaches to Metropolitan  
Area Governance: A  
Country Overview

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<https://dx.doi.org/10.1787/5jz5j1q7s128-en>

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## **APPROACHES TO METROPOLITAN AREA GOVERNANCE: A COUNTRY OVERVIEW**

### **ABSTRACT**

This paper provides an overview of country specific approaches to metropolitan area governance. It provides brief descriptions of the typical structures of metropolitan governance, with a particular focus on the involved organisations. It points out metropolitan areas that have unusual governance arrangements, but generally does not emphasise individual cases. The paper aims to give a descriptive overview of governance structures while abstaining from evaluating their performance.

**JEL codes:** H11, H70, R50

**Keywords:** Metropolitan Area Governance, Country Profiles, Structure of Local Government.

Ce papier offre un panorama des approches spécifiques que les pays adoptent face à la gouvernance métropolitaine. Il fournit une brève description des structures typiques de gouvernance métropolitaine, avec un accent particulier sur les organisations impliquées. Le papier souligne les régions métropolitaines dotées de dispositifs inhabituels de gouvernance, mais ne s'étend pas sur les cas individuels. L'objectif du papier consiste à fournir un aperçu descriptif des structures de gouvernance sans évaluer leurs performances.

**JEL codes :** H11, H70, R50

**Mots-clefs :** Gouvernance Métropolitaine, Profils de Pays, Structure de l'Administration Locale.

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# APPROACHES TO METROPOLITAN AREA GOVERNANCE: A COUNTRY OVERVIEW

Rüdiger Ahrend and Abel Schumann<sup>1,2</sup>

## INTRODUCTION

Metropolitan areas are characterised by close economic and social linkages between their different parts. It is well-known that the geographical scope of those linkages usually reaches beyond the jurisdictions of individual local governments. This implies that no local government has the tools to address all challenges and opportunities within a metropolitan area on its own. While there is a long-standing debate among academics and policy makers whether or not this poses a problem, it is generally acknowledged that some cooperation among local governments is required. In response, institutionalized governance structures have been developed with the goal of coordinating policies across local governments in metropolitan areas. Often, these structures were developed by local actors and vary not only between countries, but also between different metropolitan areas within the same country.

This paper provides a country-by-country overview of governance structures in metropolitan areas in 21 OECD countries. It focuses on what in the following is called “metropolitan area governance bodies” – organisations put in place to coordinate policies within metropolitan areas. Such governance bodies vary greatly in their powers, their internal structure and the involved actors. They range from purely informal associations of local governments to full sub-national governments. Between those two extremes, many different intermediate models exist. In many cases, they have been created in a bottom-up approach as a response to particular needs of local actors. Therefore, the exact nature of cooperation is often unique, and fundamentally different approaches can be found within

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<sup>1</sup> The authors work in the Regional Development Policy Division of the OECD Directorate for Public Governance and Territorial Development. They are indebted to Dorothée Alain-Dupré, Catherine Gamper, Soo-Jin Kim, Marissa Plouin, Setsuko Saya and to colleagues at an OECD Regional Development Policy Brownbag Seminar for useful comments. The authors would also like to thank Carol Careño Ortiz, Elena Celada, Jasper van Dijk, Bruno Fernandes, Minju Kim and Arnaud Spiess for excellent assistance in collecting data. This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

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individual countries. Nevertheless, it is possible to identify regularities in the way most countries approach metropolitan area governance.

Even when focusing only on institutionalised governance arrangements it is not always clear whether or not an organisation constitutes a metropolitan area governance body. In order to distinguish them from other organisations, this paper builds upon the definition of metropolitan area governance body in Ahrend and Schumann (2014). It uses four dimensions; the geographic scope of the organisation, the involved actors, the thematic focus of the organisation and the thematic width of the organisation. The definition does not contain any reference to its political powers, its budget or its form of organisation. This ensures that the definition remains flexible enough to be used for a variety of countries that have very different traditions of local governance and regional cooperation.

### **Box 1. Definition of Metropolitan Area Governance Body**

The nature of organisations that are supposed to help with the governance of metropolitan areas differs widely across and within countries. Any definition of metropolitan area governance body has to consider two aspects. On the one hand, it needs to be broad enough to capture the variety of organisations that exist across the OECD and should include local solutions that differ from mainstream approaches to metropolitan area governance. On the other hand, the definition needs to be narrow enough to remain meaningful. It has to distinguish metropolitan area governance from other forms of governance that exist throughout the OECD. As other forms of multi-level governance, metropolitan area governance is characterised by the vertical and horizontal interactions of different actors that can take on many different forms (see Hooghe and Marks 2001 and subsequent literature). In order to take these interactions into account, a definition of metropolitan area governance must contain multiple criteria that define governance bodies along the different dimensions of these interactions.

In order to be classified as a metropolitan area governance body for the purpose of this project, an organisation has to satisfy the four criteria below:

***1. Geographical scope: The organisation must cover the central city and a large share of the remaining parts of the metropolitan area. If its geographical scope extends beyond the metropolitan area, the metropolitan area must constitute the predominant part of its sphere of responsibility.***

The geographical focus of an organisation has to lie on the metropolitan area in order to be considered its governance body. In particular, the central city as well as the surrounding areas have to be represented in it. Coordination between the central city and surrounding areas is a crucial aspect of metropolitan governance. Any organisation that is considered a metropolitan area governance body must work on such coordination issues and therefore cover the urban core and surrounding areas.

In practice, it rarely happens that the geographical extent of a potential governance body coincides perfectly with the geographical extent of the metropolitan area. Furthermore, in many countries there is no official definition of metropolitan area. Therefore, the geographical scope can be somewhat different from the metropolitan area as long as it shows a clear focus on the metropolitan area.

***2. Involved actors: National or sub-national governments must be dominant actors within the organisation or, alternatively, the organisation itself has to have the status of a sub-national government.***

National and sub-national governments are the most important actors in metropolitan area governance. This has to be reflected in the composition of the governance body, which must be predominantly composed of representatives of such governments. While governments are the most important actors in metropolitan area governance, they are not the only ones. Therefore, the condition does not rule out that other actors, such as the business community or representatives of civil society are represented on the governance body. In some countries, organisations that were created explicitly for the purpose of metropolitan area governance have the status of a full local government. These organisations typically present the most integrated approach to metropolitan area governance and are also considered governance bodies.

## **Box 2. Definition of Metropolitan Area Governance Body (cont.)**

### **3. Thematic focus: The organisation must primarily deal with issues that are directly and predominantly relevant to metropolitan area governance.**

Metropolitan area governance concerns a wide range of topics. While it is not possible to provide an exhaustive list, all of them have in common that they concern policy fields that require coordination between parts of the metropolitan area. Often, these are issues where decisions in one part of the metropolitan area have spillover effects on other parts. Direct relevance means that issues should appear more frequently or have a higher relevance in metropolitan areas than in other areas. In practice, the condition implies that most organisations, which cover a metropolitan area without being created as metropolitan area governance bodies are not considered as such. For example, the jurisdictions of some sub-national governments coincide with metropolitan areas. Usually, such sub-national governments were not created with metropolitan area governance in mind and do not focus on it. Instead, they fulfil functions that are similar to other sub-national governments of the same level that do not cover metropolitan areas. Therefore, they are not considered governance bodies as long as they have not received particular powers or responsibilities that strengthen their role as metropolitan area as governance body.

### **4. Thematic width: An organisation must have a mandate that allows it to work on more than one issue that is related to metropolitan area governance.**

This criterion serves to distinguish metropolitan area governance bodies from single issue bodies and sectoral authorities. Metropolitan area governance always concerns a variety of issues. Furthermore, these issues can rarely be viewed in isolation because they tend to interact with each other. Any organisation that can be considered a metropolitan area governance body must be able to address this complexity. Of course, it is not guaranteed that every organisation, which deals with at least two different issues, addresses the complexities of metropolitan area governance in a meaningful way. Nevertheless, the distinction between organisations that focus on one issue and organisations that focus on many issues is an operationally useful and objective way to identify organisations that work across individual policy fields.

An implication of the focus on organised and permanent structures of cooperation is that the study does not capture informal cooperation and case-by-case collaborations. This does not imply any judgement regarding the actual importance of such forms of cooperation. Both of them can be important aspects of successful cooperation within metropolitan areas.

- Local governments frequently cooperate based on implicit mutual understanding, customs and handshake agreements. In general, informal cooperation can emerge if policy makers interact with each other repeatedly, trust each other and recognise common mutual interests that go beyond specific issues. Although potentially important, it is not captured in this study. It is in the nature of informal agreements that they are not written down. Therefore, data collection on informal agreements would require detailed interviews with involved actors. Given the number of metropolitan areas covered, this is beyond the scope of this study.
- Case-by-case collaborations can play equally important roles as informal cooperation. Local governments might cooperate on specific projects without entering any agreements of cooperation beyond those projects. If case-by-case collaboration works well, it allows for a polycentric approach to metropolitan area governance as envisioned by Ostrom et al. (1961). In an ideal situation, case-by-case collaboration means that varying groups of local governments cooperate with each other depending on the nature of the issue. While case-by-case collaborations are typically formalized in written contracts or agreements, there is no centralised information available on them. Therefore, they are not included in the study, either.

The OECD has identified a total of 254 metropolitan areas in the 21 analysed countries. For the purpose of this project, another 10 urban agglomerations in Australia and New Zealand were considered metropolitan areas, although no OECD definitions for those countries exist for the time being. According to OECD (2012), metropolitan areas are urban agglomerations with more than 500,000 inhabitants. The 264 metropolitan areas analysed in this study have a combined population of almost 600 million people. Nearly half of the entire population in OECD countries lives within them.

The paper focuses on metropolitan area governance bodies. Obviously, these organisations are only one aspect of metropolitan area governance that varies in importance from country to country. For a broader overview of national approaches to regional development policy, see OECD (2010). While individual examples are mentioned, the aim of this paper is not to provide a description of each particular case of metropolitan governance arrangement. Instead, it provides a brief summary of the predominant structures in each country and points out the general approach to metropolitan governance. It does not give details of individual governance arrangements or intends to provide evaluations of their performance. The paper should therefore be used to obtain an overview of existing approaches to metropolitan governance or to serve as a starting point for further in-depth research.

The study is part of a wider OECD research project on “Urban Trends and Governance”. Within the research project, two further working papers on metropolitan area governance exist. Kim, Schumann and Ahrend (2014) focuses on a qualitative characterisation of typical metropolitan area governance arrangements and Ahrend and Schumann (2014) provides a representative quantitative overview of existing governance structures across virtually all of the metropolitan areas in OECD countries

## COUNTRY OVERVIEW

### Australia<sup>3</sup>

Australia is one of the few analysed OECD countries where no metropolitan area governance bodies exist. However, in the Australian federal system, states are important actors in local governance and in some cases appear to take over some of the coordination functions that would otherwise be performed by dedicated metropolitan area governance bodies.

Australia has two levels of sub-national government, *states* and so-called *local government areas* (municipalities). Municipal powers are determined by the states and therefore vary across the country. Compared to other OECD countries, metropolitan areas in Australia stand out due to the high degree of administrative fragmentation within their urban cores. Although the total number of local governments in metropolitan areas is not particularly high, the central areas of cities are fragmented between different local governments. The *local government areas* within the urban core of Sydney, for example, contain frequently less than 200,000 inhabitants (approximately five per cent of Sydney’s

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<sup>3</sup> Due to a lack of data, the OECD does not define metropolitan areas in Australia. For the purpose of this study, all Australian areas around cities with a population above 350,000 inhabitants were considered metropolitan areas. 350,000 is the approximate number of inhabitants at which cities tend to be part of urban agglomeration with 500,000 inhabitants.



total population). This contrasts to the situation in most other OECD countries, where the inner parts of the urban agglomeration are usually covered by the jurisdiction of a single local government.

Within the system of metropolitan governance in Australia, there is one outlier. Canberra's governance structures differ from those of other Australian cities because of its status as national capital. It is federal territory and does not belong to any state. The territory is headed by the chief minister who is elected by the *Australian Capital Territory Legislative Assembly*. As almost the entire metropolitan area is part of the Australian Capital Territory, Canberra is by far the least administratively fragmented metropolitan area in Australia.

Sectoral authorities for transport are also less common in Australia than in other OECD countries. They exist in only two of the eight metropolitan areas.

## **Austria**

There are three metropolitan areas in Austria.<sup>4</sup> In two of them, associations of local governments exist. The *Stadt-Umland-Management* in Vienna is a policy exchange forum that focuses primarily on planning issues. It is functionally divided in two groups. One group focuses on the more urban southern part of the metropolitan area, whereas the other group focuses on the more rural northern part of the metropolitan area. In contrast to most other associations of local governments, municipalities are not represented by elected officials, but by high ranking civil servants working in their planning departments.

The second metropolitan area governance body in Austria is *Regionalmanagement Graz*, an association of local governments in the metropolitan area around Graz. It is a small organisation with six employees. Its work is based on projects in a wide range of areas. Compared to many other associations of local governments, it focuses less on spatial planning and related issues.

Linz, the third metropolitan area in Austria does not have a governance body. In all three cities transport authorities exist that reach beyond the limits of the metropolitan areas.

## **Belgium**

Belgium is one of the few OECD countries that does not have any dedicated metropolitan area governance body.

The sub-national governments that coincide closest to the extent of metropolitan areas are the provinces. Although provinces are the second level of sub-national governments in Belgium, they tend to be significantly larger than the metropolitan areas. However, in the Flemish part of Belgium provinces have strong responsibilities in spatial planning, one of the most important areas of metropolitan area governance. This affects Antwerp and Ghent, the two metropolitan areas in the Flemish part. In contrast, provinces in Wallonia have considerably less influence on spatial planning. The only metropolitan area in Wallonia is Liège.

Brussels is an exception in the Belgian system. The *Brussels-Capital-Region* is one of three regions of Belgium and as such has extensive powers in most fields related to metropolitan area governance. However, the region covers only the core of the Brussels metropolitan area, whereas large

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<sup>4</sup> With the exception of Australia and New Zealand, the paper uses the definition of metropolitan area that has been developed in OECD (2012). It does not necessarily correspond to national or local definitions of metropolitan areas.

parts of the urban agglomeration are located either in the regions Flanders or Wallonia. Therefore, the region cannot play the role of a governance body for the entire metropolitan area.

All metropolitan areas have sectoral authorities for public transport that are organised along regional lines. The transport authority for the Brussels-Capital-Region also operates lines that reach into parts of the metropolitan area that are located in Flanders and Wallonia. However, most of the metropolitan area of Brussels is served by the Flemish or Walloon transport authorities, respectively.

## Canada

Despite Canada having only nine metropolitan areas, it is possible to identify at least four different approaches to metropolitan governance in the country. Some areas do not have any metropolitan area governance body; some have voluntary associations of local governments that serve only as policy exchange forums. In other cases, the association of governments serves as a planning organisation and in two metropolitan areas the governance body has far-reaching powers in service delivery and spatial planning.

Two metropolitan areas in the English speaking part of Canada do not have any metropolitan area governance bodies (Toronto and Hamilton). Three metropolitan areas have government arrangements based on associations of local governments. For Winnipeg, the *Partnership for the Manitoba Capital Region* serves exclusively as forum for policy exchange. The *Calgary Regional Partnership* also provides spatial plans on a voluntary basis to its members, whereas the *Capital Region Board* in Edmonton has the power to approve municipal land use plans besides providing its own plans. In all three cases, elected representatives from municipalities and *First Nations* form the leadership of the associations. Their budgets are in the range of a few million Canadian Dollars.

In contrast to the previous three cases, *Metro Vancouver* has drastically expanded rights and responsibilities. It provides water, sewerage and waste disposal services to its residents, manages public housing and works in spatial planning and regional development. It has a staff of 1300 and a budget of more than 600 million Canadian Dollars. Despite being a very large organisation, *Metro Vancouver* is essentially organised as an association of local governments with elected representatives from member jurisdictions at its head. Within the OECD, it is one of the largest organisations of its kind.

Montreal and Quebec – the two metropolitan areas in the French speaking parts of Canada – have metropolitan area governance bodies that are established by state law. The *Communauté métropolitaine de Québec* has powers mainly in land use planning and strategic transport planning and a relatively small budget of around 3 million Canadian Dollars. The *Communauté métropolitaine de Montréal* is active on a much wider field that also includes waste management, social housing and environmental issues. It has a budget of more than 100 million Canadian Dollars.

A special case is the *National Capital Commission* that forms the metropolitan area governance body for the Canadian capital Ottawa-Gatineau. As a *crown corporation*, it is directly accountable to the national parliament. It was founded in 1958 with the goal of implementing a drastic overhaul of the Ottawa region. It is responsible for places of national interest, events, tourism and culture. While it has relatively few powers, it is also responsible for federally owned land in the metropolitan area. As the federal government is the largest landowner in the region, this implies considerable influence.

Sectoral authorities for transport exist in the three largest Canadian metropolitan areas Vancouver, Toronto and Montréal. The transport authority in Toronto covers also the Hamilton metropolitan area. Furthermore, Winnipeg has a small transport authority.

## Chile

The OECD identifies three metropolitan areas in Chile. None of them is covered by a body that is dedicated to metropolitan area governance. Typical tasks of metropolitan area governance are carried out by the national government and both sub-national levels of government, as well as by the private sector.

The number of municipalities (*comuna*) within metropolitan areas is comparatively low by OECD standards. However, in contrast to most other OECD countries, not only the outer parts of the metropolitan areas are administratively fragmented, but also their urban cores. There are for example more than ten different local governments within the urban core of the capital Santiago de Chile.

Transantiago is an integrated public transport system that serves the metropolitan area of Santiago de Chile. It offers standardized fares across operators and coordinates the provision of transport services. It is controlled and partly funded by the central government, which is also responsible for transport provision in the other Chilean metropolitan areas.

## France

Compared to many other OECD countries, France has an institutionalized and relatively homogenous approach to metropolitan area governance. At its core is the *communauté urbaine*. A communauté urbaine is a body dedicated to inter-municipal cooperation and is defined by national law. It can be created in metropolitan areas with more than 450,000 inhabitants. Currently, every metropolitan area in France except for the capital Paris is covered by one.

The first communautés urbaines in its current form were created in the late 1960s in Lyon, Bordeaux, Strasbourg and Lille. Where communautés urbaines exist, they take over extensive responsibilities in areas such as transportation, spatial planning, regional development and water provision. Besides the tasks that are specified by law, municipalities within a communauté urbaine can agree to transfer further tasks to it.

Communautés urbaines are headed by a president that is elected by an assembly of representatives. The representatives used to be elected by the legislatures of member municipalities, but will be directly elected from 2014 on. Corresponding to the large set of responsibilities of communautés urbaines, their yearly budgets are large. They range from several hundred million Euros to several billion Euros. This is equivalent to between 1,000 and 2,000 Euros per capita. Staff numbers are between 1,000 employees and 7,000 employees.

Paris has been an exception to the predominant system of metropolitan area governance. It has no governance structures that are comparable to other French metropolitan areas. *Paris métropole* is a voluntary association of local governments that serves as a policy exchange forum for the inner parts of the metropolitan area. It has characteristics that are similar to many voluntary associations of local governments that serve primarily as policy exchange forums and a relatively small budget of approximately two million Euros.

However, at the end of 2013 a new law was passed that stipulates the creation of a body of inter-municipal cooperation for the greater Paris area in 2016. The same law also extends the territory that is covered by the communautés urbaines of Lyon and Marseille and grants them additional powers.

Paris and most of the larger metropolitan areas in France are covered by sectoral authorities for public transport. Among the smaller metropolitan areas, such sectoral authorities are less common.

## Germany

In the federal system of Germany, the responsibility for the structure of local governments lies with the states (*Länder*). Therefore, it might not be surprising that the country is characterized by an unusual diversity in the governance structure of metropolitan areas. Most of its 24 metropolitan areas are covered by a governance body of some sort, but their nature varies strongly.

Most common are associations of local governments (*Kommunalverbände*). In total, they exist in 19 out of the 24 metropolitan areas. In some cases, these associations are purely voluntary and have no formal powers. They typically serve as a policy exchange forum. In other cases, they have powers of varying degree and sometimes take on some characteristics of proper local governments. If they do have formal powers, it is most often in the field of spatial planning, but sometimes also in areas such as metropolitan area development, waste disposal and transport infrastructure. Their budget and staff numbers vary according to their responsibilities. The smallest associations of local governments employ only a few people for administrative tasks, whereas the largest association has a professional staff of more than 400 people.

The three levels of sub-national government in Germany are states (*Länder*), counties (*Kreise*) and municipalities (*Gemeinden*). Typically, large cities are independent of a county and they combine the functions of a county and a municipality administration. However, in three metropolitan areas (Hanover, Saarbrücken and Aachen), the central municipality of the urban agglomeration has been merged with the surrounding counties to form so-called regional counties (*Regionalkreise*) that serve as full local governments. While municipalities in these areas continue to exist, some of their traditional functions have been taken over by the regional counties. Regional counties were created with the explicit aim to coordinate policies between the central city and surrounding areas. In all three cases the extent of the regional county corresponds closely to the metropolitan area as defined by the OECD.

A particularity of the German system is the case of Berlin, Hamburg and Bremen. All three cities are states in the German federal system even though their territory is not especially large and does not cover the entire urban agglomeration. Due to their status as states, all three cities have considerably more legal powers than other German municipalities. Nevertheless, in Hamburg and Bremen, this does not affect the governance structure of the metropolitan area. Both urban agglomerations have governance bodies that are voluntary associations of municipal governments. The characteristics of these associations are similar to those of other urban agglomerations in Germany, with Hamburg and Bremen essentially acting as municipalities. In contrast, no regional governance body exists in Berlin. Cooperation between the city and the surrounding areas occurs mostly on the state level between the states Berlin and Brandenburg. It is based on direct project-specific cooperation between branches of the state governments. There were attempts to merge the state of Berlin with the surrounding state of Brandenburg, but they were defeated in a public referendum in 1996.

Another defining characteristic of German metropolitan governance is the universal presence of regionally integrated public transport systems. Sectoral authorities for public transport exist in every urban agglomeration. They manage public transport provision across different modes of transport, provide strategic planning and coordinate pricing schemes for tickets that are valid across different modes of transport and different service providers. Typically, the sectoral authorities cover at least the full extent of the metropolitan area, but in some cases reach significantly beyond their borders.

## **Ireland**

The only metropolitan area in Ireland is Dublin. Its governance body is the *Dublin Regional Authority (DRA)*, which serves Dublin and three surrounding municipalities. The DRA is one of eight regional authorities in Ireland that were created in 1994. It serves as a policy exchange forum for municipalities and furthermore proposes regional planning guidelines.

The DRA is headed by a board, which consists of 30 councillors from the four member municipalities. Its budget of slightly more than one million Euros per year is low by international standards.

Ireland's *National Transport Authority* serves also as a transport authority for the Dublin metropolitan area. It has the task of developing and managing an integrated public transport system.

## **Italy**

Italy does not have dedicated metropolitan area governance bodies. Closest to this function comes the second level of sub-national government in Italy, the provinces (*Province*). Provinces tend to be centred on large cities. As a rule of thumb, they are roughly the size of metropolitan areas, but tend to be smaller than the actual MA for large MAs and larger than the actual MA for small MAs. Typically, they employ between several hundred and a few thousand people and are responsible for budgets of several hundred million Euros. Among the most important tasks of provinces related to metropolitan area governance are land use regulations and spatial planning. Each province is headed by a directly elected president and has an elected provincial council (*Consiglio Provinciale*).

There are currently ongoing attempts to reform Italy's metropolitan area governance. A 2012 directive of the central government called for a reform of the boundaries of provinces and the creation of metropolitan cities (*Città Metropolitana*). The number of provinces was supposed to be reduced from 110 to 57 and Metropolitan cities should have been created out of the provinces covering the ten largest Italian cities. In some cases, areas in neighbouring provinces were to be incorporated into the new metropolitan cities in order to better reflect the actual extent of the metropolitan area. The responsibilities of Metropolitan cities should have combined those of the provinces and of the municipalities, with a particular focus put on issues relating to metropolitan area development, such as transportation.

In mid-2013, the measure was declared unconstitutional for procedural reasons by the constitutional court. As of early 2014, a bill along similar lines is going through the legislative process. However, by the time of writing it has not been passed and its final content is not yet clear.

In contrast to many other OECD countries, sectoral authorities for transport are relatively rare in Italian metropolitan areas. They frequently exist for waste management and water provision.

## **Japan**

The main policy instruments of regional development policy in Japan are the national and the regional spatial plans. The National and Regional Planning Bureaus in the Ministry of Land, Infrastructure, Transport and Tourism are responsible for the national plan. At the regional level, the Regional Planning Councils drafts the regional plans. They are approved by the Ministry of Land, Infrastructure, Transport and Tourism.

Where they exist, governance bodies in Japan tend to be voluntary associations of local governments that have few formal powers. In many aspects, they are comparable to voluntary associations of local governments in other OECD countries. They are led by a council of elected officials from member municipalities (typically mayors). While they meet regularly they have few or no direct competencies. Instead they provide a forum for policy exchange and to foster voluntary cooperation. While the structure is similar to that of many other countries, the fields of work differ from that of similar governance bodies in other OECD countries; regional economic development and disaster preparedness.

Sectoral authorities for transport that cover entire metropolitan areas are uncommon in Japan. However, other sectoral authorities exist frequently. Municipalities outsource administrative tasks to sectoral authorities to handle specific administrative tasks for them, such as the payment of salaries and pensions.

## Mexico

Of the 26 metropolitan areas identified by the OECD in Mexico, 20 are covered by a governance body. Where such bodies exist, the disbursement of the federal funds for metropolitan areas appears to be their primary function. Beginning in 2006, Mexico developed definitions of 59 metropolitan areas (*zonas metropolitanas*) and introduced special funds (*fondos metropolitanos*) that are disbursed to them. In response, organisations (*consejos metropolitanos*) were created by state governments to allocate these funds. In contrast to most other OECD countries, they are dominated by representatives from state governments. Actors from local governments are typically non-voting members or are totally absent. All except one governance body have been founded since 2006 in response to the introduction of the metropolitan area funds. Only the *Consejo de la Zona Metropolitana de Guadalajara* exists since 1989. It is important to note, however, that the Constitution does not allow for any intermediary *elected* level of government between states and municipalities.

Municipalities (*municipios*) tend to be very large in Mexico. Therefore, local government fragmentation is, on average, low and there is typically only a single-digit number of local governments within metropolitan areas. Based on the OECD definition of metropolitan areas, seven Mexican metropolitan areas are even entirely contained within one municipality, thus eliminating any potential problems of horizontal cooperation across local governments. While many Mexican municipalities are divided into boroughs (*delegaciones*), these boroughs are non-autonomous administrative units that cannot be considered independent local governments. The low number of municipalities is in strong contrast to the situation in most other OECD countries, where a large number of local governments is active in a typical metropolitan area.

With respect to the number of local governments, there are a few exceptions among the 26 Mexican metropolitan areas. The metropolitan areas of Oaxaca de Juárez and of Puebla contain an unusually large number of 22 and 29 municipalities (according to the Mexican definition of metropolitan areas), respectively. The other exception is Mexico City, which is considered federal territory and belongs directly to the federal government of Mexico. It is divided into boroughs that have a directly elected head of government. They are more powerful than boroughs in other cities and are considered to be equivalent to the second tier of sub-national government (municipalities).

While the low number of municipalities might ease cooperation among municipalities, another characteristic of local governance in Mexico complicates it. Until recently, federal law stipulated that municipal presidents were elected for a three-year term and could not run for immediate re-election. The obstacle to re-election was removed by the federal government in 2013; each state will now determine whether to allow for re-election of municipal presidents. Furthermore, a large share of local

civil-servants is replaced after each election cycle. This discontinuity in staff makes it difficult to establish lasting collaboration and can potentially explain the strong involvement of the states in metropolitan area governance.

Sectoral authorities that are active across metropolitan areas are mostly absent in Mexico. In 2013, the Ministry of the Environment and the governments of the Federal District and five neighbouring states signed an agreement to co-ordinate environmental policy and planning within the Mexico City mega-region through the formation of an Environmental Commission of the Megalopolis.

## **Netherlands**

The OECD identifies five metropolitan areas in the Netherlands. In all of them, metropolitan governance is currently organised through *Plusregios*. A Plusregio is an urban agglomeration in which municipalities are obliged to cooperate closely on a large set of topics, such as transport and infrastructure provision, regional economic development, land use planning and housing.

Each Plusregio has a governance body that consists of representatives of member municipalities and is typically headed by the mayor of the central city of the metropolitan area. Corresponding to the large set of responsibilities, Plusregios have comparatively high annual budgets of several hundred Euros per capita. However, these funds are not directly administered by the Plusregio, but are distributed to other public organisations and local governments within the metropolitan area. Therefore, the number of employees is much lower than those of many other governance bodies with comparable budgets. In the case of Amsterdam, for example, the *Stadsregio Amsterdam* employs a staff of 65.

In mid-2013, the Dutch government passed a reform that will abolish all mandatory cooperation within Plusregios. The competencies of Plusregios will pass mostly to the provinces (*provincies*), which are supposed to be strengthened by the reform. While the reform ends all mandatory cooperation within Plusregios, it allows for continuing voluntary cooperation among municipalities in metropolitan areas.

Perhaps surprisingly for a country as densely populated as the Netherlands, sectoral authorities for public transport generally do not exist. However, public transport provision in most metropolitan areas tends to be dominated by a single company that performs some of the tasks of transport authorities. Furthermore, there is a standardised payment system for all public transportation throughout the Netherlands.

## **New Zealand<sup>5</sup>**

The two metropolitan areas in New Zealand are Auckland and Wellington.

A merger of eight independent municipalities (*territorial authorities*) in 2010 created *Auckland council*. The municipality covers the entire metropolitan area as well as some rural areas in the Auckland region. Auckland council is considered a *unitary authority* because it combines the functions of the first and second layers of sub-national government. It has the powers of a city council as well as those of a regional council. The council is headed by a directly elected mayor. As Auckland

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<sup>5</sup> Due to a lack of data, the OECD does not define metropolitan areas in New Zealand. For the purpose of this study, all areas in New Zealand around cities with a population above 350,000 inhabitants were considered metropolitan areas. 350,000 is the approximate number of inhabitants at which central cities tend to be part of urban agglomerations with 500,000 inhabitants.

council combines the functions of both levels of sub-national government in New Zealand, the metropolitan area is among the few metropolitan areas in OECD that are entirely covered by a single sub-national government. There is no administrative fragmentation between different sub-national governments.

Wellington and Christchurch do not have dedicated metropolitan area governance bodies, but the highest level of local government in New Zealand, the regional councils, take over many of the functions that governance bodies typically fulfil. In both urban agglomerations, administrative fragmentation appears to be low in an international context.

Auckland Transport is a full sectoral transport authority and covers an area that is identical to the territory of Auckland council. Metlink carries some functions of a transport authority (such as offering a unified pricing scheme across different public transport operators) for Wellington, but has fewer responsibilities in terms of strategic transport planning than a typical transport authority.

## **Poland**

Dedicated metropolitan area governance is common in Poland. Four of the eight metropolitan areas in Poland (Łódź, Wrocław, Poznań and Gdańsk) have metropolitan area governance bodies. All four governance bodies are associations of local governments that serve primarily as forums of policy exchange. They tend to have few formal powers and have budgets of a few million zloty.

In contrast to the previous four metropolitan areas, Kraków and Wrocław do not have dedicated governance bodies. In those metropolitan areas, the voivodeship (*Województwo*), the first level of sub-national government, provides some of the functions of a typical governance body. Both voivodeships are much larger than a metropolitan area. However, both recognize metropolitan area governance as distinct from other forms of regional governance and have designated metropolitan areas to which special policies are applied. In case of the Upper Silesian Voivodeship that covers the Wrocław metropolitan area, the voivodeship is actively promoting the establishment of a metropolitan area governance body in cooperation with municipal governments.

In the case of Lublin, a cooperation agreement between municipalities exists that is mainly related to regional economic development. While it is an on-going cooperation among the municipalities, it lacks the organisational structure to be considered governance body according to the definition above.

The capital Warsaw does not have a dedicated metropolitan area governance body, even though several initiatives tried to establish governance bodies of varying geographical and political scope. However, a Warsaw metropolitan area has been defined by the Voivodeship and Warsaw cooperates with municipalities within the metropolitan areas in several fields on a case by case basis.

There are sectoral authorities for public transport in all Polish metropolitan areas. However, in many cases, they reach just beyond the limits of the central city and do not cover the whole metropolitan area.

A particular organisation in Poland is the Union of Polish Metropolises (*Unia Metropolii Polskich*). It is an association of twelve of the largest Polish cities (the eight central cities of the Polish metropolitan areas as well as Białystok, Bydgoszcz, Rzeszów and Szczecin). One of the stated goals of the association is to promote initiatives that create metropolitan area governance structures.



## Portugal

The two metropolitan areas of Portugal, *Area Metropolitana de Lisboa* and *Area Metropolitana de Porto*, are covered by metropolitan area governance bodies. The bodies have been established in 1991 through a national law and cover areas that correspond fairly closely to the OECD definitions of metropolitan areas in Portugal.

Both are organised as associations of local governments. They have an assembly of 55 members who are mostly elected officials in municipalities. Furthermore, an executive board of three to five members exists, which is appointed by a board of mayors.

The law that provides the legal basis of both bodies gives them responsibilities in a very wide range of topics, including transport, spatial planning, regional development, waste disposal, water provision and sanitation. However, both organisations have a relatively small budget of 2.4 million Euros and 4 million Euros, respectively, and low double digit numbers of employees.

Besides having governance bodies, both metropolitan areas are covered by sectoral authorities for public transport.

## South Korea

Metropolitan area governance in South Korea is primarily based on the concept of metropolitan city (*광역시* / *gwangyeok-si*). Metropolitan Cities have the status of a province, the highest level of sub-national government in South Korea. Currently, there are seven Metropolitan Cities in Korea; Busan, Daegu, Daejeon, Gwangju, Incheon, Sejong, and Ulsan. The capital Seoul holds the distinct status of a Special City (*특별시* / *teukbyeol-si*). In practice, however, the distinction between Special City and Metropolitan City is small.

As highest level of sub-national governments, Metropolitan Cities have far reaching powers and larger budgets than most other metropolitan area governance bodies in OECD countries. Typically, Metropolitan Cities are active in the fields of transportation, regional development and spatial planning. Among other services, they provide water, sanitation and waste disposal. Annual per capita budgets are in the range of 2 to 3 million Korean Won (approximately 1400 to 2100 Euros) per capita and they employ approximately 500 employees per 100,000 inhabitants. They are governed by a directly elected mayor and a city council of approximately 30 to 50 representatives.

Metropolitan areas in South Korea – as defined by the OECD definition - tend to be geographically small by international standards. Metropolitan Cities usually encompass most of the metropolitan area, even though they typically do not extend much beyond the urban core.<sup>6</sup> The exception to this rule is Seoul. Seoul forms a functional metropolitan area together with the city of Incheon that includes more than 22 million inhabitants according to the OECD definition (almost half of the South Korean population). Nevertheless, both cities are administratively independent metropolitan cities.

In addition to the Metropolitan Cities, the capital region development committee is an association of local governments. It has no formal powers and operates primarily as a policy exchange forum. The focus of its work is regional economic development. It has a small budget of 6 billion Korean Won (approximately 4.2 million Euros).

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<sup>6</sup> According to the OECD definition which is based on commuting patterns (see OECD, 2012, for details).

With the exception of Seoul, which has had a special status since 1949, Metropolitan Cities in their current form exist since 1995. Ulsan was designated as Metropolitan City only in 1997. The OECD defines four metropolitan areas in Korea that do not have the status of Metropolitan City. One of them – Changwon – is a so-called integrated city because it was merged with neighbouring Masan in 2009. After the merger, the new integrated city covers an area that exceeds the OECD definition of the metropolitan area and could thus be considered a governance body. No governance body exist in the remaining three metropolitan areas.

Sectoral authorities for public transport are not as common in South Korea as they are in many other countries. Only three out of the ten metropolitan areas in the country are covered by one. Besides public transport, water provision is most commonly managed by sectoral authorities.

## **Spain**

Only the two biggest Spanish metropolitan areas – Madrid and Barcelona – have dedicated metropolitan area governance bodies. In the case of Madrid, the autonomous Community of Madrid (*Comunidad de Madrid*) corresponds closely to the borders of the metropolitan area. It is one of 17 autonomous communities in Spain. As such, it is part of the first level of sub-national government. Other autonomous communities cover entire regions and do not focus on metropolitan area governance. However, the geographical extent, the scope of its political responsibilities and the institutional history of the Community of Madrid indicate that it acts as a governance body. Among other topics, it has far reaching responsibilities in the fields of housing, transport, infrastructure, spatial planning, health and social affairs.

The community of Madrid was founded in 1982 and, as first level of sub-national government, holds general elections to determine its leadership. It has a budget of more than 20 billion euros and one of the largest staff numbers of all metropolitan area governance bodies in the OECD.

In contrast to Madrid, Barcelona's metropolitan area governance body was founded with the explicit aim of creating a metropolitan area governance body. It is an association of municipalities in the metropolitan area and fulfils a wide range of tasks that are typically in the responsibility of individual municipalities. Among them are public transport, water supply and sewerage, waste disposal, housing and spatial planning. The association was founded in 1987 and has existed in its current form since 2011. It has a budget of several hundred million Euros and a staff of more than 10,000 employees.

There are no governance bodies in the remaining metropolitan areas in Spain. While there are laws in some provinces that include provisions, which allow for their establishment, none have been created so far. All metropolitan areas in Spain with the exception of Zaragoza have sectoral authorities for transport that extend beyond the central city of the metropolitan area, but typically do not cover the entire metropolitan area.

## **Sweden**

Sweden has three metropolitan areas; Stockholm, Gothenburg and Malmö. In all three metropolitan areas, voluntary associations of local governments exist. Furthermore, in the case of Stockholm and Malmö, the respective counties (*Län*) correspond closely to the extent of the metropolitan areas and assume some of the functions of dedicated metropolitan area governance bodies.

The county council (*Landsting*) is the second tier of local government in Sweden. In some cases, political organisations called *Region* or *Regionförbund* exist in addition to the county council, and are active in the field of regional development. Furthermore, in each county, a county administrative board (*Länsstyrelse*) exists. They are part of the national government and have the objective of coordinating policies within a county with national objectives. Both, the county councils and the county administrative boards exist in other Swedish counties and neither is a dedicated metropolitan area governance body. Nevertheless, due the close overlap of their jurisdictions with the metropolitan areas, they play an important role in metropolitan area governance. For example, the county councils of Stockholm and Malmö are both responsible for public transport. The county administrative boards are responsible for business development and environmental issues, among others.

In contrast, there is no close overlap between the Gothenburg metropolitan area and the county. Gothenburg is located in the county Västra Götaland, which is around eight times larger than the metropolitan area and has 80 percent more inhabitants.

Possibly for this reason, Gothenburg has the most active association of local governments of all three metropolitan areas. (*Göteborgsregionens Kommunalförbund*). It has been founded in 2001 through a bottom up initiative of local governments in the region. Its structure is similar to that of other voluntary associations of local governments that have agreed on a voluntary cooperation. It works on a wide range of topics (such as local labour markets, environmental issues, social services and regional development). For a purely voluntary association of local governments, it has a large staff of 160 people and a yearly budget of approximately 300 million Swedish crowns (approximately 32 million Euros). It receives its funding primarily from fees it charges for its services. The corresponding associations of Stockholm and Malmö have less than half as many staff and are funded by membership fees, which are calculated as a share of the total revenues of the member municipalities.

## **Switzerland**

There are three metropolitan areas in Switzerland. All of them have voluntary associations of local governments that can be considered governance bodies. While the governance bodies for the urban agglomerations of Geneva and Basel are based on cooperation between cantons (*Kantone*), the association of local governments for Zurich includes both cantons and municipalities as its members.

The governance body for Basel has existed since 1971, while the ones for Zurich and Geneva were founded only recently (in 2001 and 2009, respectively). This is potentially because the metropolitan area of Basel covers several cantons, which implies a greater need for cooperation cantons. In contrast, the metropolitan areas of Zurich and Geneva lie predominantly within a single canton (although in the case of Geneva significant parts of the urban agglomeration are in France).

In most other respects, the functioning of all three organisations is typical for voluntary associations of local governments. Their primary function is to serve as a forum for policy exchange. Furthermore, they represent the interests of the regions in public and lobby the federal government. Particularly in the case of Basel, cantons were perceived as too small to fulfil this role effectively.

## **United Kingdom**

Dedicated metropolitan area governance in the UK is limited. Only four of its 15 metropolitan areas have governance bodies. Among them are the two Scottish metropolitan areas Edinburgh and Glasgow. Both have governance bodies that are associations of local governments and focus on strategic spatial planning and regional development. Their primary function is the drafting of strategic

development plans. These plans are the highest level planning documents in Scotland and have to be approved by the devolved Scottish government. Both organisations have a small staff consisting mainly of planners.

The other two metropolitan area governance bodies in the UK are the *Greater London Authority* (GLA) and the *Greater Manchester Combined Authority* (GMCA). Whereas the GLA is headed by a directly elected mayor, the GMCA is overseen by an assembly of 10 council members of local jurisdictions. Both governance bodies have responsibilities in the field of transport, land use planning and regional development that are comparable to those of powerful associations of local governments. However, they differ from each other in terms of their geographical extent. The GLA extends barely beyond the urban core and covers only a small part of the urban agglomeration. In fact, due its limited geographical reach it is a borderline case with respect to whether or not it should be considered a metropolitan governance body. In contrast, the GMCA covers nearly the entire metropolitan area.

Both bodies differ from most associations of local governments with respect to their legal status. They are statutory bodies that have been created by acts of the British parliament. Furthermore, the GLA with its directly elected mayor and assembly operates with comparatively little input from the *borough councils* that fall within its jurisdiction. The 2013 budget of the GLA is approximately 370 million British Pounds. Furthermore, it allocates several billion Pounds to sectoral authorities, in particular *Transport for London* and the *Mayor's Office for Policing and Crime*.

While dedicated metropolitan governance bodies are rare in the UK, the overall number of local governments in metropolitan areas is low by international standards. Parts of the UK are covered by *unitary authorities*, which function as county council and district council. Unitary authorities have jurisdictions that tend to be much larger than typical municipal jurisdictions. Even where two tiers of local government exist, the lower tier jurisdictions (*district councils* and *metropolitan boroughs*) are large relative to the size of municipalities in other countries.

In the UK, dedicated transport authorities are more common than metropolitan governance bodies, but also exist in only eight of the 15 metropolitan areas. Notably, the government agencies that are most commonly organised along metropolitan areas are the police and fire and rescue services.

## **United States**

In the U.S., the structure of local governance is primarily determined by the states and the degree of local autonomy varies strongly across different states. Nevertheless, with respect to metropolitan area governance, several regularities exist.

Governance of metropolitan areas in the U.S. revolves mainly around two pillars. The first pillar consists of *Councils of Governments* (COG). COGs are voluntary associations of local governments that function as a forum for regional policy exchange. Local governments are typically represented on the board of the COG by an elected official such as a mayor or a member of the local council. In addition to local governments, the boards of some COGs include representatives of other local and regional authorities as well as representatives of private sector associations. Frequently, COGs have a staff of professional planners that maintain spatial databases and develop regional plans. Thus, they serve as forums for policy exchange, but also can have direct influence on regional planning processes.

The second pillar of regional governance in metropolitan areas is the *Metropolitan Planning Organization* (MPO). MPOs are so strongly incentivized by the federal government that they are de facto mandated; any federal funds spend on transportation infrastructure in a metropolitan area have to be channelled through a local MPO. A metropolitan area without an MPO would not receive any

federal transportation funds. The mandate of MPOs varies across regions. In a few cases, the MPOs merely channel money from federal to local authorities. In other cases, their mandate is broader and covers issues such as spatial planning and regional development. In those cases, the regional council of governments often serves as the MPO.

The U.S. defines metropolitan statistical areas (MSA) based on population numbers and commuting patterns. However, it is rare that the area covered by a metropolitan governance body actually corresponds to the MSA. They cover both smaller and larger areas than the MSA. It is also not unusual to find governance bodies that cover only parts of the MSA but also include areas that lie outside the MSA.

While most metropolitan areas in the U.S. are covered by some form of metropolitan governance body, a total of 12 out of 70 metropolitan areas do not have any metropolitan governance body. In these cases, the MPO has so few effective functions that it cannot be considered a proper governance body. Notably, the New York metropolitan area – by far the largest metropolitan area in the U.S. – does not have a governance body.

Portland and Minneapolis-Saint Paul are other exceptions to the predominant type of metropolitan area governance in the U.S. The Portland metropolitan area is the only one in the U.S. that has a governance body (called *Metro*) with the status of full local government and a leadership elected by popular vote. The *Metropolitan Council* of Minneapolis-Saint Paul stands out because it delivers a wide range of services, such as water provision and waste disposal, to citizens. Accordingly, it has an unusually high annual budget of approximately USD 300 per inhabitant, whereas typical annual budgets range from USD 3 to USD 30 per inhabitant.

As in most countries, sectoral authorities for public transportation exist in a majority of metropolitan areas. Corresponding to the limited role of local public transport in the U.S. relative to other OECD countries, they tend to have comparatively small budgets.

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