Municipal Structure in Vestnorden

*Development, trends and challenges to local democracy*


Grétar Thór Eythórsson

Universitetet i Akureyri, Island
1. **Introduction**

The geographical structure of people’s settlement in the West Nordic countries\(^1\) is in itself a considerable challenge for provision of municipal services and therefore it can be argued that this is a challenge for the democracy on the local level. In the three West Nordic countries the municipal structure is different and has gone through changes for the last decades. Geographically the three countries are different but the similarities are more when we look at the economic structure – fishing and fish processing are the main base for the economy.

This was the basic idea behind a project application to the *Arctic Cooperation Fund* – done by scientists in Iceland and Norway as well as the federations of municipalities in all three countries. The team was granted money for the project, we can say that the main goal of the project is to collect knowledge by mapping the situation and development in municipal structures in the West Nordic Countries. An important part of this is to look especially into the democratic aspect – that is which consequences the development had had for the local democracy or at least try to identify which were the main challenges for democracy, caused by the structural development. Other parts of the project are mainly two: *First*, to map the service production capacity and effectiveness of the municipalities in the three countries and *second*, to try to map the municipalities capacity to manage the development processes which often municipal amalgamations are – not at least when looked at entrepreneurship in the economic life as well as innovativeness in importing external management models. In this first phase of the project the intention is to write an overview report on this.

This is primarily done with collection of written material in books, reports, pamphlets and of data and statistics from the statistical bureaus of the three countries: Hagstofa Íslands ([www.hagstofa.is](http://www.hagstofa.is)) for Iceland, Hagstova Føroya ([www.hagstova.fo](http://www.hagstova.fo)) for the Faroe Islands and Grønlands Statistik ([www.stat.gl](http://www.stat.gl)) for Greenland. To fill into knowledge and information gaps (mainly on Greenland) as well as to get standpoints, we have interviewed 2 persons from the municipal sector in each country. In the second phase of the project, which by now also is financed, we will do a web survey among all elected local politicians in the three countries. In Iceland 512 were elected in 2010, in Faroe Islands 208 were elected in 2008 and in Greenland 69 candidates were elected. This will mean a survey among a total of 789 elected. Together with the report now being written, the results from the survey will be a base for contributions in a West Nordic Municipal Conference to be held in Iceland in the autumn 2014.

However, this paper presented here is only about the structural changes and the democratic challenges. The purpose is to mainly give the overview of structural changes and identify the possible consequences and challenges caused by structural changes on democracy.

\(^1\) It is important to note here that the definition of Vestnorden is: Iceland, Greenland and Faroe Islands. In some cases Vestnorden is defined along with the NORA-region, which also includes the west coast of Norway.
1.1. Background and some theoretical discussion

In 2005 the Nordic Council of Ministers published the report Democracy in the Nordic Countries (Demokratiutvalget 2005). The research work behind this report was led by “The Democracy Committee” (Demokratiudvalget). Among issues like democracy in general, people’s engagement in politics and information technology as a democratic instrument, there was a special chapter on local self-government. Based on the report the committee brings forward its recommendations. Among those on local autonomy are recommendations on strengthening the local autonomy in various ways – one of which was “structural reforms”. One of the recommendations was proposing an impact study of every structural change in order to determine how each change affects the prerequisites for action of democratically elected bodies. This irrespective of the change is initiated by the national or the local level. It is argued that it had come to be evident that structural changes and reforms in the relationship between the state and the local level had had unanticipated consequences for the local democratically elected bodies, sometimes by through disclaiming the political power over certain tasks to other levels and in some cases to private parts. It is also argued strongly that the strong emphasis in the Nordic countries on effectiveness and less on democracy and self-government was one negative consequence of the structural changes and reforms. Instead, the role as a local politician should be looked at as a school in democracy and therefore the number of elected representatives should rather be increased than decreased. By strengthening of democracy the possibilities of getting better involved in decision making would increase for the people’s elected representatives (Demokratiutvalget 2005, 51-59).

These ideas on local democracy are somewhat relevant for the cases we are investigating in the research project. As we will see later on in the paper, the emphasis in Vestnorden has been much the same as in the four big Nordic countries – effectiveness rather than democracy has been the key word. We will get back to this discussion in the chapter on the consequences of the structural changes for local democracy.

Research done on the consequences of structural reforms in the Nordic countries is rather limited, at least so far. In 2002 an evaluation study on the impact of seven amalgamations implemented in Iceland in the 1990’s was published in a book. In these 7 cases which were municipalities amalgamated from 37 between 1994 and 1998 some clear patterns showed when looked at the consequences. People in former municipalities that did not get the role of “Central place of administration and services” in the new municipality were much more discontent with their situation in the new one than the people living in the part that got the role of Centralplace. This had most to do with their democratic situation, their possibilities of influencing decisions and so was the case with their possibilities of getting in contact with the elected representatives. The democratic deficits were clearly apparent in the peripheral “territories”. The situation was not as dramatic with the municipal services – even though people in the
“peripherys” were more discontent but that was not as much as with the democratic situation. In 2006, just before the great municipal reform in Denmark, Danish political scientists published the anthology Kommunalreformens konsekvenser (Blom-Hansen, Elklit and Serritzlew eds., 2006). The results show clear negative correlation between the size of municipality and several indicators of democracy, such as trust, voting participation and participation in political meetings (Juul-Madsen and Skou 2006). In another study presented in this book Nørgaard-Petersen and Christensen did not find any correlation between municipal size and representation – that is, in bigger municipalities the voters in various groups of the society used their possibility of participating in the democracy (Nørgaard-Petersen and Christensen 2006).

To sum up earlier research on consequences, it seems to appear that the connection between size and democracy exists. That is something that also is in line with the old classical contribution by Dahl and Tufte (1973).

2. The municipal structure in the West-Nordic countries
In this chapter we will deal firstly with giving an overview of theories and experiences behind municipal amalgamations. Secondly, we will deal with describing and mapping the municipal structure in the West-Nordic countries. We also look into how it has developed in historical context as well as looking into the main ideas in the question of developing or changing the municipal structure. Further, we will look at the division of competence between the state and local level and to what extent tasks have been transferred from the state to the municipalities. For the last decades, that has primary happened in Greenland and Iceland.

2.1. Faroe Islands
Originally there were 8 municipalities in Faroe Islands – this was based on the system of parishes. These municipalities had, however very limited tasks. The societal changes where the society went from agrarian society to fishing society led to demands for more activity on behalf of the municipal boards – service provision. At the same time, people paying taxes in one village were not keen on that money spent in other villages. This led to establishments of new municipalities and at its peak in 1967 the municipalities in Faroe Island were 51 (Hovgaard et. al. 2004).

Already at the mid-twentieth century there were 49 municipalities in the Faroe Islands, an autonomous territory on 18 islands with a population of less than 50000. This structure of many and small municipalities, where more than half of them had a population of less than 1000, stayed the same all the way into the beginning of the 21st

---

3 The authors of this chapter use three indicators for municipal size: population, areal and urbanization degree. In my discussion of size here i stick to population size.
The Faroese municipal geography during this period is summarized by Hovgaard et.al. (2004) as following:

- A capital area with almost 40% of the population
- Constantly improving conditions for commuting to the capital of Tórshavn have connected over 85% of the nation by road
- A rather peripheral island of Sandøy in the south with 1500 inhabitants and four municipalities
- Geographically remote small Islands (municipalities) with low population and difficulties in communications

This is also graphically shown in the figure below:

![Figure 1. The municipal map of The Faroe Islands in 2012.](http://en.wikipedia.org/wiki/File:Map-kommunur-foroya-2009.png)

In 1998 a commission on municipal reform (Kommununevndin) proposed in a report that the number of municipalities should be reduced to 7-9 municipalities through amalgamations. The municipalities should be allowed to amalgamate voluntarily by own initiatives within a given time limit. Failure to do so would mean that an amalgamation by force from above should be implemented. These ideas and proposals met a total resistance among the municipalities, political parties and in the Parliament.

---

4 Hovgaard et.al. 2004, p. 18-20
and this never went into a law making process. However, an Act on voluntary amalgamations was passed in the Faroese parliament in May 2001. The act stated that municipalities could amalgamate voluntarily but they had to be geographically connected or/and by infrastructure. It was also expressed as desirable that a population of 2000 was minimum size for a municipality. Further, it was stated that the government intended to decentralize by transferring tasks from the state to the local level.\(^6\)

Although the massive resistance against law-forced reform, voluntary amalgamations in the following years reduced the number of municipalities from 49 in 2000 to 35 in 2005. This is illustrated in the following figure which also shows how the municipal structure in the Faroe Islands has changed since 1950:

![Figure 2. The municipal structure in Faroe Islands 1950 – 2012.](image)

No extensive structural reform came about as a consequence of the laws in the beginning of the century but as the figure shows voluntary amalgamations reduced the number of municipalities by 14 until the year of 2005.

Early in year 2008 a new government came to power in the Faroes and in the coalition paper contained clear statements on the municipal structure. “Regional development initiatives and changes in the municipal structure shall ensure fair and balanced opportunities for all areas of the Faroe Islands.” Further, the Coalition Paper contained statements on deadlines by which municipalities should have grouped into suitable entities that were able to take over more tasks from the state government – and this would ensure even standards of services in the whole country (Aalbu et. al. 2008).

\(^6\) Based on Hovgaard et. al., 2004)
Here, it was apparent that the new government wanted to put through an extensive structural reform on the municipal level, in order to transfer tasks to the local level.

An even stronger and more precise statement on this was made by the Prime Minister Jóannes Eidesgaard, in his opening speech to the parliament in July 2008, where he said that the government had decided to reduce the number of municipalities to 7 during the mandate period. He even set time limits for 1st January 2010 (Aalbu et. al. 2008). The government coalition broke up already in the autumn 2008 and these intentions have not yet become reality – other parties and less interested have been in power since then.

The amalgamation issue was more or less put off in 2012 with a nationwide referendum on the peoples will to amalgamate, meaning that the number of municipalities would have gone from 30 to 7. With only 33 percent voter turnout, this proposal didn´t get majority support in any of the 30 municipalities.

Today the number of municipalities is still at 30 - the radical intentions of 2008 government never came about and the people of Faroe Islands refused. And people seem to think that this amalgamation wave of the first decade of the 20th century has come to an end. “The referendum stopped everything” and “The reform is dead” were the answers we got from our interviews with people from the two federations of municipalities in the Faroes. However, if we look at what has happened since year 2000 – the reduction of municipalities is almost 40% - so the change is noticeable even though the municipal structure remains the same.

By looking further at the municipal structure by examining the share of municipalities of different sizes in the whole, we see that the smallest municipalities are those who have to the greatest extent been amalgamated, internally or with larger ones. Figure 3 below illustrates this:
It is clear that after year 2000 more than half of the very smallest municipalities (< 500) have ceased to exist – their share in the total number has gone from 59% in year 2000 to 43% in 2012. Municipalities in the category (1000-1999) have come about, so the major changes have been in these size categories. Municipalities with a population of more than 2000 are still as many as they have been through the decades. The characteristics of the Faroese municipal structure remain: Less very small and more rather small municipalities.

2.2. Greenland
The first elected municipal councils in Greenland came about in 1911. After the WW2 the Danes reorganized them along Danish lines. Their functions expanded in line with the growth of the Danish welfare state from 1950s to 1970s. Later, when the Home rule system was established in 1979 the municipalities became more central actors in the domestic welfare system taking care of social services, culture, education, housing, planning, fire brigades, water and electricity (Dahl, 1986; Bærenholdt, 2007). In 2007 the Greenland Parliament commended the Greenland Home Rule to implement a new municipal structure for Greenland. This decision meant radical change in the structure – 18 municipalities were amalgamated to 4. New municipal councils were elected in the spring 2008 and established form May 2008. Formally this change of structure was implemented 1st January 2009. The rationale behind this was set by the Structural Committee (Strukturudvalget). The main purposes were:
• To make all municipalities big enough to be able to take over more tasks from the Home rule.
• So the citizens in the municipalities would get better and safer services.
• To gain effectiveness and economies of scale in the municipal service provision.\textsuperscript{7}

This revision of the division of tasks was to be implemented under the mandate period 2009 – 2013. The tasks to be transferred to the municipalities were: elderly care, handicap services, pensions, housing, labor market measures, family policies, harbors, water supply, communications and spatial planning sectors.\textsuperscript{8} At the time of writing only one task has been transferred from the Home Rule to the municipalities; handicap services in 1st January 2011. According to the Federation of Greenland Municipalities (KANUKOKA) from 2011, two other tasks were to be transferred in 1st January 2012. These were a) psychological-pedagogic consulting and b) specialized retraining (KANUKOKA 2011).

The number of municipalities was reduced in 2009 from 18 to following 4 municipalities:

\textit{Table 1.1. Municipalities in Greenland 2012 and their population.}

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Øst – Vest (Kangia-Kitaa)</td>
<td>20733</td>
</tr>
<tr>
<td>Nord (Avannaar)</td>
<td>18243</td>
</tr>
<tr>
<td>Midt (Qegga)</td>
<td>9685</td>
</tr>
<tr>
<td>Syd (Kujataa)</td>
<td>7787</td>
</tr>
<tr>
<td>Outside municipality</td>
<td>200</td>
</tr>
</tbody>
</table>

With the largest of over 20000 inhabitants and the smallest of little less than 8000 the structure has changed dramatically. At the same time the geographical size of the two of the new municipalities, Nord and Øst – Vest has become enormous. This is clearly illustrated in figure 4:

\begin{footnotesize}
\textsuperscript{8} Aalbu (et. al. (2008).
\end{footnotesize}
In their report from 2008 *Administrative Reform – Arguments and Values*, Aalbu, Böhme and Uhlin map and analyze the municipal structures, structural reforms and the arguments and values behind them, in all eight Nordic countries. They conclude that no clear public opposition the reform process in Greenland has emerged. Further, they conclude that the in the debate around the reform, the main focus was on efficiency, accessibility and quality in local administration. They think the focus in the Greenland case has been very much on efficiency and service-producing, just as it has been in the cases of Sweden and Denmark.

### 2.3. Iceland

Municipalities in Iceland have a long history back - all the way to the 11th Century. When the Danes took control over Iceland in 1662, they whittled down most of the municipalities’ autonomy and then abolished them totally by law in 1809. Later on in

---

9 Taken from: http://dk.nanoq.gl/Emner/Landsstyre/Departementer/Dep_for_indenrigsanliggender_Natur_og_Miljo/Indenrigs_kontor/Til_kommunerne/Struktureformen/Kommuneinddeling%20%20grafisk%20udgave.aspx
the 19th century, when the Icelanders started asserting their rights for independence, the local government system was re-instituted by law in 1872. At the same time the Danish government included a regional governmental level (Amt), similar to the former existing Amt structure in Denmark. However, the regional experiment was not very successful, and these were abolished by law in Iceland in 1904.

The main development pattern is that the number of municipalities increased slowly until the middle of the 20th century, and then began to decrease – especially though after 1990. The main reason for the increasing number of municipalities until the 1950s was the industrialization of fishing, leading people to move from the countryside to the coast in order to work where there were better hopes of earning a decent income. This meant that new fishing villages came up, and new municipalities were established.\(^\text{10}\)

### Figure 5. The main patterns in the municipal structure in Iceland 1910 – 2012.

The slow decrease in the number of municipalities after mid-twentieth century is mainly explained by two forces – a number of rural municipalities ceased to exist due to total depopulation; and some municipal amalgamations. The rapid changes since 1990 are indirectly facilitated by two referenda on municipal amalgamations - one in 1993 and the second in 2005 - and their implications.

Ideas in reforming the municipal structure in Iceland can be traced all the way back to the 1940’s. The discussion and the ideas have mainly been about strengthening the

---

\(^{10}\) Based on Eythórsson (1998).
municipal structure through amalgamations. This however, has through the years never managed to lead to any changes until in the 1990’s.

In 1991, the Minister for Social Affairs, Jóhanna Sigurðardóttir, (prime minister 2009-2013), took an initiative and set up a Commission to start a process which was intended to result in a reduction in the number of municipalities, because larger ones were believed to have better capacity to deliver appropriate welfare services in modern standard. All amalgamations would remain strictly voluntary; and all proposals on which municipalities should amalgamate should be developed by themselves – or on the basis of representative mutual boards within the regions. In November 1993, referenda were held in 185 municipalities out of 196. Were all the submitted proposals accepted, they would have meant a drastic reduction in the number of municipalities to 43. However, every proposal except one was voted down in these referenda. Only 67 out of the 185 municipalities involved voted for amalgamations. This only caused an immediate reduction of municipalities by 3, but an amalgamation process never known before had started. By the Local Government elections held in spring 1994, several voluntary amalgamations among those that had voted ‘yes’ in the November 1993 referenda had already reduced the number of municipalities to 171. By the next elections in 1998, the number was reduced further to 124 and was as low as 105 in the local government elections in 2002. A process had started in 1993 – a process that had led to a reduction of municipalities by as much as 47 percent in only 9 years.

In 2003, the Icelandic Ministry of Social Affairs launched a reform project on the strengthening of the municipal level, in cooperation with the Federation of Municipalities. The main objectives were to strengthen municipalities so they would be better able of providing their current level of services and eventually some additional ones. Bringing about such a change would make it possible to move certain public services from the state to the local level. This required both revision of the division of tasks between state and local level as well as a revision of local government finances, but the cornerstone of the project was to strengthen the local level by amalgamating smaller municipalities. Even though the number of municipalities had reduced by almost 50 percent since 1993 the project commission argued that this had not changed the characteristics of the municipal structure. Still there were far too many too small municipalities lacking the capacity to take over more responsibilities from the state. Following figure illustrates the changes in the municipal structure in historical context. In 2006, municipalities with a population of less than 1000 were almost 70 percent of all municipalities.11

---

A referendum took place in 66 municipalities out of 97 in the spring and autumn 2005. In these 66 municipalities, residents voted on a total of 17 merger proposals; so a ‘yes’ to all proposals would have meant a reduction of 49 in the number of municipalities. The general commission on financial matters did not agree on its mandate in time and many local leaders claimed that the time for arguing the case was too short, and so the referenda were postponed until October. However, in one case the municipalities wished to move ahead right away, since they had completed all their preparations. These were 5 municipalities in the Borgarfjörður region: in April 2005, four of them voted yes in a referendum, which meant that the decision to amalgamate those four was confirmed. So, in the end, the batch of referenda were held in 61 municipalities on 8th October on 16 different amalgamation proposals. The 16 different proposals were voted down in 41 municipalities and accepted in only 20. Only one proposal was accepted by a majority in every municipality in question – in the East Iceland involving 4 municipalities in the area around an Alcoa smelter plant. This only meant an immediate reduction of the number of municipalities by three – from 92 to 89. In several cases, municipalities which had voted ‘yes’ continued a process voluntarily which in the end led to some further amalgamations. At the time of the local government elections in May 2006, the number was down at 79 municipalities.

No serious or extensive attempts to reform the municipal sector have been implemented in Iceland since 2005. The Social Democrats (Samfylkingin), the historically most political party interested in an amalgamation reform, came to power
in 2007 in a coalition government and one of their ministries was the one responsible for municipal affairs. Soon, preparations for an extensive amalgamation reform were made – ideas on reduction down to 17-19 municipalities, possibly through law-enforced actions, were presented – but the coalition partner, The Independence party was reluctant, however not opposed. After the economic collapse in Iceland in 2008 a new coalition government of The Social Democrats and The Left-Green Party came to power after new elections in the spring 2009. Already in 2010, the Social Democrats gave responsibility for the Ministry of Interior to their coalition partner who was not at all interested in any amalgamation reform. So, the municipal structure in Iceland has been more or less unchanged since 2006 as shown in figure 6 above.

And the interest in further amalgamation reforms seems to be declining. Two surveys among local politicians and members of parliament in 2006 and in 2011 show this. The interest and believe in amalgamations as a measure to strengthen the municipal level are significantly less in 2011 than in 2006. Instead the solution now seems to be much more connected with municipal cooperation. There is as earlier no majority will for law enforce in amalgamations. Instead, local politicians seem to see increased cooperation as the way to go further and in taking over more responsibilities from the state government (Eythórsson & Arnarson, 2012).

At present the municipal geography of Iceland can be briefly described in terms of three characteristics, which in turn speak to a very high rate of urbanization and very high concentration of population:

1. The capital area - Reykjavík, the capital with 119,000 inhabitants, followed by its neighbours Kópavogur (31,000), Hafnarfjörður (26,500) and Garðabær (11,000) contains some two-thirds of the total population. These are the largest municipalities in terms of population: only Akureyri in the mid-north is in the same size group (18,000).

2. Counting all the municipalities within commuting distance of the Greater Reykjavík area (that is, a radius of up 75 km), one finds three-fourths of the island’s total population. Here are included such municipalities as Reykjanesbær (14,000), Akranes (6,500) and Árborg (8,000). An underwater road tunnel under the fourth Hvalfjörður was opened in 1998, shortening the distance from north and west to the capital by over 40 kilometers, and having major impacts on nearby municipalities like Akranes and Borgarbyggð (3,500) (Karlsson, 2004; Sigursteinsdóttir & Ólafsson, 2004).

3. Apart from Akureyri, only few municipalities outside the capital region have more than 3,000 inhabitants. These include Ísafjarðarbær in the north-west (3,800), Skagafjörður in the mid-north (4,000), Fjarðabyggð (4,600) and Fljótsdalshérað (3,400) in the east and in the south Vestmannaeyjar (4,200).
But the main characteristic of the Icelandic system stands at the year of 2013. More than half of the municipalities in the country have less than 1000 inhabitants and 1/3 have less than 500. What has been through the decades considered as the main problem – too many too small municipalities with limited capacity to provide modern type of services. A reduction from 196 municipalities to 75 in twenty years has only managed to change the main pattern partly. The local leaders and state politicians seem to have begun to believe that the most realistic way to strengthen the municipal level is by going further in taking over big tasks from the state is by developing more cooperation projects. A sort of surrender to the way of voluntary amalgamations seems to be the case. The following figure is the municipal map of Iceland for January 2013:

![Municipalities in Iceland in January 2013](image)

**Figure 7. Municipalities in Iceland in January 2013.**

### 2.4. The West Nordic municipal structure in sum

Trying to sum up and compare the municipal structure in these three countries, the most striking fact is the dramatic development in Greenland, where the municipal structure was changed after 2007 by amalgamating 18 municipalities to 4. By this the Greenland structure is significantly different from the structure in Faroe Island and in Iceland. Now, Greenland has got few and big communes, both measured in population and areal – at least in West Nordic terms. Even though bigger steps towards reforming the municipal structure have been taken in Iceland than in Faroe Islands, the
characteristics are in principle the same. In both cases there are proportionally many very small municipalities with limited capacity to take over more welfare tasks and thereby provide modern services. But in Iceland there seems to be a will to strengthen the level by other means than amalgamating.

Following figure illustrates the municipal structure in the three countries at the present:

![Figure 8. Municipalities in Iceland, Faroe Islands and Greenland in different size categories 2012.]

It is clear that the share of small municipalities, that is, with a population of less than 1000, is similar in Iceland and Faroe Islands, 55-60 percent. At the same time municipalities of such size do not exist in Greenland anymore. Following table gives an overview of some facts about the number of municipalities and their population in the three West Nordic countries.

**Table 2. Municipalities and population in municipalities in Faroe Islands, Greenland and Iceland in 2012.**

<table>
<thead>
<tr>
<th></th>
<th>Faroe Islands</th>
<th>Greenland</th>
<th>Iceland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total population</strong></td>
<td>48.296</td>
<td>56.648</td>
<td>319.575</td>
</tr>
<tr>
<td><strong>Number of municipalities</strong></td>
<td>30</td>
<td>4</td>
<td>75</td>
</tr>
<tr>
<td><strong>Average population</strong></td>
<td>1.610</td>
<td>14.162</td>
<td>4.261</td>
</tr>
<tr>
<td><strong>Median population</strong></td>
<td>626</td>
<td>13.964</td>
<td>889</td>
</tr>
</tbody>
</table>
There are, for example, significant differences between the three in the average size of municipalities. While Greenland has over 14,000, Iceland has over 4000 and Faroe Islands are at just over 1,600. However, the average for Iceland is very much affected by the size of Reykjavík with its 119,000 inhabitants.

3. **Structural changes and democracy**

In this chapter we will try to give an overview of the status of local democracy in the three countries. This will primarily mean the present status. Therefore, we try to give a picture of the most important issues and problems connected with the current situation in the municipal sector in respective country – this also in connection with the structural changes or reforms implemented and the theoretical discussion on democratic consequences in the introductory chapter above. In *Faroe Islands* the most emerging issue is connected to the question of the content of local democracy since the many and small municipalities have limited tasks. In *Greenland* the emerging issue is the geographical representation of small villages and communities after the great municipal reform. In the *Icelandic* case much of the discussion on democracy at the municipal level is about increased direct citizen democracy versus the more traditional representative democracy. Another emerging and upcoming discussion in Iceland about local democracy is connected with the greater emphasis on making the local level more effective by municipal cooperation instead of municipal amalgamations.

### 3.1. Faroe Islands

The Faroes have always had a two tier government system, the state level and the local level. However, there exist sysler (counties) but they are without any administrative or political significance. The municipalities are 30, divided in two local authorities associations. *Førøya Kommunufelag* is the association of the smaller municipalities consisting of 21 municipality. The other association is *Kommunusamskipan Førøya* consisting of 9 of the larger ones. In the Local government elections in 2008, 208 representatives were elected, whereof 63 (30%) were women (Knudsen, 2009).

#### 3.1.1. Current challenges to local democracy in The Faroe Islands

The Coalition Paper from the 2008 government in the Faroe Islands contained clear policy statements on enlargements of the municipalities in order to increase their service production capacity and ensure even service standards in the whole country. This was emphasized by Prime Minister Eidesgaard in the Parliament in the summer 2008 where he announced that the goal was to reduce the number of municipalities down to seven. He underlined the democratic aspect in his opening speech to the Parliament on the 29th of July 2008:12

---

12 Aalbu et. al. 2008 p. 34.
An important part of democracy lies in decisions being made as close to the citizens as possible, and this is one reason why more and more functions are being transferred to the municipalities.

These arguments of attracting young people to the more peripheral regions by transferring challenging tasks to the municipalities from the state were central in his speech. By this, Eidesgaard was in fact saying that the municipalities were to many and too little and had too limited tasks. In other words, the local democracy, even though formally present lacked content to function as effective local democracy.

This kind of argumentation in this context has for example been presented by Dahl and Tufte (1973) and Harald Baldersheim (1987) as well. He stated that it could of course be claimed that municipal amalgamations which reduced the number of municipalities and thereby the number of local politicians appeared to be a centralization of power. But it could actually prove to be a way to decentralize power, since an increased capacity for service provision also made the local units capable of taking over more tasks from the state level. If that was the case, steps towards decentralization would have been taken and more power given to the local level. The Faroese political scientist Beinta í Jákupsstovu (with Eli Kjersem) has criticized this type of argumentation by questioning to what extent this “reform theory” about big municipalities with considerable capacity. She calls this “imitiating the organization in the neighboring countries” and questions how these ideas based on the thought of economy of scale, can be functional in the small Faroese case (í Jákupsstovu og Kjersem, 2007). But the idea about increasing effectiveness and economies of scale in the municipal sector and at the same time giving the democracy content – the representatives a role – was central in the argumentation of the government who introduced the reform ideas in 2008.

But as we have read in the chapter above, the coalition government initiating the structural reform broke up already in the autumn 2008. Little has happened since then. Therefore, Eidesgaards arguments for a structural reform still seem to remain the central issues in local democracy debate in the Faroe Islands. There are two associations for Local Government, one for the smaller ones (Føroya Kommunufelag) and one for the seven biggest (Kommunusamskipan Føroya). This means that the smaller ones have their own organizational ground and can have their own voice in the public debate. And this voice has been strong in expressing that the smaller municipalities are sustainable units and are doing well. Therefore, the smaller municipalities strongly argue against the standpoints of increased effectiveness and stronger democracy by giving it content with more tasks. So the different views on local democracy in the Faroe Islands still remain.
3.2. Greenland

Greenland has always had a two-tier government system, the state level and the local level. Before the structural reform in 2009, there were local councils in every of the 18 municipalities and elected neighborhood councils (bygdebestyrelser) as well in every neighborhood (bygder). In the local government elections in Greenland 2005, 28.8 percent of the elected were women. This was a great increase since 1979 – 2001 the share of women had been between 10 and 19 percent (Poppel & Kleist, 2009).

3.2.1. Current challenges to local democracy in Greenland

In his report to the Greenland Structural Committee (Strukturudvalget) in 2005 the Danish political scientist Ulrik Kjær from University of Southern Denmark pointed out what the consequences of the reform would mean for local democracy in Greenland. He raised a warning flag for how the geographical representation would be in the new very big municipalities, not at least due to the in many cases very difficult communications between places, villages and towns. In such situation smaller and isolated places would suffer democratic deficits as peripheries in more than one sense. Kjær argued that it was very important, from democratic point of view and with consideration to welfare services in the new municipalities, that it was important that smaller neighborhoods would not lose all power within the new municipality (Kjær, 2005). Binderkrantz and Jacobsen (2007) also pointed out these questions about the democratic aspect. According to them, increased costs, due to more travel activity between the neighborhoods in the new municipalities was to be met with law on use of videoconferences between the isolated villages and neighborhoods (Binderkrantz & Jacobsen 2007). These worries were much in line with the earlier mentioned results from the Icelandic research project on the consequences of seven municipal amalgamations in Iceland in the 1990’s, which showed that in quite many cases people in small and peripheral parts experienced democratic deficits and to some extent losses and as well deteriorated services after having amalgamated into a bigger municipality (Eythórsson and Jóhannesson, 2002).

In the Annual Report 2011 of The Greenland Federation of Municipalities (KANUKOKA), local democracy is discussed in a separate chapter. It is stated that local democracy was not discussed broadly before the great amalgamations in 2009 – the warnings from the scientists did clearly not get through or at least were not taken into account. But in the report it is further stated that at that point, 3 years after, it is timely to go deeper into that discussion. Even though in the beginning (2009) every one of the four new municipalities were to establish a “geographical mandate” for every one of the former 18 municipalities. However, this was only to apply for the first four year mandate period. The annual report refers to hearings on the experiences from this, done by the Ministry of Interior. The hearing showed clearly that had had different practical significance in the four municipalities and that it seems that the municipalities had understood the term “geographical mandate” very differently.
In its schedule for the structural reform the Greenland Structural Committee set the time period for negotiations between the Home Rule and the municipalities on transfer of tasks to the lower level as 2007 - 2013. As we have seen in the preceding chapter the transfers from the Home Rule to the municipal sector have not at all been extensive until now, but still it is moving in that direction. Strengthening of the local level by democratic measures to compensate for the effects of the great reform and by strengthening the democracy by increasing the services to have in their own power, still is only partly implemented.

In a meeting of representatives held by the Greenland Federation of Municipalities (KANUKOKA) in June 2013 representatives from the municipalities expressed formally their evaluation of the impact of the 2009 structural reform, and there were some critical voices on both democracy and services: For example Kelly Berthelsen from Kommune Kujalleq:


And from the representative Asii Chemnitz Narup from Kommuneqarfik Sermersooq:


---

20
These two examples taken from the resume from this meeting in June 2013 shows clearly that there are clearly existing problems with the representation of the small villages all over Greenland in their new democratic order.

3.3. Iceland

Iceland has always had a two tier government system, except in the period between 1874 and 1904 when a median level, Amts, were functional. This was done under the Danish rule but abolished when Iceland got its first minister. In the local government elections in 2010, 204 (40%) women were elected out of a total of 512 seats in local councils.

3.3.1. Current challenges to local democracy in Iceland

Some research has been done on the consequences and effects of municipal amalgamations in Iceland. An evaluation study of seven amalgamations undertaken in Iceland in 1994 and 1998, where 37 municipalities were involved, showed clear signs of democratic deficits for the smaller and peripheral municipalities. Surveys among the citizens showed clearly that people outside the central service and administration places felt that they were now more distant from their politicians than before and thereby their opportunities to influence and lobby decisions were much more limited. Furthermore, the majority of the people living in the peripheral parts believed that political power was now concentrated in these ‘central places’ (Eythórsson & Jóhannesson, 2002). No other evaluation study has been done since and the results remain. There are some examples of discontent in former municipalities and some attempts to splits or breakouts. This has for example been done several times in Sweden since the municipal structural reform in the 1970s. In the Icelandic case such attempts have always been rejected. The democratic consequences of amalgamations have not been much on the political agenda and can hardly be seen as an emerging problem. The evaluation project from 2002 also showed some clear signs of positive economic development in many of the small municipalities involved in amalgamations so there have been both positive and negative consequences (Eythórsson & Jóhannesson, 2002; Eythórsson, 2009).

Other local democratic questions have been on the Icelandic political agenda for the last ten years or so. An emphasis on increased citizen democracy was actualized in the new and revised Local Government Act from 2012. For the first time there was a chapter on citizen democracy – called “consulting with citizens”. In this chapter new topics appear in this context. Clauses on citizen democracy, citizen congress, citizen meetings and local referenda were all found in the act. Further, a minimum percentage of voters required to enforce citizen meetings and referendums on issues, was defined (Eythórsson, 2012).

In a previous chapter we have seen that earlier emphasis on strengthening the municipal level in Iceland by amalgamating them and make them bigger seems to be fading out. Instead cooperation between municipalities seems to be more and more
actual. The transfer of services for handicapped from the state to the local level in was made in 2011. Only six municipalities in the country are running this task by themselves and in nine cases this is run by municipal cooperation projects (byggðasamílög) with two up to thirteen municipalities involved. Since the Ministry of Interior defined the minimum size for running handicap services as 8000 inhabitants, the transfer could not be done to every individual municipality. So, tasks are being transferred from state level to local level without adapting the municipal structure to the tasks. Instead, this is solved and made possible by cooperation projects around the country. There is a further interest for transfer of responsibilities from the state to the local level among both state and local politicians (Eythórsson & Arnarsson 2012). A commission on stronger municipal level suggested in 2012 that the responsibility for elderly care, home nursing and health centers should be transferred in coming years. Gymnasium schools have also been mentioned in this context. Increased municipal cooperation will be necessary if this is going to come about. The commission also suggested in its paper from 2012 that regional federations of local authorities should be strengthened as coordinating, implementing and policy making actors. This raises important questions on democracy. Since there is no formal elected median-instance between the state government and municipalities this would mean transfer of power from the elected representatives at the local level to a cooperative organ – not elected but under a directoral board consisting of representatives from the municipalities involved. An endorsement of power of that kind is likely to weaken the local democracy rather than strengthen it.

In our interview with the chairman of board of the Icelandic Federation of Municipalities he expressed his doubts about this eventual development on transferring more and more tasks from the state to the local level just to be taken over by indirectly elected organs. He even pointed out effectiveness as an argument against it, since all decision making in a board with people from many municipalities could be slow and ineffective. In this case a formally elected median level would be a better solution but he personally preferred amalgamations as the effective way if further transfer of tasks would be the case (Halldórsson, 2013).

3.4. Challenges to the local democracy in Vestnorden
As we now have seen, the characteristic of the municipal structure in these three countries is not as similar as it was. After the great reform in Greenland the municipalities are not only biggest in areal but also in population in the West Nordic comparative perspective. Table 2 and figure 8 above have shown us how the Faroese and Icelandic municipal structures are more similar. The most emerging question about local democracy in Greenland is the geographical representation of small villages and neighborhoods after the great reform. The concern just before the amalgamations came into practice was how these smaller and often very isolated
neighborhoods could be a part of the democracy in the new municipalities giving the people there something to say or decide about their matters. An evidence of this has been brought forward in this paper. In Faroe Islands the big issue seems to be mostly connected to the question of the content of local democracy since the many and small municipalities have limited tasks. This is, however not the standpoint of the smaller municipalities who have their own federation of municipalities and claim that they are doing well as they are. In the Icelandic case much of the discussion on democracy at the municipal level is about direct citizen democracy versus the more traditional representative democracy. Increased citizen participation in decision making between elections seem to be a key word nowadays. That has clearly been emphasized in the Local Government Act from 2011. Another emerging discussion in Iceland is about local democracy and municipal cooperation. The greater emphasis on municipal cooperation instead of municipal amalgamations is believed to affect the local authorities involved since the cooperation projects are run by boards that are not elected by the people.

4. References


Grønlands Statistik – website of the statistical bureau (www.stat.gl)

Hagstova Føroya - website of the statistical bureau (www.hagstova.fo)

Hagstofa Íslands – website of the statistical bureau (www.hagstofa.is)

Halldór Halldórsson, chairman of the Icelandic Federation of Municipalities (Samband Íslandska Sveitarfélagas). Interview in 28th June 2013.


KANUKOKA. Årsberetning 2011.


