

## **8<sup>th</sup> World Congress of Metropolis in Berlin**

### **Friday, 13 May 2005 - Commission 1: Synthesis of the Political Round Table on Metropolitan Governance**

Ten high-level leaders (mayors, deputy mayors and governors) as representatives from the following metropolises: Athens, Paris, Stockholm Barcelona, Berlin, Montreal, Toronto, Mexico, Santiago de Chile and Abidjan came together to hold a political round table.

This round table primarily aims at offering delegates a platform to present specific features of their local situation and reality, to discuss metropolitan issues and their various components but also to learn lessons from experiences presented by its participants.

This interactive round table held in the form of questions, answers and reactions was moderated by Mr. Gerd Appenzeller, journalist and head of the editorial department of the daily Der Tagesspiegel, and by Amara Ouerghi, coordinator of the Commission 1. The interchange and discussions revolved around following topics:

- Different nature of institutions and their difficulties,
- governmental relations,
- development strategies, and
- financing of services and infrastructure.

Urban structure and institutional pattern were identified as the main source of quite a number of issues, such as the absence of coordination and metropolitan vision, fiscal disparities, social inequities and weak competitiveness at international level.

All over the globe, cities have grown in importance as political, social and economic entities that are essential for the development of contemporary societies. It is within this framework that metropolitan governance has come to be ever more important.

The exchange of views revealed the great variety of models of urban governance among metropolises according to their socio-political fabric. Paris, Toronto and Montreal dispose of formal metropolitan structures. Within the German federal system, Berlin has the status as a Land. In the case of Barcelona, the government has abolished its metropolitan structure. Athens, in turn, has no metropolitan governance whatsoever. In Abidjan and Santiago de Chile, there is an administrative coordination under state control.

Beyond structures and mechanisms of coordination, panellists exchanged their views and ideas on different strategies in place to secure a metropolitan development. In all cases, metropolises seek to create conditions that are conducive to a sustainable economic development and based on the industrial production, the tertiary sector, and new technologies to attract investments, to create new jobs and to ensure the competitiveness of their regions at an international level.

In other metropolises, big events in sport and culture serve as an attractive means of revitalising the metropolis. In this way, cities such as Barcelona and Athens harnessed the Olympic Games which helped them modernise certain quarters, build important infrastructure

and create new jobs. In addition, the Olympic Games enabled those and other cities to obtain a brand image and a reputation across the world.

Other cities have adopted sector-related strategies. In this way, Berlin has relied on tourism to secure its economic development. That is why the city has mobilised companies of the tourist industry, airline companies and hoteliers with the aim of developing a common strategy in favour of those sectors. With support of its partners, Berlin has also invested in the infrastructure of the tourist trade, but in the same way in a successful promotional campaign worldwide.

Other cities, such as Montreal, rely on culture in all its forms and on the organisation of major festivals. Culture is a multi-faceted source of development for various companies, and besides, creates new jobs. And so, culture affords Montreal a strategic position and appeal of international reach.

The problematic nature of the city centre and its outskirts were widely discussed in terms of disparity and iniquity. In this regard, an ever increasing number of low-income inhabitants live in cities which, as a result, take on ever greater financial and fiscal burdens. However, broadly speaking, at the outskirts of the cities we find well-off sections of the population that take advantage from services provided by the city centre without contributing themselves to the financing of such services in an equitable way. That is why we need metropolitan governance to enable the region to function in a coherent, efficient way and with greater equity.

As to relations with the government, everyone is in broad agreement on the overriding importance of such relations and the beneficial effect they can exert on the regional development. That being said, negotiations, at times are difficult and lengthy. In general, negotiations revolve around devolution, transfer of responsibility, delegation of authority relating to taxation and certain major projects of development. As regards Paris, Île-de-France, the French government recently transferred the portfolio of transportation and finance to the Regional Council in the process of decentralising its system. And a development of great moment also to be mentioned, cities have succeeded in concluding agreements with governments in question. That holds true for Paris but in the same way for Montreal. Unfortunately, in several cases, namely for cities in developing countries, the transfer of responsibility was not accompanied by a transfer of adequate funds.

The discussion predominantly centred on finance and the tax system. What is quite easy to understand because it is financial means that are of essence for cities and metropolises when it comes to acting and to realising their projects. And what is more, taxation is the very room of manoeuvre available to local members of parliament. In Stockholm, for instance, members of parliament establish the necessary level of taxation to be able to realise projects promised to the population. Inhabitants, in turn, are informed of what they will get, even if the level of taxation is comparatively high. As mayors of Montreal and Toronto explained, local authorities in general are financed through the local property tax, and the federal government (that did not finance municipalities because of jurisdiction), following its agreement with provincial governments, has accepted to support local authorities by transferring part of the sales tax and part of the gasoline tax to municipalities so as to enable them to build and modernise their infrastructure.

Except those cases, the majority of panellists agree on the fact that financial resources of metropolises are limited considering the requirements of the population and their own obligations. Furthermore, they are in agreement on the need of devolving powers along with

fiscal resources and adequate powers of taxation. They unanimously express their determination not to increase the fiscal burden for taxpayers and business. According to their view, consideration should be given to the idea of falling back upon the private sector or on a public private partnership to realise major projects.

In short, the round table discussion revealed without a doubt that across the world the issue of metropolitan governance is on the agenda. It remains to be a topic. It is of a cross-cutting nature because it includes institutional, judicial, financial and fiscal issues. It implicitly encompasses disputes and the balance of power between players confronting each other. Metropolitan governance constantly requires negotiating, establishing partnerships, flexibility and a willingness to compromise. Nonetheless, such a discussion on a highly complex issue highlighted different models and experiences metropolises have to cope with, but likewise the agreement on strategic questions, such as the need to develop a metropolitan vision, to coordinate and secure coherence, equity, a fiscal system and competitiveness of metropolises at an international level.